

## Statement of Barry Thomas Dunphy

I, **Barry Thomas Dunphy**, Solicitor of Clayton Utz Lawyers, 71 Eagle Street Brisbane in the State of Queensland, state as follows:

1. I have been a Partner with Clayton Utz Lawyers since 1 August 1999.
2. I am the National Leader of the Clayton Utz Government Industry Group. I have held that role within the firm since 2000.
3. My professional background as a lawyer can be briefly summarised as follows:
  - (a) In 1982 I was admitted as a Solicitor of the Supreme Court of Queensland;
  - (b) In 1983 I joined the Public Trustee of Queensland where I worked as a legal officer;
  - (c) In 1985 I joined Crown Law in Queensland where I initially worked as a legal officer. Over the years that I was at Crown Law I held a number of legal officer positions including Crown Counsel to the Solicitor General, Deputy Crown Solicitor (Advocacy and Administrative Law) and ultimately the role of Crown Solicitor. I ceased employment with Crown Law on 31 July 1999.
4. I am a recognised specialist in the Government Law area. I have provided extensive legal advice over the years to a range of Ministers, Departments, Statutory Bodies and Government Owned Corporations at the Commonwealth, State and Local Government levels.
5. I also have a long history of providing tailored corporate governance and related training to the various Racing Industry Control Bodies in Queensland (**Control Bodies**). Shortly after joining Clayton Utz I was approached by the Office of Racing to develop a corporate governance training program for the Control Bodies. Over the past 14 years I have on a regular basis provided numerous tailored training seminars to various Control Bodies.
6. I have also provided specialist training to the Control Bodies and their staff as to how they should deal with conflicts of interest.

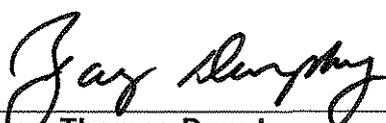
  
Barry Thomas Dunphy

  
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7. By way of example Attachment "**BTD-1**" are copies of a Corporate Governance training slide show that I developed in 2006 and a Conflict of Interest program that I developed in 2008. This training was provided to various Control Bodies and/or their staff. [RQL.144.002.0001]
8. Attachment "**BTD-2**" is a copy of the Requirement to Provide Written Statement dated 20 August 2013 (**Notice 1**) directed to me from the Queensland Racing Commission of Inquiry (**Commission**) and received under cover of a letter from the Commission dated 20 August 2013. [RQL.144.002.0095]
9. Attachment "**BTD-3**" is a copy of the Requirement to Provide Written Statement dated 28 August 2013 (**Notice 2**) directed to me from the Queensland Racing Commission of Inquiry (**Commission**) and received under cover of a letter from the Commission dated 28 August 2013. [RQL.144.002.0125]
10. This statement is provided in response to Notice 1 and Notice 2.

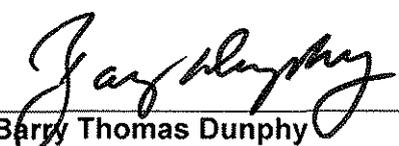
**Advice to Racing Queensland Limited (RQL) - Executive Contract Issue**

11. Over the years in addition to the corporate governance and training that I have undertaken I have provided legal advice on racing industry issues to the Office of Racing and the Queensland Harness Racing Board. Clayton Utz had also previously provided advice to the Greyhound Racing Authority and Greyhounds Queensland Limited.
12. I had also previously provided advice to the predecessor of RQL in relation to particular legal issues that had arisen under the Freedom of Information Act 1992 (Qld).
13. However, the role of our firm as a primary legal advisor to RQL can be traced back to a telephone call that I received from Mr Bob Bentley, the then Chairman of RQL, on Saturday, 21 May 2011. I had earlier that day received a telephone call from Mike Kelly, the Executive Director of the Office of Racing telling me that I might receive a call from Bob Bentley as RQL was considering changing legal firms in respect of a Supreme Court action that had been brought by Queensland Harness Racing Limited against both RQL and Mr Bentley (**Albion Park litigation**).

  
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14. When Mr Bentley rang me on 21 May 2011 I told him that Clayton Utz should be in a position to act for RQL as I was not aware of any relevant legal conflict issues. Mr Bentley told me that he wanted the firm to take over the Albion Park litigation and that he would arrange for a briefing during the next week.
15. That briefing took place at 8.00 am on Wednesday 25 May 2011. The meeting was attended by Bob Bentley and Shara Murray from RQL and I attended the meeting with Brett Cook, a Special Counsel with Clayton Utz. At that meeting the large majority of the discussion was about the Albion Park litigation. However, mention was also made that RQL needed to review its employment contracts. My recollection is that I was told at that meeting that further instructions would be forthcoming.
16. Ms Murray the Corporate Counsel/Company Secretary at RQL then sent through to me on Thursday, 26 May 2011 an email and attachments which provided instructions to Clayton Utz to undertake a review of the RQL Executive employment contracts. Attachment "BTD-4" is a copy of the email and attachments sent to me by Ms Murray on Thursday 26 May 2011 at 12:03pm. [RQL.128.007.0318]
17. I subsequently received an email on Monday 30 May 2011 from Ms Murray at RQL asking whether Clayton Utz could provide our advice on the amended Executive Employment contract by Wednesday, 1 June 2011. Attachment "BTD-5" is a copy of the email sent to me by Ms Murray on Monday 30 May 2011 at 3.09pm. [RQL.128.007.0259]
18. On Tuesday 31 May 2011 in response to a telephone message that I had left for Ms Murray I received a further email from Ms Murray which attached a copy of the RQL Board minutes dated 6 May 2011 and a copy of RQL's HR Policy - Termination of Employment. Attachment "BTD-6" is a copy of the email and attachments sent to me by Ms Murray on Tuesday 31 May 2011 at 9.47am. [RQL.128.007.0244]
19. I note from the Clayton Utz file that on 1 June 2011 Mr Peter McDonald, Special Counsel also had a telephone discussion with Ms Murray and he made a typed file note of that discussion. Attached as "BTD-7" is a copy of the file note made by Mr McDonald. [RQL.128.007.0229]

