



MEMBERS' DIALOGUE

Tuesday, 23rd June 2015
7.00pm
Grand Ballroom, Island Clubhouse

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On 23 June 2015, a Members' Dialogue was held with the General Committee (GC) to provide an update on the discussions and events relating to the land lease and redevelopment plans at the Club.

In his opening address, President Tay Joo Soon shared that the Club has been in continuous dialogue with the Labour Movement (LM) on the sharing agreements of the Bukit Land Lease, and following up closely with the Singapore Land Authority (SLA) to finalise the lease for the Island location. With the impending loss of the Sime Course, the adjacent leasehold land and the Bukit Clubhouse in 2021, President Tay stressed that the Club must be fully prepared for the transition in 2021 to ensure that it is able to sustain the services to its members and to ensure that members can continue to enjoy the lifestyle that they are currently accustomed to. While the Club has not received an official notice on the land lease premiums, President Tay estimated that the Club's current reserve of \$420 million would be sufficient to fund the lease premium for both locations, the reconfiguration of Island golf courses and the development of the Bukit Freehold Land projects.

General Manager / Secretary (GMS) Casper B. Schonfeldt in his presentation presented the following issues:

Island Land Lease

On 15 July 2014, the Club had submitted its application to SLA for the renewal of the lease for the Island location. Once the offer is received, SICC will have eight weeks to accept and pay the stipulated premium amount.

Discussions with the Labour Movement

SICC has been actively engaging LM on the demarcation of the Sime and Bukit golf courses and the sharing of ancillary golfing facilities at the Bukit location. Since 17 March 2014, both SICC and LM have met on 16 separate occasions to discuss the matter. At the onset, both parties agreed that there should neither be significant capital expenditure on the golf courses, nor any downtime at the courses. Both parties also shared the view that the courses should be left as they are to maintain their integrity and character. The agreement between the two parties will only take effect on 1 January 2022.

An initial Points of Agreement (POA) was executed on 26 August 2014. To give effect to the operational side of the



major operational matters, three agreements, namely, the Memorandum of Agreement (MOA), a Licence Agreement (LA) and a Facility Sharing Agreement (FSA) are in the process of being finalised.

MOA

SICC's current trustee, DBS Trustee Ltd (DBS) will be executing the MOA on the Club's behalf. In accordance with the Club's Rules, DBS shall be indemnified by the Club for any liability that may result from the holding of such property as trustee of the Club. On behalf of LM, the parties will be the Singapore



Labour Foundation (SLF) and the NTUC Club or its nominee. SLA will be granting SLF a lease for one 18-hole golf course at the Bukit location and SLF will in turn carve out a sublease in favour of NTUC Club or its nominee.

The structure of the agreements and contracting parties has been approved by the Ministry of Law (MinLaw) and the Public Utilities Board (PUB).

For easy reference, LM refers to either the Labour Movement, SLF and/or NTUC Club or its nominee (as the context may require).

Deadline for Agreements

The original deadline given to SICC and LM to reach an agreement was 28 February 2015. However, as LM required additional time to obtain clearance from various governmental agencies, the deadline was extended to 31 May 2015. This deadline was further extended to 31 August 2015 following LM's request to have the Exit Rights included in the MOA.

The LA and FSA, which will be attached to the MOA as agreed forms, will be entered into by both parties at a date closer to 1 January 2022.

Demarcation of Golf Courses

In order to maintain the integrity of the courses, the Bukit and Sime courses will be left as they are, with a swap of the Sime and Bukit 15th holes. As a result, the Bukit 15th hole will become a par-4 and the Sime 15th hole will then become a par-5.

SICC will operate and manage the Bukit Course as a private members' course, whilst LM will manage and operate the Sime Course as a public course.

Licence for the Operation of and Play on Golf Courses

Following the demarcation, SICC will grant LM the licence to

operate and manage the Sime Course to the extent that it falls within SICC's leasehold land and agreed upon by both parties, as well as allow the public to play on the Sime Course in keeping with the same arrangement.

LM will grant SICC a licence over their leasehold land (excluding the Bukit Clubhouse, the Bukit Halfway House, the Driving Range and the Maintenance Facility) to allow SICC to operate and manage the Bukit Course to the extent that it falls within LM's leasehold land and agreed upon by both parties, and also to allow SICC members to play on the Bukit Course to the extent that it falls within LM's leasehold land under the same arrangement.

