



Rose Bay RSL Club Co-op Ltd

General Meeting

18 January 2025 at 10:00am

MINUTES

Date: 18 January 2025

Start: 10:33am

Chairperson: John Bax.

Location: The Club, 1 Vickery Avenue, Rose Bay – Monash Hall

Total Members in Attendance: 146 Members entitled to vote at the General Meeting

Board Members in Attendance: John Bax, Pamela Porter, Kearney Martin, Janice Ringrose, Lee Reuben and Anthony Bouggas Club Secretary/Manager and CEO.

Further attendees: Patricia Monemvasitis of Carroll & O'Dea Lawyers

Matthew Silveira and David Simmons of NSW Liquor & Gaming

Athan Tsamouras of Conroy Audit & Advisory

Apologies: Morris Eskin (1581)

Dr Adrian Cohen (9239)

Abigail Hoff (9674)

Catherine Cosgrove (1668)

Anthony Carroll (1602)

Mary Carroll (904)

Lee Stockley (59)

Rosemary Stockley (60)

Rod Holtham (102)

Roberto Correia (9091)

Opening by the Chairperson and Declaration that the Quorum was Present

The Chairman declared the General Meeting of Club Rose Bay Co-Operative Limited open and confirmed that the Chairperson will preside over the General Meeting.

Introductions by John Bax

The Chairperson introduced himself as John Bax, President and Chairperson of Club Rose Bay whilst welcoming the attendees

The Chairperson acknowledged that the necessary quorum was present and declared the meeting open, recognising that as Chairperson of the Club he will preside at this meeting.

The Chairperson then introduced 'housekeeping matters' and outlined that when questions start attendees must have a microphone to speak and clearly state their full name and membership number. Further, the Chairperson stated that the purpose of the meeting is to deal with one (1) special resolution being Special Resolution 1 as set out in the Notice of General Meeting.

The Chairperson then introduced the following persons:

- Pamela Porter (Vice President)
- Lee Reuben (Director)
- Janice Ringrose (Director)
- John Kearney Martin (Director)
- Anthony Bouggas (Secretary/CEO)
- Patricia Monemvasitis (from Carroll & O'Dea Lawyers)

Chairperson's Introduction

The Chairperson expressed that the business of the General Meeting was to secure a pathway forward of contribution and support of the Co-Op trading as Club Rose Bay, which will allow the community to emerge from administration, re-open and continue the Club's legacy.

The Chairperson again introduced Patricia Monemvasitis, the Club's solicitor, to briefly cover some rules for speakers at the meeting.

The Chairperson clarified that after Patricia, he will speak and take questions on the topic, following this discussion the club will then vote on the Special Resolution as set out in the Notice of General meeting as issued.

Rules for Speakers: Presented by Patricia Monemvasitis

Patricia outlined the following meeting rules:

1. This is a General Meeting, not an Annual General Meeting, and only business of which notice has been given can be dealt with.
2. When the time comes later the Resolutions must be considered as a whole and cannot be altered by motions from the floor of the meeting.
3. Members who are employees of the Club are not entitled to vote and cannot address the meeting.
4. Proxy voting is not permitted under the Constitution of the Club and the Registered Clubs Act.
5. There are microphones for questions and comments please wait for the microphone to be available, walk to the microphone when called or a microphone will be brought to you.
6. Before making your address state your name, Member number and then proceed with your question or comment.
7. Any person who desires to take part in any discussion, should raise their hand when we get to that time.
8. The Board welcomes all comments both for and against the special resolution, and encourages Members to share their views and ask questions.

General Discussion

The Chairperson stated as follows:

The Club appointed an Administrator on the 15th of August 2024. The Board considered it appropriate to appoint an Administrator given the then current trading conditions of the Club

that included constant repairs and maintenance programs on the sewer lines, the building and equipment and a broken mains water line that could not be funded from trading profits. Although the Board believed that recovery of some of these costs could be obtained through insurance claims the lack of financial resources to follow them through was always going to be too much of a challenge for the Club. Therefore, the Board came to a decision, while the Club was still solvent to appoint an administrator who would assist in a restructuring of the Club business to address all of these issues.

The Chairperson advised that the Administrator did successfully obtain a number Deed of Company Arrangement proposals, the best being the leading hospitality operator Hemmes Trading Pty Ltd (also known as Merivale). The Chairperson explained that the proposal from Merivale was recommended by the Club's Administrator and strongly supported by the Club Board and Club Rose Bay RSL sub-Branch and thereon voted on and approved by the Club's Creditors in November 2024.

The Chairperson outlined that the proposal, if successful, would allow the Club to enter into a Club Operations Management Agreement with Merivale and a Loan Agreement which will see the Club benefit from ongoing funding to recommence trade and refurbish our Club Premises.

The Chairperson further stated that the entering into by the Club of the Club Operations Management Agreement, Loan Agreement and ancillary documents are required so the Co-Operative can satisfy certain Conditions Precedents of the DOCA dated 28 November 2024 entered into by the Co-Operative, the Manager and the Deed Administrators following the Co-Operative entering into administration.

