



Memorandum of Understanding

St. George Leagues Club Ltd ACN 000 151 020
("St George Leagues Club")

The St. George Masonic Club Ltd ACN 000 680 651
("St George Masonic Club")

This Memorandum of Understanding is made on 15 May 2024.

BETWEEN: **St. George Leagues Club Ltd ACN 000 151 020** of 124 Princes Highway, Kogarah NSW 2217 (“St George Leagues Club”)

AND **The St. George Masonic Club Ltd ACN 000 680 651** of 86 Roberts Avenue, Mortdale NSW 2223 (“St George Masonic Club”)

RECITALS

- (A) St George Leagues Club and St George Masonic Club are both registered clubs under the Registered Clubs Act.
- (B) On 6 February 2024 St George Leagues Club called for expressions of interest to amalgamate from other clubs.
- (C) Following the issuing of the expression of interest specified in (B) above, St George Masonic Club submitted an expression of interest to St George Leagues Club on 6 February 2024 indicating an interest in amalgamating with St George Leagues Club.
- (D) St George Leagues Club accepted the expression of interest from St George Masonic Club referred to in Recital (C) and St George Masonic Club and St George Leagues Club have agreed to amalgamate in accordance with the terms set out in this Memorandum of Understanding.
- (E) The amalgamation between St George Leagues Club and St George Masonic 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 St George Leagues Club and St George Masonic 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 St George Leagues Club and St George Masonic Club, the continuing vehicle of which will be St George Leagues Club after 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 St George Masonic Club (LIQC300231461) to St George 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 St George Masonic Club as at Completion including without limitation the Land and those other assets listed in Schedule 1;

“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 St George Leagues Club, or, the Amalgamated Club after Completion (as the context may require);

“Business” means the business of St George Masonic Club;

“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 St George Masonic Club is required by Law to keep;

“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 St George Leagues Club and St George Masonic 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 St George Masonic Club or St

George Leagues Club or both (as the context may require).

“Completion” means the day on which:

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

“Conditions Precedent” means the conditions precedent to Completion as set out in clause 17 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 20 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;

“EBITDA%” means earnings before interest, income tax, depreciation and amortisation as a percentage proportion of total club trading revenue;

“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 à 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 St George Masonic Club and an employee of St George Masonic Club;

“Final Approval” means the confirmation pursuant to section 60(8) of the Liquor Act by the Authority whereby St George Masonic Club’s Club Licence will be approved to be transferred to St George 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 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 St George Masonic Club owns, has an interest in or contractual entitlement to, as at Completion, and must include, without limitation Lot 22 in Deposited Plan 542051;

“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;

“Law” means:

- (a) all laws including without limitation any requirement of any statute, moratorium, rule, regulation, proclamation, ordinance, order or by law, present or future, and whether state, federal, or otherwise; and
- (b) any order, determination or decision of any Government Agency;

“Liabilities” means all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of St George Masonic Club (whatever description) as set out in Schedule 3 or incurred between the date of this MOU and Completion in accordance with clauses 16.1 and 16.2;

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

“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 St George Masonic Club 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; and

- (d) any event, condition or change which has an adverse quantifiable financial impact on the affected Party of less than one million dollars (\$1,000,000) per annum or two million dollars (\$2,000,000) 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 St George Leagues Club or St George Masonic 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 St George Masonic Club and St George 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 St George Masonic Club;

“Recipient” for the purposes of clause 20 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 St George Masonic Club;

“RCA or Registered Clubs Act” means the *Registered Clubs Act 1976 (NSW)*; and

“Registered” for the purposes of clause 20 of this Memorandum of Understanding, has the meaning given to that term by the GST Law;

“RCR or Registered Club Regulations” means the *Registered Clubs Regulation 2015 (NSW)*;

“St George Leagues Club CEO” means Approved Secretary of St George Leagues Club;

“St George Masonic Club CEO” means the Approved Secretary of St George Masonic Club;

“St George Masonic Club Premises” means the approved licensed premises of St George Masonic Club known as St George Masonic Club in respect of Club Licence LIQC300231461 as at the date of this Memorandum situated at 86 Roberts Avenue Mortdale, NSW 2223 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);

“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;

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

1.2 **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.

1.3 **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 electronic signatures and 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.

1.4 **Headings**

Headings do not affect the interpretation of this document.

2. AMALGAMATION

- 2.1 St George Leagues Club and St George Masonic 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 St George Leagues Club and the dissolution of St George Masonic Club.
- 2.3 The Amalgamation is intended to:
- (i) preserve and where possible, enhance the existing facilities and amenities of St George Masonic Club; and
 - (ii) preserve the continuation of the support of the local Sporting Clubs in the manner set out in the 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:
- (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 conditions precedent including those related to the transfer of Assets including the Club Licence, and the transfer of Land, to complete the Amalgamation.
 - (ii) St George Leagues Club, at its own expense, undertaking a due diligence review of St George Masonic Club's Assets including the Club Licence, liabilities, Land, and business operations and to give effect to this St George Masonic Club will immediately and up and until the sooner of Completion or termination of this Memorandum of Understanding:
 - (A) make available to St George Leagues Club its Records in any reasonably required formats; and
 - (B) provide further information, responses to queries and additional assistance to allow St George Leagues Club to complete its due diligence properly to its satisfaction; and
 - (C) provide access to the St George Masonic Club's Club Premises, the Land and any other premises of St George Masonic Club, as required to view Records, conduct inspections and due diligence, view Assets and/or review business operations.
 - (iii) In accordance with clause 14, St George Masonic Club will call and hold a general meeting of the ordinary members of St George Masonic Club to approve in principle, the Amalgamation (which includes without limitation the transfer of all Assets including the Club Licence, Liabilities and Land to St George Leagues Club).
 - (iv) In accordance with clause 14, the Board of St George Leagues Club will call and hold a separate general meeting of the ordinary members of St George Leagues Club to approve all of the following:
 - (A) In principle, the Amalgamation; and