  
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20. On 2 June 2011 at approximately 11.45am both Mr McDonald and myself had a telephone conference with Ms Murray. We both participated in the telephone conference but only Mr McDonald took notes of the discussion. By this stage we had an advanced draft of our legal advice prepared and I explained to Ms Murray that the legal issues revolved around what were the trigger points and what was reasonable and what was unreasonable. Attachment "**BTD-8**" is a copy of the file note that was prepared by Mr McDonald. [RQL.128.007.0227]
21. Shortly after that teleconference on 2 July 2011 I received four emails from Ms Murray attaching the current employment contracts of a range of RQL employees. Attached as "**BTD-9**" are copies of the four emails sent to me by Ms Murray on 2 June 2011. [RQL.128.007.0177] [RQL.128.007.0128] [RQL.128.007.0080] [RQL.128.007.0032]
22. By an email sent on 2 June 2011 at 5.29pm I forwarded to Ms Murray our legal advice to RQL in draft form for her to review. I explained in the covering email that we were sending the advice in draft form as we wanted to make sure that we had covered off on all of the relevant issues. In these circumstances, where we had received instructions primarily by email and because there were a number of complex legal and policy issues I thought that it was best to provide the advice in draft form to make sure, from the perspective of RQL, that we had in fact, addressed all of the issues that the company wanted us to deal with. Attached as "**BTD-10**" is a copy of the email and attachment that I sent to Ms Murray on Thursday 2 June 2011 at 5.29pm. [RQL.128.007.0024]
23. On Friday 3 June 2011 I received an email from Ms Murray which thanked me for my email of 2 June 2011. Ms Murray advised that she would discuss our draft advice with Mal on Monday and then contact me on that day. The reference to Mal was a reference to Mr Malcolm Tuttle the then CEO of RQL. Attached and marked "**BTD-11**" is a copy of the email that I received from Ms Murray on 3 June 2011. [RQL.128.007.0022 - .0023]
24. Subsequently, on Thursday 9 June 2011 there were a series of emails between myself and Ms Murray which set up a meeting with Ms Murray and Mr Tuttle on Tuesday, 14 June 2011 at 2.30pm.
25. One 14 June 2011, Mr Tuttle and Ms Murray attended at the Clayton Utz office and met with Ms Cray and myself.

  
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26. At that meeting Mr Tuttle as CEO of RQL set the scene for what he understood the Board wanted to achieve. He explained that one of the key factors was to ensure that the Board had protection for the medium term. There was then a discussion about there being a trigger for the Executives if the Liberal National Party were successful at the next State Election. One point that I recall was resolved at this meeting was that there would be different approaches for different classes of employees. So it was determined that there would be three categories of employment contracts that would be prepared being for:

- Critical people who were needed until 2014;
- Other senior staff; and
- Executive assistants.

Attached and marked "BTD-12" is a copy of my handwritten file note of that meeting.  
[RQL.002.001.0055]

27. Work was then undertaken by the Clayton Utz Workplace Relations group in reviewing the various employment contracts that had been provided. I note from our files that on Friday 24 June 2011 Ms Cray emailed Ms Murray to tell her that she was finalising amendments to the employment contracts and that an advice and the revised contract documents should be available early in the next week.

28. However, matters changed quite significantly following a report that appeared in the Courier Mail on 4 July 2011 that stated *"Huge tip that a country racing legend would replace Bob Bentley as RQ chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive"*.

29. This report seemed to me to have a considerable affect on the four senior executives of RQL being Mr Malcolm Tuttle, the Chief Executive, Mr Jamie Orchard, Director of Integrity Operations, Mr Paul Brennan, Director Product Development and Ms Murray, Corporate Counsel/Company Secretary.

  
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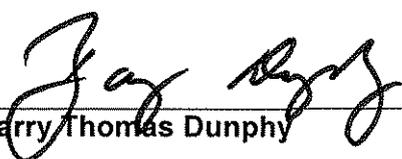
30. On the afternoon of 4 July 2011 I met with Mr Bentley, Mr Tuttle and Ms Murray when it was outlined to me that the salary arrangements for the four Executives that were now being considered by the company involved:

- A significant uplift in salary until 31 January 2012. The four Executives wanted a 50% increase. The final figure was at that time not settled;
- All of their contracts would terminate on 31 January 2012 and there was to be a redundancy payment that would be the balance of their contract of employment. The balance term of their contract would be either mid-2013 or a longer period. That point had not at that time been agreed; and
- From 1 February 2012 to 1 July 2012 the four Executive staff would then enter into temporary employment contracts. The precise salary of that contract was not agreed but if the staff were then offered new extended contracts of employment they would then repay any earlier redundancy payment.