Impact of Cross Island Land

The potential effect of the Cross Island Line (CIL) on the Bukit and Sime course is still unknown as feasibility studies are currently underway. In a letter sent to SLA on 17 October 2014, SICC wrote that the final demarcation of the golf courses will only be carried out after the results of the feasibility studies are announced, with land premium payment for the Bukit location to be made thereafter.

The MOA includes a clause that, in the event of an impact on either the Bukit or the Sime course by the CIL, both parties will renegotiate in good faith the alignment of the boundary line and/or the reconfiguration of the Bukit and Sime courses and that payment of the land lease premium will only be made once such premium has been finalised by SLA and accepted by both SICC and LM.

Maintenance Golf Courses

SICC will be responsible for the maintenance of the Bukit Course, the Sime Course, the Maintenance Facility and the Driving Range (non-physical structures – turfgrass), collectively known as the SICC Maintained Area. The Sime cart paths, the Bukit Clubhouse (leasehold), the Sime Halfway House and all other parts of the Driving Range will not be maintained by SICC.





SICC and LM will share equally the maintenance costs of the SICC Maintained Area (excluding the turfgrass on the Driving Range) and the Irrigation System. The costs in relation to the maintenance of the turfgrass on the Driving Range will be wholly borne by LM.

Sime Road

Sime Road will be retained as a private road with access to the public. The costs for routine repair, renewal and maintenance of the Sime Road will be shared between SICC and LM on a 50-50 basis.

Clubhouse and Driving Range

LM will maintain, operate and manage the Bukit Clubhouse (leasehold) the Bukit Halfway House (Sime Course) and the Driving Range. All F&B outlets at the Bukit Clubhouse (leasehold) and the Bukit Halfway House (Sime Course) will be open to members of the public. LM has agreed to accord SICC members signing privileges and discounts at such F&B outlets and the Driving Range.

LM has also agreed to accommodate SICC's request to set aside a section of the Driving Range for the priority use of SICC members.

TOL Land and Utilities

SICC will provide for its own car park and buggy storage facilities at the freehold premises.

SICC will bear the cost for the arrangement and the supply of utilities to the Bukit Freehold Clubhouse. LM will bear the cost for the arrangement and the supply of utilities to the Bukit Clubhouse, Bukit Halfway House and the Driving Range. SICC will make the arrangements for the supply of utilities to the Bukit and Sime Courses, including the Irrigation System, the Maintenance Facility and Sime Road, with the costs incurred for such arrangement and utility charges to be shared equally between SICC and LM.

Steering Committee

A steering committee, comprising two members each from SICC and LM, will be set up to achieve the objectives and supervise the execution of the LA and FSA in relation to the sharing of ancillary golfing facilities at the Bukit location and the reconfiguration of the golf courses.

Exit Rights

LM recently requested the inclusion of the following exit rights in the MOA:

1. An exit right such that LM will not be required to enter into the lease for one 18-hole golf course at the Bukit location and will be entitled to terminate the MOA in the event LM deems the operation of a public golf course by LM is untenable or commercially unviable.
2. An exit right such that LM shall be entitled to suspend the application of the land lease at SLA and terminate the MOA in the event the CIL affects the Bukit and/or the Sime golf courses to such an extent that it would adversely affect or render it commercially unviable for parties to carry out the commercial arrangements in the MOA, LA and FSA, including in the event that the Bukit location can no longer accommodate two 18-hole golf courses.

As the inclusion of the exit rights requested by LM may have implications on the sharing agreements and SICC's rights in relation to the lease, SICC wrote to MinLaw on 7 April 2015 to seek assurance that SICC would not be adversely impacted by the proposed inclusion. The Club will keep members apprised of the developments.

Planning and Redevelopment Committee

To ensure that the Club is prepared to make the transition in 2020-2021 and accommodate and cope with the increased golf traffic during redevelopment, the Planning and Redevelopment



Committee (PRC) has been set up to look into construction of a new facility at the Bukit freehold land and the reconfiguration of the Island golf courses. Preliminary preparation budgets for the two projects have been approved by the PRC, GC and the Club Chairman.

The PRC is elected for a term of five years and comprises representatives from the GC as well as professionals with expertise across various industries, including developers, engineers, lawyers and architects.

The PRC has met frequently during the last eight months and carried out detailed reviews of the current offerings at the Club, present service and facility utilisation rates and membership statistics. The PRC has looked at replacing all lost facilities while also catering and providing for the future usage and demands of the Club's extensive and evolving membership.