- (B) Amendments to the St George Leagues Club's Constitution required to accommodate the transfer of members from St George Masonic Club to St George Leagues Club in the manner set out in this Memorandum and to deal with any other matters required by this Memorandum.
- (v) In accordance with clause 15, 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 St George Leagues Club. The Amalgamation Application will be made in the manner provided for in clause 15 below.
- (vi) In accordance with clause 16, the Clubs respectively warrant certain matters and St George Masonic Club agrees to conduct its Business in a particular manner and subject to specific restrictions until Completion.
- (vii) In accordance with clause 19, 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 17.3 then Completion will occur on that day in accordance with the terms and conditions of clauses 18 and 19 of this Memorandum of Understanding.
- (viii) At the time or immediately after the Amalgamation Application is granted, but subject to prior or concurrent satisfaction of the Conditions Precedent:
 - (A) The Assets will be transferred to St George Leagues Club;
 - (B) The Liabilities will be transferred to St George Leagues Club; and
 - (C) The premises of St George Masonic Club including without limitation the St George Masonic Club Premises, will become the additional licensed premises of St George Leagues Club and be available to all members of the Amalgamated Club; and
 - (D) All financial members of St George Masonic Club will be invited to become associate members of St George 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 "St George Masonic Club Members".
- (ix) After Completion:
 - (A) St George Leagues Club will continue as the body corporate of the Amalgamated Club; and
 - (B) St George Masonic Club (as a corporate entity) will be wound up in accordance with the Law and the requirement of clause 18.5.

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

4.1 Premises and Facilities

- (i) The St George Masonic Club Premises and its associated facilities will become additional premises of St George Leagues Club from Completion.
- (ii) St George Leagues Club will take over responsibility and control of all St George Masonic Club Premises from Completion.
- (iii) The cash balance of St George Masonic Club will be transferred to St George Leagues Club on Completion and will be allocated to the cash balance of the Amalgamated Club.
- (iv) After Completion, the Club Premises of St George Leagues Club and the Club Premises of St George Masonic 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 and any restrictions contained in this Memorandum of Understanding).

4.2 Capital Investment

- (i) St George Leagues Club will undertake an initial capital investment of not less than one million dollars (\$1,000,000) into the St George Masonic Club Premises and Business in the first twelve (12) months after Completion.
- (ii) After the first twelve (12) months after the Completion of the Amalgamation, St George Leagues Club will continue to undertake necessary works and improvements to the St George Masonic Club Premises as and when it deems it necessary and appropriate to do so.

4.3 Management

- (i) The St George 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 St George Leagues Club consistent with St George Leagues Club being the continuing club upon Amalgamation.
- (iii) The Amalgamated Club will appoint an approved manager for the St George Masonic Club Premises and this position will be offered to the St George Masonic Club CEO.

4.4 **Advisory Committee**

- (i) On or before Completion, the Board of the Amalgamated Club will create the St George Masonic Club Advisory Committee (“**Advisory Committee**”) in respect of the St George Masonic Club Premises and the following shall apply in respect of the Advisory Committee:
 - (A) The initial Advisory Committee will consist of the approved manager for the St George Masonic Club Premises, the current President of the St George Masonic Club and up to three (3) other existing directors of St George Masonic Club as nominated by the President of the St George Masonic Club who, as at the date of Completion, have given written consent to St George Leagues Club to be members of the Advisory Committee;
 - (B) The Advisory Committee Chairperson will be appointed by the members of the Advisory Committee; and
 - (C) The Advisory Committee will be required to meet quarterly (or more regularly if deemed necessary by the Advisory Committee) and forward any recommendations and reports to the CEO of the Amalgamated Club regarding matters relating to the St George Masonic Club Premises generally.
- (ii) Subject at all times to the approval of the Board of the Amalgamated Club, the Advisory Committee will meet quarterly with the CEO of the Amalgamated Club during the first twelve (12) months following Completion to ensure a smooth running of the St George Masonic Club Premises following Completion.
- (iii) St George Leagues Club’s CEO or his or her delegate shall be entitled to attend and participate in all meetings of the Advisory Committee but he or she shall have no voting rights at such meetings.
- (iv) The Advisory Committee:
 - (A) Is subject to the overall control and direction of the Board and management of the Amalgamated Club; and
 - (B) Will have no function in the governance or management of the Amalgamated Club or the St George Masonic Club Premises (except if specifically delegated to it by the Board of the Amalgamated Club).
- (v) St George Leagues Club will adopt by-laws which give effect to this clause 4.4 and the rules of the Advisory Committee shall be prepared and agreed upon by the Board of St George Leagues Club and the Board of St George Masonic Club before Completion.