The Chairperson clarified that under the Merivale proposal, Merivale would become a service provider to the Club and would oversee Club operations, including managing the food and beverage offering, and events. The Board would remain in full control of the Club, and confirmed to the Members that their rights as a Club Member will not change, and their Member discounts will continue to apply. The Chairperson then confirmed that:

- (a) The Club and sub-Branch would continue to always own the operational assets and the Club premises.
- (b) Merivale would not own any assets of the Club or sub-Branch.
- (c) The Board, and the Club's CEO/Secretary would always retain authority, oversight, and control over operations and governance of the Club.

- (d) As part of this proposal, Merivale would also provide the Club with funding to undertake an uplifted refurbishment of the Club premises, which would provide more enjoyable amenity for Members and guests.
- (e) Merivale would also enhance the legacy war memorabilia displays.

The Chairperson assured that this proposal would allow the Club to focus on and fund the achievement of our objectives to support our local community initiatives, RSL Sub-Branch events and activities of other community groups, whilst ensuring the Club continues in an enhanced capacity to serve its community and Member purposes.

The Chairperson outlined that the documents and key commercial terms had been assessed by the Administrator and on behalf of the Board, the Club's financial advisors and the Club's solicitor. He further clarified that there will be another month waiting for regulatory processes to complete and then a three month refurbishment period. When the Board knows the Club Opening date, it will be communicated it to the Members.

Question & Answer Session

The Chairperson read out questions provided by a Member by email on 2 occasions (on 21 December 2024 and 16 January 2025) and the answers provided by the Board (in red).

1. Email from a Member dated 21 /12/24
1. Regarding the proposed distinction between Social Members and Foundation Members under the new rules:
 - What is the specific process for a Social Member to transition to Foundation Member status? **They need to apply for Foundation Membership.**
 - Is this transition automatic upon satisfying certain criteria, or is it subject to the discretion of the current Board? **No. It needs approval of the Board.**
2. Additionally, I would appreciate clarification on the following broader governance questions:
 - Will Social Members have any pathway or opportunity to participate in governance beyond general voting rights, or are they permanently precluded from Board eligibility and other decision-making processes? **Social Members are not permanently precluded, they can apply to become Foundation Members and participate in governance.**
 - What specific mechanisms or safeguards are being implemented to ensure that the proposed changes are transparent, equitable, and in the best interest of all members? **There will be no changes to Members' rights and all changes are consistent with the Co-Operatives Act. Additionally, the proposed changes have to be submitted to the Department of Fair Trading for approval. From a governance perspective, we have changed the corporate governance of the Club to be able to accommodate the Management Agreement and to include provisions which are up to date and reflect the requirements of the Co-Operatives Act.**

2. Email from a Member dated 16/1/25

1. **Membership Records:**

As the club is unable to confirm my membership tenure, could you clarify how eligibility for governance roles requiring five years of membership will be verified moving forward? **We are not in a position to answer this question at this time as the Club is in receivership and we do not have access to our systems. Once we have full access to the records we will ensure the records are accurate.**

2. **Board Discretion in Membership Applications:**

Could the club publish clear and objective criteria for approving membership applications to Foundation Membership? This would help members understand the process and reduce any perception of bias. **The Board is aware that procedure in the Rules has to be followed. The process for election of members has not been changed and will remain unchanged. This process complies with the Registered Clubs Act.**

3. **Social Membership Transition:**

While Social Members can apply for Foundation Membership, would the club consider introducing automatic eligibility for Social Members who meet a specific tenure threshold (e.g., five years)? This could help ensure inclusivity and fairness in governance participation. **The length of social membership will be determined by the Board from time to time. All applications for membership will be determined in accordance with the Rules.**

4. **Transparency of Proposed Changes:**

To ensure members of all levels of familiarity with governance can fully understand the rule changes, would the club consider providing a simplified summary or hosting a dedicated Q&A session? **We will read out your questions at the meeting and we will read out our replies. There is an opportunity to raise questions at the meeting. The Notice does provide a summary of the changes to the Rules and any questions arising can be put to the Chair at the meeting.**

The Chairperson then called for questions and comments. The following persons raised questions and or comments:

1. Stephen Hennessy (1256)
2. Brian O'Dowd (3961)
3. Terence Johnston (1839)
4. Nancy Georges (7917)
5. Charles Gallagher (14)
6. Nancy Georges (7917)
7. Geraldine Carr (9588)
8. Penelope Mayson (2953)

9. Greg Svejkar (7989)
10. John Eisman (9187)
11. Charles Gallagher (14)
12. Paul Bacci (3021)
13. Jennifer Lean (3649)
14. Les Roelandts (2736)
15. Rosemary Wilkinson (616)

The Chairperson advised the Members that Patricia Monemvasitis would take them through the Special Resolution and give a brief description of what the Resolution does. The Chairperson reminded the Members that the Resolution was set out in full in the Notice of Meeting issued to them. Copies of the Notice of Meeting (including the management contract notice) were available at the entrance prior to entering the Club on the 18th of January 2025 and a copy of the Resolution has been handed out to each of the Members.