Redevelopment of Island Golf Courses

The PRC is tasked with the creation of 27 regulation holes at the Island location to accommodate the golfing traffic on the remaining courses in 2021 and 2030 when the Club loses 18 and 36 holes respectively at Bukit location. Qualitas Project Control (Qualitas), a professional golf course project consultancy firm, has been engaged to help the Club in this matter. After engaging the relevant governmental agencies, evaluating the availability of undeveloped land within our boundaries and taking into account the environmental impact of all development works, Qualitas worked jointly with the PRC and Management to develop a comprehensive design brief for the selection and shortlisting of qualified golf course architects.

Three firms were shortlisted out of an initial applicant list of 14 after a long and rigorous process. As of 27 April 2015, the shortlisted design firms are Fry/Straka Global Golf Course Design, Graham Marsh Golf Design and Faldo Design.

All three firms were invited for site visits in May 2015 and will be required to submit comprehensive design concepts by 3 July 2015 for review by the PRC and the GC. The final design will be presented to members in the coming months.

Redevelopment of Bukit Freehold Land

Running concurrently with the Golf Design Competition, the Club launched a design competition for the redevelopment of the Bukit Freehold Land on 17 February 2015. The design brief envisaged two separate clubs, with the Island location focusing on golf and sporting excellence and the Bukit location specialising in lifestyle delivery.

The Club received interest from over 25 different architecture firms. Ten shortlisted firms were invited to a site briefing and were informed of the concept design brief and the deliverables. These firms submitted their design briefs on 8 May 2015. An independent panel of externally appointed assessors comprising three professional architects selected the best four concepts to advance to the next phase.

The firms are expected to revert with their concept designs by 3 July 2015. Thereafter, the independent panel of assessors will evaluate the submissions to select the winning design, which will be presented to the PRC and the GC for approval. The capital expenditure for this project will be presented to members for approval in due course.

Members' Survey

A members' survey was launched on 11 June 2015 and will run until 2 July 2015. This survey is managed by a renowned market research consultancy, and the feedback will be taken into consideration by the winning golf course and clubhouse design architects. The results of the survey will be published for members' information.





Bukit Buggy Path

The Bukit buggy path is required to accommodate more golfers during the renovation of the New and Millennium golf courses, and after the loss of the Sime Course in 2021. The Bukit Course presently sees low traffic as a walking course. The Club is in the process of engaging an engineer to check the feasibility of the buggy path. The construction of the path would take six to eight months, with the cost incurred being offset over the lease period through the rental of buggies.

After the presentation, the floor was open for a Question and Answer (Q&A) session.

Parties to the Agreement

One member (C0979 – MR CHEN HUNG) wished to know what bodies the LM comprised. President clarified that LM refers to SLF and/or NTUC Club or its nominee.

Exit Rights

A member (G0018 – MR GOH SEH LEONG) enquired if SICC would have to pay for LM's parcel of land in the event that the latter chooses to exit the deal. A solicitor from Messrs WongPartnership LLP, the law firm representing SICC (SICC's solicitors) in the negotiation and finalisation of the MOA, LA and FSA with LM, said that SICC is still clarifying the matter with MinLaw and whether or not SICC will be offered LM's parcel of land would also be determined by MinLaw.

Another member (C1324 – MR CHIA PING KHEONG) asked if it was possible for LM to execute a separate lease agreement with SLA without SICC being involved. SICC's solicitors clarified that under MinLaw's letter dated 21 February 2014 on the lease decision for SICC, the grant of the lease for one 18-hole golf course at the Bukit location to SICC is subject to SICC reaching an agreement with LM on the configuration of the two golf courses and sharing of golfing facilities at the Bukit location.

Some members (T2669 – MR TAN CHEE MENG, L0783 – MR LOW TEO PING) take the view that in the event LM exercises their exit right, SICC should take the position that



MinLaw's decision to grant them the lease for one 18-hole golf course should not be affected as SICC has fulfilled the condition set out in MinLaw's decision which requires them to enter into the agreement with LM.

President Tay added that GC has taken prudent position to check with MinLaw on this to ensure that in the event the exit rights are inserted in the agreements and LM exercises these rights, SICC would still get its lease and can still continue to operate the club and course for its members.