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

The Amalgamated Club from Completion will continue the same, or provide a greater amount, of support and sponsorship to community, social and sporting groups in the local community of the St George Masonic Club Premises as set out in Schedule 2.

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:
 - (A) Be subject to the overall up-to-date strategic plan of the overall Amalgamated Club and its finances as determined by its Board of Directors with a focus on the medium and long-term growth and sustainability of all venues of the Amalgamated Club.
 - (B) Include the continuing strategic alignment of the Amalgamated Club with all forms of sporting groups in its local community which St George Leagues Club sees as an integral pillar to the long-term strategy of the Amalgamated Club to promote social interaction and participation in sport in the local community.
- (ii) The continued support of sport in the local community by the Amalgamated Club on an ongoing basis, in addition to its community contributions through ClubGRANTS, is seen by St George Leagues Club as being consistent with and advancing the wider objectives for which St George Leagues Club was originally established.
- (iii) 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 Club Operations

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

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

- 7.1 Subject to clause 4.3(iii), prior to Completion, St George Leagues Club will offer employment to all of St George Masonic Club’s employees on terms no less favourable than their existing terms of employment with such employees to work at any Amalgamated Club site as reasonably required by the Amalgamated Club.
- 7.2 Any employee of St George Masonic Club who accepts in writing the offer of employment with St George Leagues Club will become an employee of the Amalgamated Club on Completion and receive continuity of employment with St George Leagues Club and their Employee Entitlements as employees of St George Masonic Club will be honoured by St George Leagues Club.
- 7.3 Any employee of St George Masonic Club who does not accept the offer of employment with St George Leagues Club will be paid their full Employee Entitlements by St George Masonic Club on Completion when their employment with St George Masonic Club comes to an end.

8. INTENTIONS REGARDING THE FOLLOWING ASSETS OF ST GEORGE MASONIC CLUB:

- 1. ANY CORE PROPERTY OF ST GEORGE MASONIC CLUB;**
 - 2. ANY CASH OR INVESTMENTS HELD BY ST GEORGE MASONIC CLUB;**
 - 3. ANY GAMING MACHINE ENTITLEMENTS HELD BY ST GEORGE MASONIC 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 St George Masonic Club Premises) is currently “core property” of St George Masonic Club.
- 8.2 The Land (including the St George Masonic Club Premises) will become core property of the Amalgamated Club and it will, subject to the provisions and requirements of the Registered Clubs Act, remain core property.

Cash and Investments

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

Gaming Machine Entitlements

- 8.4 St George Masonic Club has one-hundred and four (104) GMEs as recorded on the St George Masonic Club Licence.
- 8.5 The Amalgamated Club intends to retain not less than seventy-six (76) GMEs at the St George Masonic Club Premises for as long as it trades from the St George Masonic Club Premises.

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)]

Risks

- 9.1 The amalgamation as set out in this Memorandum of Understanding will see the St George Masonic Club Premises become premises of a large Registered Club of financial standing and significant net asset value.
- 9.2 The “core property” of St George Masonic Club as set out in clause 8.1 above will, following Completion, be wholly owned by the Amalgamated Club with no mortgagee interest on title.
- 9.3 The risks of the Amalgamated Club not meeting any specified intentions regarding the preservation of the core property include the risks that the circumstances set out in clause 11.4(ii)–(vi) occur and that such circumstances impact the specified intentions with respect to core property.
- 9.4 The risks identified above 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 the core property of St George Masonic Club contained in the Registered Clubs Act.

10. ANY AGREEMENT UNDER SECTION 17A(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 17A(1) of the Registered Clubs Act, the major assets of St George Masonic Club are by definition the “core property” of St George Masonic Club as set out in clause 8.1 above being the Land (including the St George Masonic Club Premises).
- 10.2 Subject to clauses 10, 11 and 12 of this Memorandum of Understanding, and the Registered Clubs Act, the Amalgamated Club will not dispose of the major assets of St George Masonic Club during the first five (5) years after Completion.
- 10.3 If any of the circumstances referred to in clause 11.4 occur at any time after the first five (5) years after Completion, the Amalgamated Club may dispose of the major assets of St George Masonic Club (being the “core property” of St George Masonic Club).