31. The concept that was put to me was that the State Election would not be called early, and that the four Executive staff would effectively be paid out by RQL before the election was held. The four Executive staff would then stay on, working under temporary employment contracts. If the current State Government won the election the four Executive staff would then re-sign further employment contracts and then pay back any lump sum that they had received in January 2012. I was told that the Board wanted to meet on Thursday, 7 July 2011 to consider this proposal (as finally negotiated) and that our further urgent advice was therefore needed. Attachment "BTD-13" is a copy of my file note of the meeting held on 4 July 2011. [RQL.002.001.0520]

32. Early on Tuesday, 5 July 2011 as Ms Cray was on leave I briefed Mr Robbie Walker, a consultant in our Workplace Relations practice to assist me in developing our advice.

33. I received an email on Tuesday, 5 July 2011 at 1.23pm from Shara Murray which said that Bob Bentley had requested that I review the letter (attached to that email) that had been signed by four Executives of RQL. Attachment "BTD-14" is a copy of the email and attachment received from Ms Murray on 5 July 2011. [RQL.128.007.0519]

  
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34. In an email that I sent to Mr Walker at 1.49pm on 5 July 2011 I noted that Ms Murray had told me that it had been agreed with the Chairman that the percentage uplift in salary for the Executive staff would be 50% and that they termination date of the contract would be amended to be 30 June 2014. I also noted that the Board was now meeting on Friday 8 July 2011 so that we had an extra day to form our view.
35. Later that afternoon I received internal advice on the related taxation issues. I also received further advice from Mr Walker on the employment law issues.
36. On 6 July 2011 at 2.40pm I received from Ms Murray a further email which attached a copy of the draft Board paper for our consideration and review. Mr Bentley was seeking our advice and comments on the draft Board paper. The proposal in the draft Board Paper was slightly different to that discussed at the meeting held on 4 July 2011.
37. I had a commitment in Townsville on 7 July 2011 so by an email sent at 5.18pm on Wednesday 6 July 2011 I provided to Ms Murray the contact numbers for Mr Walker so that he could deal with any urgent issues while I was in Townsville.
38. On Thursday 7 July 2011 at 8.42am I sent through by email a first draft of our advice to Mr Walker and Mr McDonald. I also suggested to Mr Walker in that email that he ring Ms Murray to confirm the final details of the actual proposal.
39. At around 11.36am on Thursday, 7 July 2011 I received an email from Mr Walker to say that he had spoken to both Ms Murray and to Mr Bentley who had advised him that the proposed Executive staff remuneration model was not going to be considered by the Board on Friday 8 July 2011. Mr Walker advised me that the arrangement now was that the four Executives being Mr Tuttle, Mr Orchard, Mr Brennan and Ms Murray were going to obtain legal advice paid for by RQL, up to an appropriate limit, to assist them in formulating a new proposal for RQL to consider. RQL would then ask Clayton Utz to advise on any further proposal. Attachment "BTD-15" is a copy of the email that I received from Mr Walker on 7 July 2011. [RQL.128.007.0465]
40. On Wednesday 20 July 2011 at 6.20pm I sent Ms Murray an email as I had missed a call from her earlier that day.

  
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41. On Thursday 21 July 2011 at 10.35am I received an email from Ms Murray asking me to call her.
42. At the time I was attending the 2011 National Administrative Law Conference in Canberra from Thursday 21 July 2011 and I was not returning to Brisbane until the morning of Tuesday 26 July 2011.
43. It seems that I spoke to Ms Murray on arriving in Canberra as at 1.16pm on 21 July 2011, I received an email from Ms Toohey of RQL which stated "Dear Barry, Please see attached as requested". This email attached a Board Paper titled "Senior Executive Staff" which included as Attachment 3 a copy of an advice from Norton Rose dated 20 July 2011. Attachment "BTD-16" is a copy of the email that I received from Ms Toohey on 21 July 2011 with the attachment. [RQL.128.007.0412]
44. The Board Paper attached to Ms Toohey's email anticipated (at page 17) that Clayton Utz would review the Norton Rose advice.
45. On my return to Brisbane I then worked on settling the further advice to RQL. This involved assessing input from both Ms Cray and Mr Walker on the employment law issues.
46. On Friday 29 July 2011 at 8:03am I sent an email to Ms Murray telling her that we had finished a draft of the advice on Thursday 28 July 2011. However, I advised that I was awaiting final input from our workplace relations lawyers and that I should have that input by lunchtime and I would send the advice through. I indicated to Ms Murray that I was not anticipating any change in the fundamental nature of our advice.
47. On Monday 1 August 2011 at 11:33am I sent a short email through to Ms Murray telling her that I was about to send through to Mr Bentley the final advice. I explained to Ms Murray that fundamentally we agreed with the Norton Rose advice but there were three points where we differed in our views. I said that they were relatively minor matters and that they were set out in the advice which I would send through shortly.
48. I forwarded to Mr Bentley (copied to Ms Murray) our further advice by email on Monday 1 August 2011 at 11:39 am. In the covering email I detailed by way of a summary our concerns

  
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about the trigger points, the need for some form of cap figure and some other suggested minor changes. Attachment "BTD-17" is a copy of my email dated 1 August 2011 to Mr Bentley which attached the further Clayton Utz advice dated 1 August 2011. [RQL.128.007.0805]