Some members (C1324 – MR CHIA PING KHEONG, G0590 – MR GOH HO WEE) also shared their views that if LM has concern over the commercial viability of the golf course operation due to the impact of the CIL, the same concern should apply to SICC. To this, GMS informed that the CIL is meant to be an underground line near SICC area and that he does not expect the impact to be a lot. A member (T2669 – MR TAN CHEE MENG) shared his view that in this regard, LM would have different concerns from SICC. Being the operator of a public golf course, LM would be concerned about the number of flights that can be played on the public course and how much they can charge the public for play at the public course to determine the commercial viability, which would be different from SICC, which already has a base of members who pay Subscription. He also said that all these considerations would affect how LM views the viability of the venue for its operation, but SICC has to look after the interest of existing members and place their needs first.

President Tay shared that LM also had to consider parking facilities for the public. LM would only be getting its hold on the leasehold land and the TOL land on 1 January 2022. Given that it needs time to develop the parking facilities and other facilities on their parcel, the cost of the lease premium and development cost may only be amortised over a shorter period of time. For instance, in the event they require two years to develop, they will only have about five years to recover the monies.

One member (L0783 – MR LOW TEO PING) wished to know the GC's stand on the matter of LM's exit clause. President Tay





said that if NTUC were to exit on finding the operation of the course to be financially unviable, SICC would be left without a co-operator, which would give rise to further problems for the Club. He assured that the Club is engaging the authorities and stakeholders for a solution.

One member (P0002 – MR PHILLIP PHAN HIN CHOI) enquired if members would be required to pay for the necessary upgrades at the Island location when the Club would be left with just one location. He added that keeping the CIL in view, the Club should carve out an action plan accordingly. President Tay replied that the Club would inevitably have to face that situation in 2030, but in the meantime, the priority was to conclude the FSA with LM to accommodate the Club's golfing traffic.

One member (L2205 – MR HENRY LING KONG) suggested signing an underwriting agreement with NTUC so that in the event that the latter were to exercise its exit right, the Club's lease would remain unaffected. President Tay assured him that the Club's interests would be safeguarded at all costs.

Design Competitions

A member (G0590 – MR GOH HO WEE) raised a query about the procedure of the design competition. He pointed out that since the PRC and the GC comprised the same members, the approval process is not independent. President Tay replied that it is imperative for the GC to be kept abreast of the situation in a matter of such importance. President Tay also pointed out that while the GC comprises 14 members, only five are represented in the PRC, which also contains other members of the Club.

Another member (O0204 – MR DAN OOI CHIN BENG) enquired about the timing and relevance of the members' survey for input to the design concept when the design competition was already underway. GC member Rayson Hazra explained that the design brief provided to the vendors was based on certain must-haves for every Club. He said it was being used as an opportunity by the Club to upgrade its facilities and technology, while at the same time challenging the architects

to come up with ways to optimise utilisation of existing facilities and amenities. He added that members' feedback would be furnished to the winning design architecture firm for their review in the design concept.

Cross Island Line

A member (T2163 – MR TAY JOO THONG) commented that the Club should delay any agreements until details of the CIL are clear. He also said that if LM is unwilling to run the Sime Course, SICC should run both. GMS clarified that the deadline for reaching the agreement is determined by SLA and MinLaw. He highlighted that while the details of CIL might not be confirmed until 2017 or 2018, it would be unlikely to affect the courses much since it will be an underground line. President Tay added that as per MinLaw's offer, the operations of SICC and LM as separate course operators would have to begin by 1 January 2022. Thus, it is imperative to start planning now; else the Club would not be able to accommodate the membership. Honorary Treasurer Paul Kwek assured that once MinLaw responds to the Club's query, many of the problems would be resolved. He added that SICC's stand would be to stay firm as a willing party to the pre-condition. SICC's solicitors added that payment of the premium for the lease at the Bukit location will be deferred until after the results of the feasibility studies are made known and the land boundaries are finalised.

One member (C1240 – CHUAN IAN CAMPBELL) suggested that the Club must go forward with its plans as it would be in the best interest of the members. He also remarked that the NTUC could seek SICC members' assistance for capital for running its operations so that both parties could adhere to the pre-condition set by MinLaw.

Non-Golfing Facilities

One member (W0018 – MR VINCENT WEE HENG LIAN) commented that the design brief seems to indicate that the Island location has been determined as the location for sports, while Bukit would be the lifestyle location. He said that members' preferences might not be reflected in the brief. To these queries, another member (C2166 – MR JIMMY CHUA GIM GUAN) urged all members to put the Club's interest above that of individual members. He encouraged the PRC to go ahead with the proposed plans and development. GC member Rayson Hazra assured the members that no members' interests would be unheeded. He added that the Club's aim is to figure out how best to optimise the existing facilities and plan new ones bearing in mind the space restrictions.