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

Premises

- 11.1 St George Leagues Club does not intend to cease trading from the St George Masonic Club Premises subject to the terms and conditions of this Memorandum of Understanding (other than as may be required for renovation as per clause 6.2 of this Memorandum of Understanding).
- 11.2 The objects of St George Leagues Club will become the objects of St George Masonic Club with effect from Completion.
- 11.3 St George 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, St George Leagues Club and St George Masonic Club have agreed that the Amalgamated Club may cease trading from the St George Masonic Club Premises in the following circumstances:
- (i) If it does so in a manner that complies with section 17A1 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;
 - (iii) Upon the lawful order of any Government Agency to permanently cease trading in the ordinary course of business from the St George Masonic Club Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading in the ordinary course of business from the St George Masonic Club Premises and it is not possible for the licences, approvals or consents to be re-instated or new/replacement licences, approvals or consents to be obtained;;
 - (iv) If the St George Masonic Club Premises are destroyed or partially destroyed, and it is not commercially viable or appropriate to reconstruct or repair the St George Masonic Club Premises in the opinion of the Board of the Amalgamated Club following consultation with the Advisory Committee;
 - (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) If after the fifth anniversary of Completion the Board of the Amalgamated Club determines that continued trading from the St George Masonic 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 St George Masonic Club Premises are not an indication that St George Leagues Club believes that the use of such premises will not be financially viable. St George Leagues Club is committed to trading the St George Masonic Club Premises in accordance with its obligations under this Memorandum of Understanding.

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

- 12.1 St George Leagues Club does not intend to cease trading from the St George Masonic Club Premises. St George 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 St George Leagues Club will become the objects of St George Masonic 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, St George Leagues Club and St George Masonic Club have agreed that the Amalgamated Club will continue to trade from the St George Masonic Club Premises for a minimum of five (5) years from Completion (except in any of the circumstances referred to in clause 11.4(i) to (vi) inclusive).

13. BINDING EFFECT OF MEMORANDUM OF UNDERSTANDING

- 13.1 St George Leagues Club and St George Masonic Club agree that this Memorandum of Understanding is legally binding on them.

14. CALLING OF MEETINGS AND ADMISSION OF ST GEORGE MASONIC CLUB MEMBERS TO MEMBERSHIP OF ST GEORGE LEAGUES CLUB

- 14.1 St George Masonic Club must call a general meeting of the ordinary members of St George Masonic Club for the purposes of considering and, if thought fit, passing resolutions:
- (i) 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 St George Leagues Club as the corporate entity of the Amalgamated Club; and
 - (B) The transfer of the St George Masonic Club's Club Licence, Assets, Land and Liabilities to St George Leagues Club.
- 14.2 The making of a conditional application under section 60 of the Liquor Act to the Authority for the transfer of the Club Licence of the St George Masonic Club to St George Leagues Club for the purposes of the Amalgamation. The meeting referred to in clause 14.1 must

be held as soon as practicable after the date of this Memorandum of Understanding and must be held by the date which is not more than two (2) months from the date of this Memorandum of Understanding or such later date approved by St Georges Leagues Club.

14.3 St George Leagues Club must call a general meeting of the ordinary members of St George Leagues Club for the purposes of considering and if thought fit passing of 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 St George Leagues Club as the corporate entity of the Amalgamated Club;
 - (B) The transfer of the Club Licence, Assets; Land and Liabilities of St George Masonic Club to St George Leagues Club; and
- (ii) The making of a conditional application under section 60 of the Liquor Act to the Authority for the transfer of the Club Licence of St George Masonic Club to St Georges Leagues Club for the purposes of the Amalgamation.

14.4 The meeting referred to in clause 14.3 must be held as soon as reasonably practicable after St George Masonic Club passes the resolution referred to in clause 14.1 (or at such prior time as may be determined by St George Leagues Club in its absolute discretion).

14.5 In addition to the resolution referred to in clause 14.3, St George Leagues Club will, at the meeting referred to in clause 14.3 submit to those members eligible to attend and vote, a special resolution to amend the Constitution of St George Leagues Club (with effect only from Completion) to the following effect:

- (i) All financial members of St George Masonic Club will be invited to apply for associate membership of St George Leagues Club in the manner referred to in paragraphs (ii) and (vi) inclusive of this clause 14.5;
- (ii) All transferring members will be subject to the usual restrictions applicable to new St George Leagues Club members;
- (iii) For the purposes of section 17AC(2) of the Registered Clubs Act, all transferring members of St George Masonic Club as at the date of Completion will be identified in St George Leagues Club's membership register as "St George Masonic Club Members";
- (iv) All transferring members will be given a credit for any membership subscription amounts paid;
- (v) Prior to Completion, St George Leagues Club will forward to each member of St George Masonic Club an invitation to become an associate member of St George Leagues Club; and
- (vi) Any member of St George Masonic Club who accepts the invitation to become an

associate member of St George Leagues Club, agrees to pay the appropriate fees and subscriptions for that class of membership and agrees in writing to be bound by the constitution of St George Leagues Club, will (subject to the name of that person being displayed on the noticeboard of St George 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 St George Leagues Club) be elected by a resolution of the Board of St George Leagues Club to associate membership of St George Leagues Club.

14.6 Notwithstanding anything contained in this Memorandum of Understanding, any member of St George Masonic Club who, at Completion, is then:

- (i) Duly in the ordinary course refused admission to, or has been turned out of, the St George Leagues Club Premises;
- (ii) Suspended from St George Leagues Club; or
- (iii) Expelled from St George Leagues Club;

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

- (i) The person is again permitted to enter the St George 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 St George Leagues Club or has readmitted the person to membership of St George Leagues Club.

14.7 This Memorandum of Understanding is to be:

- (i) Made available to the ordinary members of St George Masonic Club and St George 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.

14.8 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.

15. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY

- 15.1 As soon as reasonably practicable after the meetings referred to in clauses 14.1 and 14.3, each Club must prepare and provide to the lawyers for St George 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 resolutions were passed; and
 - (ii) A true copy of the minutes of the meeting which will, among other things, record the number of members present at the meeting and whether or not the resolution was passed.
- 15.2 St George Leagues Club and its lawyers will prepare and file the Amalgamation Application.
- 15.3 St George Masonic Club will co-operate with St George Leagues Club and the lawyers for St George Leagues Club and will provide all documents and information reasonably required for the preparation, lodgment and finalisation of the Amalgamation Application and will cause the St George Masonic Club's CEO to sign the Amalgamation Application if required to do so.
- 15.4 St George Leagues Club will seek an approval in principle from the Authority of the Amalgamation Application with final transfer of the St George Masonic Club's Club Licence to St George Leagues Club to occur on Completion.
- 15.5 After the Amalgamation Application is granted and the Conditions Precedent have either been achieved or waived as permitted by clause 17.3 then Completion will occur and:
- (i) St George Leagues Club will continue as the body corporate of the Amalgamated Club; and
 - (ii) St George Masonic Club will be dissolved and wound up in accordance with Law.
- 15.6 This Memorandum of Understanding is to be lodged with any application under section 60 of the Liquor Act to transfer the club licence held by St George Masonic Club to St George Leagues Club.

16. WARRANTIES AND OPERATIONAL ARRANGEMENTS

- 16.1 St George Masonic Club warrants to St George Leagues Club that:
- (a) from the date of this Memorandum of Understanding to the date of Completion, St George Masonic Club shall not do any of the following without the prior written consent of St George 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 one thousand dollars (\$1,000) 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 five thousand dollars (\$5,000), except in cases of emergency or where it is not reasonably possible to obtain such consent;
 - (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 St George Leagues Club concerning a possible amalgamation and/or the sale of all or any part of St George Masonic Club's Assets. St George Masonic Club must advise St George 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 fees payable by members or other patrons; and,
- (b) To the best of its knowledge, information and belief, that Schedule 3 includes all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of St George Masonic Club (of whatever description) as at the date of the Memorandum of Understanding;

- (c) To the best of its knowledge, information and belief, the accounts given to St George Leagues Club to 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 Standards;
 - (d) To the best of its knowledge, information and belief, it has complied with all Laws relating to payment of Taxes and Employee Entitlements.
- 16.2 Until completion St George Masonic Club must maintain the following insurance policies in respect of the Assets and the St George Masonic 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 insurance as required by Law.
- 16.3 Each of St George Masonic Club's warranties contained in clause 16.1 remain in full force and effect notwithstanding Completion.
- 16.4 Without limiting its other rights, and notwithstanding any other provision of this Memorandum of Understanding, St George 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 St George Masonic Club's warranties as set out in clause 16.1.
- 16.5 If, before Completion, in relation to St George Masonic Club:
 - (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 St George Masonic Club; or
 - (v) There is any material adverse change in the condition (financial or otherwise) or prospects of St George Masonic Club or of its operations,

then the St George Masonic Club must, immediately on becoming aware of the circumstances, give notice to St George Leagues Club fully describing the circumstances.
- 16.6 Title to, property in and risk of St George Masonic Club's Assets remain solely with St

George Masonic Club until such time as they are passed to the Amalgamated Club in accordance with clause 18.

16.7 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) Each of the representations and warranties it has made in this Memorandum of Understanding are correct to the best of their knowledge, information and belief; and
- (iii) All information that it has provided to the other party is, to the best of their knowledge, information and belief, true and correct in all respects and is not misleading by omission of information.

17. CONDITIONS PRECEDENT TO COMPLETION OF THE AMALGAMATION

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

- (i) St George Masonic Club making available the Records for review and copying by St George Leagues Club for due diligence purposes;
- (ii) St George Leagues Club's due diligence being satisfactory to St George Leagues Club in relation to the St George Masonic Club, the St George Masonic Club's Premises, the St George Masonic Club's Club Licence, Business, Liabilities;
- (iii) All Assets (including the Land) on Completion being transferred to St George Leagues Club free of any and all Encumbrances with any necessary releases being provided on Completion to St George Leagues Club;
- (iv) St George Masonic Club passing the resolutions set out in clause 14.1 of this Memorandum of Understanding;
- (v) St George Leagues Club passing the resolutions set out in clause 14.3 and 14.5 of this Memorandum of Understanding;
- (vi) The Final Approval being issued by the Authority to transfer St George Masonic Club's Club Licence to St George Leagues Club;
- (vii) St George Masonic Club's Club Licence when transferred to St George Leagues Club having seventy-six (76) GMEs; and
- (viii) The completion of all Land Purchase Contracts between St George Masonic Club and St George Leagues Club with respect to all Land and the transfer of such Land to St George Leagues Club free from any and all Encumbrances.

- 17.2 St George Masonic Club and St George Leagues Club will use all reasonable endeavours to ensure the satisfaction of the conditions set out in clause 17.1 above as far as they lie within their respective powers to do so.
- 17.3 If any of the above conditions in clauses 17.1 are not satisfied or waived by St George Leagues Club either partially or fully, on or before the date which is 24 months from the date of this Memorandum of Understanding, then St George Leagues Club may from that date terminate this Memorandum of Understanding by providing St George Masonic 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.