49. I received an email from Mr Murray on Monday 1 August 2011 at 3:44pm which provided to me Mr Bentley's mobile number. Ms Murray noted that Mr Bentley was arriving back into Melbourne at 5:20pm.
50. On Wednesday 3 August 2011 at 11:57am I sent an email to Ms Murray advising that I had left her a telephone message. I confirmed that I had not been able to speak to Mr Bentley but I told her that I would be free after 3.00pm.
51. Subsequently at 3:05 on Wednesday 3 August 2011 I called Bob Bentley but I could not contact him. I then called Ms Murray at 3:10pm and she told me that the intention was that they would be taking both legal advices to the Board and that Mr Bentley wanted to thank me for the advice.
52. Subsequently, on 3 August 2011 I received a call from Mr Bentley. He told me that he was going to adopt our recommendation on the cap issue. He noted that both the Clayton Utz and Norton Rose advices seemed to basically agree but the Board might want an amalgam of the trigger clauses from both advices. I said to Bob that that was fine, that he had both legal advices and we understood that they would make the call that was in the best interests of the company. Attached as "BTD-18" is a copy of my file note dated 3 August 2011. [RQL.002.001.0357]
53. As far as I can recall this was the end of our involvement with the RQL executive contract issue. I was never advised of the final outcome with respect to the final form of the employment contracts of the four Executives.

**Notice 1**

54. I have specifically referred to all of the Attachments to Notice 1 in this statement with the exception of Attachment 8.

  
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55. Attachment 8 to Notice 1 is a file note made by Ms Cray on 21 July 2011 of a telephone conversation that she had with me. In that conversation I was advising Ms Cray that we were being asked by RQL to review the Norton Rose advice.

## Notice 2

56. On 26 March 2012, being the date when the resignations of the four Executives occurred, I was running an all-day seminar out of the office. I do not recall being asked to give any advice about the payouts that should be made to the four Executives. I have also checked the relevant Clayton Utz files and I cannot find any file note or email where my advice was sought about the payouts that should be made to the four Executives.

57. In terms of paragraph 1.3 of Notice 2, in the Clayton Utz advices dated 2 June 2011 and 1 August 2011, I discussed the relevant legal duties that were imposed under the *Corporations Act 2001*.

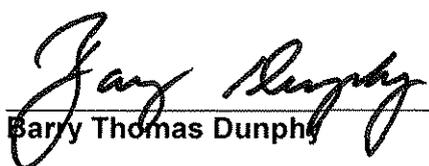
## D&O Insurance Review

58. With respect to paragraph 2 of Notice 2, there is only one file maintained by Clayton Utz relating to the D&O Insurance held by RQL. That file is file number 80122323.

59. By email dated 5 July 2011 I received instructions from Ms Murray to urgently review, by 7 July 2011, RQL's D&O Policy for the 2010/2011 financial year and advise whether the coverage is appropriate for RQL Directors and Officers. Attachment "**BTD-19**" [RQL.128.010.0644] to this statement is a copy of that email.

60. I then immediately briefed Mr Mark Waller, a partner in the Insurance and Risk team at Clayton Utz, to provide the advice sought by Ms Murray by forwarding the email from Ms Murray to him.

61. Mr Waller, assisted by Mr Paul Miller, a Special Counsel at Clayton Utz, then prepared an advice and subsequently prepared draft Deeds of Access and Indemnity. I was not involved in the drafting of those documents or seeking further instructions from RQL in relation to their preparation. I was not further involved in the management of this file although, on occasions, I

  
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was copied into some email correspondence. Attachment "BTD-20" [RQL.144.002.0129] is a schedule of documents appearing on that file along with copies of those documents.

I make this statement conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1867 (Qld).

**Dated 5 September 2013**

Signed and declared by Barry Thomas Dunphy at  
Brisbane in the State of Queensland  
this ~~9th~~ <sup>5th</sup> day of ~~August~~ <sup>September</sup> 2013

Before me:



Signature of person before whom the declaration is  
made



Signature of declarant

Matthew Glen Edwards - Solicitor  
Full name and qualification of person before whom the  
declaration is made

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**Barry Thomas Dunphy**

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## Overview

- Overview and accountabilities
- Queensland Racing Limited - new corporate and regulatory framework
- Hot topics in Corporate Governance
  - . Role and Duties of Board Members
  - . Case study
  - . Potential media interest and reputation risks
- Natural Justice
- The role of the Crime and Misconduct Commission ("CMC")

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*Other issues*







































































































































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## Control Body Employees Conflicts of Interest Training

Barry Murphy, Partner  
25 June 2009

### Overview

- Relevant legislative framework
- Standards that have been adopted by Queensland Racing Limited, Queensland Harness Racing and Greyhound Racing Authority
- Understanding conflicts of interest
- Managing conflicts of interest
- The 5 Golden Rules - conflicts of interest
- Scenarios and problems
- Conclusions

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## Legislative and Policy Framework

### Legislative and Policy Framework

- *Racing Act 2002* (Qld) ("the Act")
- Section 81 of the Act obliges a control body to have a range of policies about aspects relating to the operation of the control body

## Legislative and Policy Framework

- From 1 July 2008:
  - Queensland Racing Limited - Continues as Control Body for Thoroughbred Racing
  - Queensland Harness Racing Limited - Control Body for Harness Racing
  - Greyhounds Queensland Limited - Control Body for Greyhound Racing

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## Legislative and Policy Framework

- Harness Racing Board and Greyhound Authority cease to exist on 1 July 2008
- Control Body functions of the Harness Racing Board and Greyhound Authority will transfer to the new corporatised Control Bodies
- Employees, assets, liabilities and other responsibilities of the Control Bodies will transfer to the new corporate entities

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## Legislative and Policy Framework - Implications of Corporate Structure

- Implications of corporate structure:
  - . Corporate responsibilities and obligations
  - . Public sector accountability
- Corporate governance obligations
- Stringent accountability expectations

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## Roles of Board Members / Officers

- Separation of Roles of Board Members/Officers
  - . Board
  - . Chief Executive Officer
  - . Chair
  - . Secretary
  - . Key Corporate Governance issue is to avoid "role confusion"

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## Role of Board Members

- The focus should be:
  - . strategic view
  - . addressing the "big picture" issues
  - . being pro-active
  - . being responsive
  - . not being caught up in minor operational / managerial issues

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## Officers' Duties

- Officers of companies have duties, both under Statute and at Common Law
- Statute - *Corporations Act 2001 (Cth)* ("Corporations Act")
- Div. 1 of Ch. 2D of the Corporations Act deals with officers general duties
    - . s.180 - Care and Diligence

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## Officer's Duties cont...