Patricia Monemvasitis readout the Special Resolution 1 being:

Part A

- (a) For the purposes of Rule 3(b) of the Co-Operative's Rules the Co-Operative adopts the provisions of the Rules tabled at the meeting and signed for the purposes of identification, as the Rules of the Co-Operative, in substitution for the present Rules of the Co-Operative (as amended from time to time), which is repealed.

Patricia said, "Broadly, there are three overarching aims to be achieved by updating the Rules with the proposed amendments. Namely, we have proposed:

1. amendments which are required to update the Rules to Current Wording prescribed in the Registered Clubs Act,
2. amendments aimed to Strengthen Club Governance which in turn will also Support the new Management Agreement., and
3. certain legal and Compliance Updates (e.g. to reflect two past changes in Registered Clubs Act

The updated Rules thereby allow for the Merivale proposal to proceed, updates the rules to reflect current law and continue to protect existing rights of Members.

You have been sent the Notice of Meeting and copies of the Notice have been made available at this meeting.”

Patricia then read out Part B of Resolution 1

(b) The Members of the Co-Operative approve the Co-Operatives entering into the Club Operations Management Agreement, Loan Agreement, and all related ancillary documents with Hemmes Trading Pty Limited and its Related Bodies Corporate.

Patricia said , “the Board will retain the ultimate authority, oversight, and control over all aspects of the Club’s operations, management, and governance, as required under the Co-operatives Act including without limitation all strategic decisions, compliance and governance matters.”

In addition,

Patricia said, “Part (b) of Resolution 1, if passed, will amongst other things: The Club Operations Management Agreement, Loan Agreement and ancillary documents are required so the Co-Operative can satisfy certain Conditions Precedents of the DOCA dated 28 November 2024 entered into by the Co-Operative, the Manager and the Deed Administrators following the Co-Operative entering into administration.”

Patricia indicated to the Members that the Resolution is in two parts and the two parts are interdependent, hence why the two parts are combined into one Resolution.

Patricia then explained the voting procedures by stating:

1. To be passed, Resolution 1 requires votes of not less than two-thirds majority of those eligible Members present today and voting on Resolution 1.
2. Only Life Members and Ordinary Members being eligible to do so, and who are present and financial, are eligible to vote on Resolution 1.
3. Employees of the Co-Operative are not eligible to vote on Resolution 1.

The Chairperson asked if there are any final questions or comments on Resolution 1. There were no responses from the Member group. The Chairperson then stated that “the Member

group will now move to voting". The Chairperson said the Special Resolution is set out in full in the Notice of General Meeting and a copy of the resolution was handed to you upon entering the Club today. The Board recommended the Special Resolution to the meeting.

The Chairperson notified attendees that The Administrators, Sub-Branch all support the DOCA proposal. A vote in favour of Resolution 1 will see the continuation of the Club with refurbishment works commencing in due course with the Club opening its doors to Members and guests a few months later, subject to regulatory processes.

A vote against Resolution 1 will likely see the Club wound up and dissolved.

The Chairperson said that two thirds or more of the eligible Members present and entitled to vote today must vote in favour of the motion for it to be successful.

The Chairperson called for a vote on Resolution 1, calling for all in favour of Resolution No 1 to please raise your card [Pause]. All against Resolution 1 please raise your card.

The Members resolved to pass Special Resolution 1 reproduced below:

Special Resolution 1

- (a) For the purposes of Rule 3(b) of the Co-Operative's Rules the Co-Operative adopts the provisions of the Rules tabled at the meeting and signed for the purposes of identification, as the Rules of the Co-Operative, in substitution for the present Rules of the Co-Operative (as amended from time to time), which is repealed.
- (b) The Members of the Co-Operative approve the Co-Operatives entering into the Club Operations Management Agreement, Loan Agreement, and all related ancillary documents with Hemmes Trading Pty Limited and its Related Bodies Corporate.

The number of Members who voted in favour were 145 Members

The number of Members who voted against was 1 Member.


The voting was by the raising of hands holding yellow cards. Anthony Bouggas, the Secretary and the Lee Reuben, Director and Charles Gallagher, member and President of the Sub-branch, collected the cards held up by Members and counted them, counting 145 for and 1 against.

The Chairperson declared the vote carried. The Chairperson declared Resolution 1 carried.

The Chairperson then thanked the Members and closed the meeting at 11:36am by stating
"This meeting is now coming to a close. Thank you for your attendance today, I declare the meeting closed".

Meeting closed: 11:36am

Signed as true and correct record of the General Meeting by the Chairperson: John Bax

Signature.....

Date.....13 February 2025