18. DISSOLUTION OF ST GEORGE MASONIC CLUB, TRANSFER OF ASSETS AND LIABILITIES POSITION UNDER THIS AMALGAMATION

- 18.1 On Completion St George Masonic Club must transfer to St George Leagues Club the Assets and Land free from all Encumbrances (less an amount sufficient for the purposes of dissolving and winding up St George Masonic Club in the manner referred to in clause 15.5 and for directors' and officers' liability insurance pending deregistration). For the purposes of this clause, St George Leagues Club will be deemed to have unencumbered title and ownership of an Asset (that is not the Land) if St George Masonic Club has obtained a written undertaking from the relevant secured party on or before Completion which states that the relevant secured party will take all necessary steps to release their interest in the Asset after Completion and the undertaking is acceptable to St George Leagues Club.
- 18.2 Subject to clauses 18.3 and 18.4, St George Leagues Club will honour and accept the novation or assignment of all contracts between St George Masonic Club and third parties for the remainder of their existing term if:
- (i) such contracts have been available for inspection by St George Leagues Club during its due diligence process and are specified in Schedule 4; or
 - (ii) such contracts have been entered into with the prior written consent of St George Leagues Club after the date of this Memorandum of Understanding.
- 18.3 Nothing in this document operates to transfer or otherwise pass to St George Leagues Club or will be construed as an acceptance by St George Leagues Club of any liabilities or obligation of the:
- (i) Business operated by St George Masonic Club; or
 - (ii) St George Masonic Club; or
 - (iii) That is not expressly assumed by St George Leagues Club under this document.
- 18.4 St Georges Leagues Club will be responsible for and pay when due all debt and liabilities of St George Masonic Club which:

- (i) have not been paid or otherwise discharged in full by St George Masonic Club as at Completion, such debts being amounts as set out in Schedule 3 or incurred in accordance with clauses 16.1 and 16.2;
- (ii) are reasonably incurred by St George Masonic Club after Completion with St Georges Leagues Club's prior written consent;
- (iii) arise from St George Leagues Club not accepting the assignment or novation of any of the contracts as required by clause 18.2.

except where such debts and liabilities have been incurred by St George Masonic Club contrary to the restrictions in clause 16.1.

18.5 As soon as practicable after Completion, St George Masonic Club must ensure that the corporate entity of St George Masonic Club is wound up.

19. COMPLETION

19.1 Subject to the satisfaction, or valid waiver, of the Conditions Precedent set out in clause 17.1, 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 St George Leagues Club (acting reasonably and after consultation with St George Masonic Club).

19.2 St George Masonic Club must on Completion:

- (i) (Assets) deliver to St George 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 St George Leagues Club the online transfer key to transfer each registered Business name to St George Leagues Club;
- (iii) (Intellectual Property rights) assign and transfer absolutely all its rights, title and interest in all intellectual property rights by delivering to St George Leagues Club deeds of assignment or transfers of such Assets all in form and substance reasonably required by St George Leagues Club;
- (iv) (Delivery) deliver to St George Leagues Club those Assets, including plant and equipment, capable of transfer by leaving those Assets in situ on the Land;
- (v) (Possession) permit St George 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 St George Leagues Club the Records;
- (vii) (IT Asset licences) deliver to St George Leagues Club executed transfers or assignments in favour of St George Leagues Club of all information technology Asset licences;

- (viii) (Deeds of assignment or novation) deliver to St George Leagues Club duly executed deeds of assignment or novation, all in the form and substance as reasonably required by St George Leagues Club in respect of all contracts agreed to be honoured by St George Leagues Club;
 - (ix) (Release of encumbrances) deliver evidence satisfactory to St George Leagues Club of the release of all Encumbrances (if any) over its Business, Land and Assets;
 - (x) (Consents and approvals) deliver to St George 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 that 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 St George Leagues Club;
 - (xii) (Rental Assets) deliver to St George Leagues Club such other documents and material as St George Leagues Club requires to effect the transfer of any rental assets to St George Leagues Club that St George Leagues Club has agreed to accept under the terms of this Memorandum of Understanding;
 - (xiii) (Third party items) deliver to St George Leagues Club a comprehensive list of all items on the Premises owned by a party other than St George Masonic Club (not including member personal effects but including any items of memorabilia on display);
 - (xiv) (General) deliver to St George Leagues Club such other documents and material and do all other things reasonably required to effect the transfer of the business of St George Masonic Club and the Assets to St George Leagues Club on Completion and perform all other obligations to be performed by St George Masonic Club on Completion under this Deed.
- 19.3 Where St George Masonic 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 St George Leagues Club on Completion in a form required by St George Leagues Club (the "Transfer Documents"), St George Leagues Club must, not less than seven (7) days before the proposed date of Completion, deliver the Transfer Documents to St George Masonic Club or its solicitors for execution by St George Masonic Club.
- 19.4 St George Masonic Club must give St George Leagues Club or its solicitors all such Transfer Documents within a reasonable period (having regard to when any such Transfer Documents were provided to St George Masonic Club or its solicitors) prior to Completion for stamping where necessary. All such documents must be held by St George Leagues Club or its solicitors in escrow pending Completion.
- 19.5 On winding up of St George Masonic Club it must give to St George Leagues Club the balance of all Records.