- . s.181 - Good Faith
- . s.182 - Use of position
- . s.183 - Use of information
- . s.184 - Offence of failure to in good faith use their position

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## Statutory Defence

- Section 180(2) - Business Judgement rule
  - . An officer makes a business judgement where:
    - . they make the judgement in good faith for a proper purpose; and
    - . they do not have a material personal interest in the subject matter of the judgement; and
    - . they inform themselves about the subject matter of the judgement to the extent they reasonably believe to be appropriate.

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## Officers' Common Law Duties

- Officers' common law duties can include:
  - . A fiduciary duty to the body corporate
  - . A duty to act honestly and exercise powers for a proper purpose
  - . Duty to act in good faith
  - . Duty to exercise diligence, care and skill
  - . Duty of confidentiality
  - . Duty to avoid conflict of interest
  - . Duty to avoid conflict of duty and duty

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## Queensland Racing Limited Policies

- Queensland Racing Limited ("QRL") Code of Conduct
  - . approved in April 2007
  - . based on *Public Service Ethics Act 1994*
  - . covers Board members, staff, officials, contractors, consultants
  - . four principles of ethical behaviour:
    - . integrity
    - . respect
    - . safety
    - . high performance

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## Queensland Racing Limited Policies cont...

- The Code of Conduct states that every QRL official must:
  - carry out their duties impartially
  - avoid private, financial or other interests or undertakings that could directly or indirectly compromise or conflict with the performance of their duties
  - disclose any interest which may impact or have the potential to impact on the performance of their duties
  - take action to resolve any conflict between personal interests and official duties in favour of the public interest

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## Queensland Racing Limited Policies cont...

- The Policy for Decision-Making on Matters Relating to Industry Integrity also confirms that officials making decisions in relation to integrity matters should be free of any conflict of interest

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## Queensland Racing Limited Policies cont...

- The Policy for Making Queensland Racing Limited Officials, Other Staff and Licensees Aware of their Duties highlights that a Code of Conduct has been adopted
- This Policy also discusses the adoption of appropriate ethical standards and the expectation of appropriate behaviour
- This Policy also includes a definition of "Conflict of Interest"

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## Queensland Racing Limited Policies cont...

- The definition of "Conflicts of Interest" refers to:
  - the conflict between a private interest and official duty;
  - that conflicts of interest can be real or apparent; and
  - impliedly recognises that real and apparent conflicts of interest have to be managed.

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## Queensland Harness Racing Policies

- Queensland Harness Racing Code of Conduct for Staff Members - September 2005
- Principles underpinning Code -
  - . Respect for the law and system of government
  - . Respect for persons
  - . Integrity
  - . Diligence
  - . Economy and efficiency

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## Queensland Harness Racing Policies cont...

- Under the Code of Conduct, in terms of Principle 3, dealing with integrity, there are detailed provisions dealing with conflicts of interest and the receipt of benefits and gifts
- In addition to the Code of Conduct, staff members are expected to comply with the Queensland Harness Racing Gifts and Benefits Policy

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## Greyhound Racing Authority Policies

- Greyhound Racing Authority Code of Conduct - December 2005
- Principles underpinning Code -
  - . Respect for the law and system of government
  - . Respect for persons
  - . Integrity
  - . Diligence
  - . Economy and efficiency

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## Greyhound Racing Authority Policies cont...

- Under the Code of Conduct, in terms of Principle 3, dealing with integrity, there are detailed provisions dealing with conflicts of interest and the receipt of benefits and gifts
- Additionally, Step 3 in the Guide to Ethical Decision Making requires the decision-maker to consider whether there is a real or potential conflict of interest

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## **Application of the *Crime and Misconduct Act 2001***

- Each control body is a unit of public administration for the purpose of the CMC Act
- This means that there is an obligation on the control body to refer any suspicion of "official misconduct" to the CMC
- The concept of "official misconduct" includes:
  - performing functions or exercising powers in a way that it is not honest or is not impartial; or
  - actions which amount to a "breach of trust" placed in the person as the holder of the appointment; or

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## **Application of the *Crime and Misconduct Act 2001***

- a misuse of information or material in connection with the performance of the person's functions whether the misuse is for the person's benefit or the benefit of someone else
- There have been and continuously are matters being referred to the CMC which involve primarily a failure to properly deal with the conflict of interest

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## Understanding Conflicts of Interest

### Conflicts of Interest - Basic Concepts

- Has been defined by the CMC as:
    - a conflict between a **public official's duties** and responsibilities in serving the **public interest**, and the public official's **private interests**
    - can arise from avoiding personal losses as well as gaining personal advantage – whether financial or otherwise
- (*Toolkit for Managing Conflicts of Interest in the Public Sector* (2004) Independent Commission Against Corruption and Crime and the Crime and Misconduct Commission)

## **Conflicts of Interest - Basic Concepts cont...**

- The Integrity Commissioner in discussing conflicts of interest for statutory office holders has highlighted that:
  - Fundamentally, a conflict of interest involves a conflict between a persons' personal interests and official duties;
  - Personal interests vary with the responsibilities that are held by the office holder;
  - The appearance of a conflict of interest may be as serious as an actual conflict;

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## **Conflicts of Interest - Basic Concepts cont...**

- Consequently, office holders should avoid any actions which, would appear to a reasonable person with knowledge of the relevant facts, to involve a conflict of interest;
- Generally speaking, if an office holder stands to gain some financial benefit or personal advantage from a decision, recommendation or advice, they should not be involved in that decision making process;

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## Conflicts of Interest - Basic Concepts cont...