Some members (R0264 – MR GOVINDA RASU, N0075 – MR NG PENG KHOON) commented that the Club needs to have a bar at Island location and added that the Bukit Bar is too small and cannot accommodate the members' needs. They also stated that the Club's F&B offerings were very limited. Vice President Bernard Yeo added that the extension of the bar was being considered but the focus for the moment was the lease settlement. He added that since the current Bukit Clubhouse (leasehold) would be given to LM in 2021, the extension of the Bukit Bar was not a viable option. He assured that alternatives were being sought.



Greens Condition

Some members (W1083 - MS WOON LAI HAR, F0214 - MS JEANETTE S M FOO) expressed their unhappiness with the greens condition and wished to know the steps being taken to address the problem. One member (N0075 - MR NG PENG KHOON) added that the condition of SICC's courses had consistently been dropping and that correcting measures need to be taken soon. Yet another member (R0264 - MR GOVINDA RASU) said that while he appreciated the corrective action being taken, he wished to know when members could expect better golfing conditions.

In response, Director of Agronomy Lee Sellars said that a decline of the greens had been detected in early June 2015. Samples were immediately sent to local and international plant pathology laboratories to determine if disease pathogens were present. Lab results determined that the greens have been infected by Pythium Root Rot. He assured that the Club was working to control the situation. He added that the disease was under control and the effort to cure the greens would continue until the issue is resolved. He pointed out that the greens had been in good condition until they became infected with the disease. Now, the priority is to prevent further disease outbreak and focus on recovery measures. He said that dry, sunny weather conditions would expedite the recovery process.

The Director of Agronomy also added that the New Course greens were nearly 20 years old with an abundance of bermudagrass off-types that react differently to environmental conditions and cultural practices. This situation is further complicated by the inconsistency in construction methods and materials, as a result of which, a tipping point has been reached. He said that the new Island putting green would be used as a benchmark for the redevelopment of greens. To this, one member (G0590 - MR GOH HO WEE) added that he suspected the greens adjacent to The Lookout to be affected by the disease as well.

A member (Y0860 - MS YEO SWEE TUAN) said that the greens had been in poor condition during the 2014 Ladies' Open and asked if the same would be the case for the 2015 Ladies' Open. To this, Club Captain Paul Thomas said that the best course for organising the 2015 Ladies' Open would soon be determined. He added that Pythium Root Rot had also affected other golf courses around Singapore to varying degrees. He explained that SICC is limited in the use of certain PUB approved pesticides, which restricts the application of a wider range of fungicides that quickly control disease outbreak. However, he

assured that consultants are looking into the matter and that it would also be addressed in the Islander.

The ex-Captain of Sentosa Golf Club, also a member of SICC (T1439 - MR BOB TAN BENG HAI), commented that the conditions of SICC's greens had improved over the past few years. He lauded the Director of Agronomy for his efforts and said that greens conditions could change from time to time, and the time taken to cure them may vary. The President of Sentosa Golf Club (L0783 - MR LOW TEO PING), also a member of SICC, agreed with him and elaborated that while Sentosa had resolved the issue in one week when faced with it, depending on conditions, SICC's courses could take longer.

President Tay thanked the Sentosa Golf Club members for sharing information and added that the condition of the greens was indeed a matter of concern for all and that necessary action was being taken.

Buggy Path

A member (H0900 - MR HOW SEEN YONG) asked why the Club was considering having a buggy path for the Bukit Course. President replied that Bukit is ill-utilised on account of being a walking course. In view of the anticipated increase in golfing traffic, Bukit will need to be optimised, and providing a buggy path will encourage more people to play there.

Appreciation for the GC

A member (T0524 - Mr TAN HUI BOON) thanked the GC for their efforts and commented that the planning of facilities must be done even beyond 2030, after SICC no longer has the Bukit location.

One member from the PRC (T0699 - MR RICHARD TAN HAN SHING) said that 2021 being only six years away, things needed to get moving soon. He said that with construction taking three years, along with the requisite approvals required, the GC was doing the right thing by setting the wheels in motion.

The President of Sentosa Golf Club (L0783 - MR LOW TEO PING) said that he could see a vision for SICC's future taking shape. He thanked the GC for their effort and lauded their determination. He added that the Club should provide a narrative of how it plans to proceed so that members are kept abreast of the situation and any cause for concern can be eliminated.

Thereafter, President thanked members for their time and attention and the meeting was adjourned.