- 19.6 Any document or other item specified in clause 19.2 may be delivered to St George 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 St George Leagues Club's instructions.
- 19.7 For the purposes of clause 18.1, St George Masonic Club must do all things necessary and execute all documents to cause all of the Assets and Land to be transferred to or assigned to the St George Leagues Club with effect from the date of Final Approval free of Encumbrances.
- 19.8 The obligations of the parties under this clause 19 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clauses 19.2 to 19.4 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 19.2 to 19.4 must be returned to the party that delivered it or paid it.
- 19.9 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, lodgment and finalisation of the matters referred to in this clause 19.

20. GST

- 20.1 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 (5) 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.

21. CONFIDENTIALITY

- 21.1 Subject to clauses 21.2 and 21.3 below, each party must not disclose any Confidential Information without the prior written consent of the other party.
- 21.2 A party may disclose matters referred to in clause 21.1:
 - (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.
- 21.3 A party may make announcements or statements at any time in the form and on the terms previously agreed by the parties in writing.
- 21.4 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.
- 21.5 This clause 21 will survive the termination of this Memorandum of Understanding.

22. RESOLUTION OF DISPUTES ARISING UNDER THIS MEMORANDUM OF UNDERSTANDING

- 22.1 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 22.

- 22.2 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.
- 22.3 For a 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 (7) days of that period with that aim.
- 22.4 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.
- 22.5 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.
- 22.6 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.
- 22.7 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.
- 22.8 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.
- 22.9 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.
- 22.10 Each Disputant must bear its own costs of complying with this clause 22 and the Disputants must bear equally the Expert’s costs unless the decision of the Expert states otherwise.
- 22.11 If, in relation to a Dispute, a Disputant breaches any provision of clauses 22.1 to 22.9, each other Disputant need not comply with those clauses in relation to that Dispute.

- 22.12 Despite the existence of a Dispute, each party must continue to perform its obligations under this agreement.

23. COSTS

- 23.1 Each party will bear its own costs (including but not limited to legal fees) in relation to the negotiation, preparation and execution of this Memorandum of Understanding and the Amalgamation.
- 23.2 St George 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.
- 23.3 This clause 23 survives the termination of this Memorandum.

24. GENERAL PROVISIONS

- 24.1 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.
- 24.2 If this Memorandum of Understanding conflicts with any other document, agreement or arrangement, this Memorandum of Understanding prevails to the extent of the inconsistency.
- 24.3 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.
- 24.4 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.
- 24.5 This Memorandum of Understanding may not be amended or varied unless the amendment or variation is in writing signed by all parties.
- 24.6 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.
- 24.7 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.

- 24.8 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.
- 24.9 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.
- 24.10 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).
- 24.11 This Memorandum of Understanding may be executed in any number of counterparts and all counterparts taken together will constitute one document.
- 24.12 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.
- 24.13 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.

25. TERMINATION

- 25.1 St George Leagues Club may terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to St George Masonic Club if:
- (i) St George Masonic Club materially breaches any warranty contained in clause 16;
 - (ii) The circumstances in clause 16.5 exist in relation to St George Masonic Club;
 - (iii) St George Masonic Club's members do not pass the resolution referred to in clause 14.1 at a general meeting;
 - (iv) St George Leagues Club's members do not pass the resolutions referred to in clauses 14.3 and 14.5 at a general meeting;

- (v) St George Masonic Club is in material 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 ten (10) Business Days of being given notice to do so;
 - (vi) The Authority does not grant Final Approval of the Amalgamation Application within twelve (12) months of the date of this Memorandum of Understanding; or
 - (vii) St George Masonic Club suffers a Material Adverse Event or a Material Adverse Regulatory Event.
- 25.2 St George Leagues Club may terminate this Memorandum of Understanding up to the date of the general meeting of St George Masonic Club referred to in clause 14.1, by giving written notice to St George Masonic Club if its due diligence review undertaken by it on St George Masonic Club is not satisfactory to the Board of St George Leagues Club. For the avoidance of doubt, this termination right cannot be exercised after the date of the general meeting of St George Masonic Club referred to in clause 14.1.
- 25.3 St George Masonic Club may terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to St George Leagues Club if:
- (i) St George Masonic Club's members do not pass the resolutions referred to in clause 14.1 at the general meeting held pursuant to, and in accordance with, clauses 14.1 and 14.2 of this Memorandum of Understanding ; or
 - (ii) St George Leagues Club's members do not pass the resolutions referred to in clauses 14.3 and 14.5 at a general meeting of St George Leagues Club within one (1) month of the members of St George Masonic Club passing the resolutions referred to in clause 14.1.
- 25.4 Notwithstanding any other provision of this Memorandum of Understanding, if Completion has not occurred within twelve (12) 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.
- 25.5 Termination of this Memorandum of Understanding does not affect the rights and remedies of any party accrued prior to termination.