- Examples of financial benefit or personal advantage include:
  - where a person's interest in property or money, in terms of the value may be altered by the relevant decision, recommendation or advice;
  - where the person's commercial or business interests could be advanced or harmed by the relevant decision, recommendation or advice;
  - where a person seeks or accepts gifts and/or hospitality which may influence or appear to influence decision making; or
  - a person's relationships influence or appear to influence the decision, recommendation or advice that they are involved with.

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## Conflicts of Interest - Basic Concepts cont...

- The public interest is served when office holders faithfully perform their official duties
- This means that where a conflict arises because of personal interests that the personal interest will not be pursued eg.
  - a gift and/or hospitality offered in the expectation of a favour will be rejected

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## Conflicts of Interest - Basic Concepts cont...

- decisions, recommendations or advice will not be influenced by the hope of financial benefits or business advantages
- relatives and friends will not received unmerited benefits
- confidential information will not be used for personal gain

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## Types of Interests

Interest Type	Characteristics
Pecuniary	<ul style="list-style-type: none"><li>• Actual or potential financial gain or loss</li><li>• Personal monetary interest generated from official duties</li></ul>
Non-Pecuniary	<ul style="list-style-type: none"><li>• No financial component</li><li>• May arise from personal or family relationships or involvement in sporting, social, or cultural activities</li><li>• Tendency toward favour or prejudice resulting from friendship, animosity or other personal involvement that may suggest the potential for a biased judgement or decision</li></ul>

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## Pecuniary Interests

- Not limited to money
- Can also involve anything with a financial value:
  - owning property
  - holding shares
  - having a position in a company
  - having unpaid debts to others
  - receiving gifts, benefits or bribes
  - receiving hospitality or travel

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## Types of Conflicts

Conflict Type	Characteristics
Actual	Direct conflict between public official's current duties and existing private interests. The conflict is present.
Perceived	Could be perceived by others that a public official's private interests could improperly influence the performance of their public duties. The conflict is only believed to exist.
Potential	A public official has private interests that could interfere with official duties in the future. Conflict is a future possibility.

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## Importance of Identifying Conflicts

- An undisclosed or unmanaged conflict can:
  - lead to investigation by the Crime and Misconduct Commission
  - lead to disciplinary action and loss of employment
  - damage reputation or status
  - undermine public confidence in the organisation or the individual
  - lead to an inefficient or irresponsible use of resources, including a misdirection of funds, inappropriate allocations of resources, goods or services

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## Responsibility of Staff and Officials

- Must seek to avoid conflicts between their personal interest and the public interest wherever possible
- Where conflicts cannot be reasonably avoided, the conflict must be identified, reported and then effectively managed

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## **Conflict of Interest - Relevant Policies**

- Officials should read and understand the requirements of their organisation's relevant Code of Conduct and other policies
- Generally, Codes of Conduct should seek to ensure that conflicts are appropriately managed
- Regard should be had to the fundamental rules relating to the identification, disclosure and management of conflicts of interest

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## **Managing Conflicts of Interest**

## Managing Conflicts of Interest

- Based on *Toolkit for Managing Conflicts of Interest in the Public Sector* (2004)
- Identify
  - . assess the situation
  - . identify any conflicts
  - . determine whether conflicts are actual, perceived or potential conflicts or if they are pecuniary / non-pecuniary

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## Managing Conflicts of Interest

- Manage
  - . report conflicts immediately
  - . record all information
  - . choose a strategy for management of the conflict
  - . implement the strategy
  - . record the arrangements for resolving the conflict

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## Managing Conflicts of Interest

- Monitor
  - monitor the initial management decision
  - regularly review the chosen strategy to ensure it remains relevant
  - make any necessary changes to the strategy
  - keep formal records of all reassessments and decisions

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## Strategies for Managing Conflicts of Interest

- **Register** - when you formally register the details of the existence of a possible or potential conflict of interest; compulsory step
- **Restrict** - when restrictions are placed on your involvement in the matter
- **Recruit** - when a disinterested third party is used to oversee part or all of the process that deals with the matter

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## Strategies for Managing Conflicts of Interest

- **Remove** - when you choose to remove yourself completely from the matter
- **Relinquish** - when you relinquish the private interest that is creating the conflict
- **Resign** - when you resign from your position with the agency; no other options are workable; based on personal principle

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## Golden Rules - Conflicts of Interest

## Golden Rules

### Rule 1

The fact that a conflict of interest may arise, in practice, is not in itself a problem. Conflicts of interest regularly arise in practice. However, the key issue is to ensure that the conflict of interest is properly managed.

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## Golden Rules

### Rule 2

A conflict of interest will be regarded as having arisen even if there is no actual or direct conflict or bias or influence. The perception of a conflict of interest can, in terms of the public interest, be as damaging as there being an actual or direct conflict of interest.

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## Golden Rules

### Rule 3

At the end of the day, the protection of the public interest must always be given greater weight and priority when dealing with conflict of interest issues.

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## Golden Rules

### Rule 4

Therefore, always take a conservative view when assessing whether there is a conflict of interest. If in doubt, always declare the conflict of interest and then take appropriate action.

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## Golden Rules

### Rule 5

When assessing your position, consider whether you would be totally comfortable if:

- your colleagues became aware of the relevant facts/potential conflict of interest; or
- if the relevant facts/conflict of interest appeared in the media

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Queensland Racing  
Commission of Inquiry

2299114 - R2

20 August 2013

Mr Barry Dunphy  
Partner  
Clayton Utz  
GPO Box 55  
BRISBANE QLD 4001

Dear Mr Dunphy

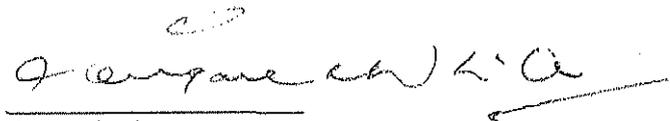
**REQUIREMENT TO PROVIDE WRITTEN STATEMENT TO RACING  
COMMISSION OF INQUIRY**

Please find enclosed a notice requiring you to give written information in a statement to the Queensland Racing Commission of Inquiry established by the *Commissions of Inquiry Order (No. 1) 2013*.

The statement is to be provided to the Commission on or before 3 September 2013, at the place and in the manner specified in the notice.

If you require further information, clarification or assistance, please contact (at first instance) the Commission's Secretary, Joanne Bugden, on 1300 763 087.

Yours sincerely



**Commissioner**  
The Hon. Margaret White AO

PO Box 12369 George Street QLD 4003  
Telephone: 1300 763 087  
Facsimile: (07) 3239 6644  
Email: info@racinginquiry.qld.gov.au



**QUEENSLAND RACING COMMISSION OF INQUIRY**

*Commissions of Inquiry Act 1950*  
Section 5(1)(d)

**REQUIREMENT TO GIVE INFORMATION IN A WRITTEN STATEMENT**

*To:* Mr Barry Dunphy  
*Of:* Clayton Utz, GPO Box 55, BRISBANE QLD 4001

I, **THE HONOURABLE MARGARET WHITE AO**, Commissioner appointed pursuant to *Commissions of Inquiry Order (No. 1) 2013* to inquire into certain matters pertaining to racing in Queensland ("the Commission") require you to give a written statement to the Commission pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* in regard to your knowledge of the matters set out in the Schedule annexed hereto.

**YOU MUST COMPLY WITH THIS REQUIREMENT BY:**

Giving a written statement prepared either in affidavit form or verified as a statutory declaration under the *Oaths Act 1867* and in accordance with the Practice Guideline No. 01 (which is published on the Commission website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au)) to the Commission on or before 3 September 2013. Please note particularly paragraph 7 of the Practice Guideline, which requires all witness statements and exhibits to be provided both in hard copy and electronic format.

The required statement should be provided by delivering it to the Commission at Level 1, 50 Ann Street, BRISBANE, or to the Commission's secretary at PO Box 12369, George Street, BRISBANE. Electronic copies can also be provided by email to [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au).

If you believe that you have a reasonable excuse for not complying with this notice, for the purposes of section 5(2)(b) of the *Commissions of Inquiry Act 1950* you will need to provide evidence to the Commission in that regard by the due date specified above.

DATED this twentieth day of August 2013

The Hon. Margaret White AO  
Commissioner  
Queensland Racing Commission of Inquiry

## SCHEDULE

In relation to the Clayton Utz file "Executive Contracts Review" (12223/12955/80120739) all oral communications with representatives of Racing Queensland Limited including, but not limited to, Robert Bentley ("Bentley"), Shara Reid (nee Murray) ("Reid") and Malcolm Tuttle ("Tuttle"), and in particular the matters discussed in the following:

1. The meeting with Reid on 25 May 2011 referred to in Clayton Utz draft advice dated 2 June 2011 (**Attachment 1**);
2. The teleconference with Reid that took place at 11:45 am on 2 June 2011 referred to in Clayton Utz file note dated 2 June 2011 (**Attachment 2**);
3. The meeting with Reid and Tuttle that took place at 2:20pm on 14 June 2011 referred to in Clayton Utz file note dated 14 June 2011 (**Attachment 3**);
4. The meeting with Bentley, Reid and Tuttle on 4 July 2011 referred to in the email from Barry Dunphy ("Dunphy") to Robbie Walker ("Walker") sent at 9:25am on 5 July 2011 (**Attachment 4**);
5. The telephone conversation with Reid on or about 5 July 2011 referred to in the email from Dunphy to Walker sent at 1:49pm on 5 July 2011 (**Attachment 5**);
6. The telephone conversation with Bentley on 7 July 2011 referred to in the email from Walker to Dunphy sent at 11:36am on 7 July 2011 (**Attachment 6**);
7. The meeting with Tuttle and Reid on 14 July 2011 referred to in the email from Hedy Cray to Peter McDonald sent at 7:04pm on 14 June 2011 (**Attachment 7**);
8. The communications on or about 21 July 2011 referred to in Clayton Utz file note dated 21 July 2011 (**Attachment 8**); and
9. The telephone calls on 3 August 2011 referred to in Clayton Utz file note dated 3 August 2011 (**Attachment 9**).