26. NOTICES

- 26.1 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 26.3 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 26.3 or as varied by notice).

26.2 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 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.

26.3 Unless varied by notice in accordance with this clause 26, the parties' addresses and other details are:

Party: **St George Masonic Club**
Attention: Wayne Nolland
Address: 86 Roberts Avenue Mortdale NSW 2223
E-mail: ceo@masos.com.au

Party: **St George Leagues Club**
Attention: Craig Epton
Address: 124 Princes Highway, Kogarah, NSW 2217
E-mail: cepton@stgeorgeleagues.com.au

SCHEDULE 1

ASSETS

All assets which are owned by St George Masonic 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 22 in Deposited Plan 542051.
3. all Plant & Equipment;
4. all Gaming Machine Entitlements;
5. all gaming machines ;
6. all intellectual property rights;
7. all memorabilia owned by the Club;
8. all assets of trade;
9. all business names;
10. all cash on hand, general reserves and investments;
11. the Club Licence (LIQC300231461) for the St George Masonic Club Premises with not less than one-hundred and four (104) gaming machine entitlements on it;
12. stock in trade;
13. social media accounts and domain names;
14. all other tangible and intangible assets;
15. insurance policies;
16. keno rolls and TAB rolls;
17. insurance claims; and
18. debtors.

SCHEDULE 2

COMMUNITY SUPPORT

• Forest Rangers Football Club (Soccer)	\$7,500
• Mortdale Heights Cricket Club	\$5,000
• Oatley Snr's Rugby Club (Drop Bears)	\$6,000
• Penshurst Physical Culture	\$3,000
• 101 Art Society Oatley	\$2,000
• Croquet Club Penshurst	\$500
• St George Basketball	\$6,000
• RSLNSW Auxiliary (St George)	\$2,500
• Peaky Striders	\$2000
Total	\$34,500

SCHEDULE 3**DEBTS AND LIABILITIES OF ST GEORGE MASONIC CLUB**

Account	
Liabilities	
Current Liabilities	
ANZ AU CC 456480XXXXX3344	8,059.60
800 - Accounts Payable	185,048.69
83002-0 - INNER CLUBS CLEARING - GOLF	6,609.28
83002-20 - INNER CLUBS CLEARING - BOWLS	3,312.30
83002-40 - INNER CLUBS CLEARING - FISHING	12,351.72
83004 - LOAN-INS FUNDING	31,094.28
83006 - SUBS IN ADVANCE	43,638.52
83008 - St George Leagues - Advance	200,000.00
83009 - PROV FOR HOLIDAY PAY	55,127.97
83011 - PROV FOR LONG SERVICE	52,019.28
83017 - ACC EXPENSES-AUDIT FEES	21,666.65
83020 - ACC EXPENSES-P/M DUTY	58,760.80
83024 - ACC EXPENSES-OTHER	9,462.28
83025 - ACC EXPENSES ACCOUNTANCY	9,425.00
83027 - ACC COMMUNITY LEVY	21,545.31
83030 - SECURITY DEPOSIT	200.00
83031 - SALARY & WAGES CLEARING A/C	22,166.73
83032 - TAB CLEARING A/C	2,137.09
83034 - SUPERANNUATION CLEARING A/C	11,893.50
83036 - Net GST	41,763.18
83039 - HIRE PURCHASE CREDITOR - BOQ	2,613.13
83041 - Hire Purchase - Aristocrat	33,208.36
83043 - Housie - Learning Links Clearing	1,549.71
83040 - KENO CLEARING A/C	701.29
83042 - Sundry Creditors	24,716.28
Total Current Liabilities	859,070.95
Commercial Bill Bank Liabilities	
Cheque Account - main - Commercial Bill drawn	2,193,998.67
83053 - ANZ BUSINESS LOAN	356,972.82
Total Bank Liabilities	2,550,971.49
Total Liabilities	3,410,042.44

SCHEDULE 4

CONTRACTS

AGL Electricity Agreement
Aristocrat Leisure
Aristocrat Technologies
Canon Supply and Rental Agreement
CUB Business Support and Supply Agreement
CUB Asahi Jan 23 Business Support and Supply Agreement
CUB Asahi May 23 Business Support and Supply Agreement (NON BEER)
Element Security Alarm Monitoring
One Music Australia – Music Licence
InfinitePOS
Amarda
Cleanaway
NDH Associates
CashConnect
iSecurity
BOQ Equipment Finance

EXECUTED as a DEED:

Executed by **St. George Leagues Club Ltd**)
ACN 000 151 020 pursuant to Section 127 of)
the Corporations Act 2001)

DocuSigned by:

A0BA44D8CF2748C...

Director

Ralph Piggott

Name of Director
(print name)

DocuSigned by:

AB404B66FFE2431...

Secretary

Craig Epton

Name of Secretary
(print name)

Executed by **The St. George Masonic Club**)
Ltd ACN 000 680 651 pursuant to Section)
127 of the Corporations Act 2001:)

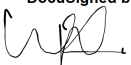
DocuSigned by:

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Director

Norma Alexander

Name of Director
(print name)

DocuSigned by:

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Secretary

Wayne Nolland

Name of Secretary
(print name)