Attachment 1

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Confidential

Email

2 June 2011

Ms Shara Murray  
Senior Corporate Counsel/Company  
Secretary  
Racing Queensland Ltd  
PO Box 63  
SANDGATE QLD 4017  
smurray@racingqueensland.com.au

Our ref 12223/12955/80120739

Dear Shara

## Amended Executive Employment Arrangements

We refer to your meeting with Barry Dunphy and Brett Cook on 25 May 2011 and to your email dated 26 May 2011 in relation to the above matter. We have been asked to provide legal advice to Racing Queensland Ltd (RQL) about the proposal to offer varied employment arrangements to certain executive and administrative personnel.

We have been briefed with a copy of the current contracts of employment of the relevant personnel and we have examined those contracts.

For convenience and in order to meet your timeframe, we will summarise in this letter our general concerns about the legal issues that appear to arise. If necessary, we can further elaborate on our reasons. In addition, we can assist with any re-drafting of contractual terms in due course.

Before we set out our comments, we will briefly summarise the background details as we understand it.

## Background

The Board has resolved that RQL's executive and managerial staff need to be retained and provided with additional security of tenure to safeguard business continuity. In addition, key executive assistants are to be offered revised contractual conditions with incentives similar to the executive and managerial staff.

The objective is to reinforce the stability of the executive workforce during the period between now and 2014 by which time RQL must negotiate and achieve some fundamentally important milestones that are critical to the continuation of the racing industry in Queensland e.g. the renegotiation of the Product Fee. As a consequence, the Board has resolved that the existing employment arrangements for 9 key executives be extended by 12 months up to and including 30 June 2014. Additionally, the Board resolved that Wade Birch be offered an employment agreement to expire on 30 June 2014 and that 6 executive assistants be offered varied employment agreements expiring on 30 June 2013. The Board also resolved that the Chairman was to approve the terms relevant to the agreements and the extension of the agreements.

We confirm that, in our opinion, RQL is fully justified in seeking to structure its employment and remuneration policy to gain the maximum advantage for the company and to preserve its business continuity and corporate knowledge throughout this critical period. The fact that the period happens to coincide with a looming election and the predicable prospect of some political "argy bargy" only adds to the merit and logic

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T +61 7 3292 7000, F +61 7 3221 9669

Legal\304198461.2

RQL.002.001.0082

RQL.144.002.0098

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

of the Board's strategy. What is important however is that the Board pursues its objective in a sustainable manner and in a manner that will not inadvertently damage the company.

## The Contract Variations

We understand from your instructions that the Board has communicated its intention that enhanced "redundancy" entitlements should also be offered to the relevant employees so that if unilateral termination of their employment does occur that the staff will be fully compensated.

It is appropriate to set out the relevant clauses of the conditions of employment as they are proposed to be varied in order to meet these requirements:

- "15.3 Should RQL as the control body for the 3 codes of racing receive a show cause notice that could cause it to cease as the control body for the 3 codes of racing, a notice suspending its licence as a control body for the 3 codes of racing or any other direction or notice that could cause it not to remain as the control body for the 3 codes of racing, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.4 Should any director of RQL as the control body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a control body director for the 3 codes of racing, or any other direction or notice that could cause him or her not to remain as a control body director for the 3 codes of racing, other than for official misconduct, or if a director of RQL ceases to be a director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.5 If RQL offers you redundancy for any reason including in accordance with clause 15.3 and 15.4, then you will be given 6 weeks' written notice and will be paid a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract. Provided that if you accept a redundancy including in accordance with clause 15.3 and 15.4 RQL may accept a shorter period of notice than 6 weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full."

For the reasons that we will explain, we are of the view that the proposed variations are not the optimal means for the Board to achieve its objectives. Indeed they appear to us to pose some legal risks for both the Board, the company and its other officers.

Later in this advice we have set out the broad parameters that we believe may help the company address the objectives that the Board seeks to achieve.

## The Executive Arrangements

Under the existing executive contracts, the position is that if RQL ceases to be the control body for the 3 codes of racing, or if RQL terminates employment for any reason other than a reason relating to fault on the part of the employee, then RQL is provide to the employees the opportunity to take a redundancy. The termination payment is the equivalent of the Total Remuneration Value of the contract remaining at that time.

The draft proposals as set out in the above clauses significantly vary that approach by significantly extending the triggers for redundancy.

In our opinion, the extended redundancy clauses raise the following issues of concern for both the directors and officers of RQL in terms of the duty of good faith and proper purpose under section 181 and 184 of the Corporations Act:

- (a) The Board resolution authorises an extension of the contracts of the 9 executives and the offering of new contracts to the executive assistants. This necessarily enlarges the TRV of the contract that must be paid in the event of redundancy.
- (b) There is no Board resolution confirming the changes to the "redundancy arrangements". This is of concern given that the revised arrangements could have a significant impact upon the financial interests of the company;
- (c) The obligation to *immediately provide staff with the opportunity to take redundancy* when the listed triggering events occur, appears to us to be inconsistent with the concept of redundancy (where the employer determines when and how a redundancy arises) with consequent implications for the treatment of the termination payment as an eligible termination payment or a redundancy payment for taxation purposes;
- (d) In any event, it may be doubtful as to whether the primary objective of securing the retention of key staff is best served by *immediately* providing an opportunity to take redundancy at a time when (under the proposed clauses) one would expect that the company would require "all hands" to respond to any formal disciplinary processes under the provisions of the Racing Act 2002; and
- (e) The quantum of the extended redundancy measures (now that the contracts are being extended by 12 months) appears to us to be overly generous when compared with prevailing commercial practice.

## Complaint and Investigation

It is important, in our opinion that the Board now carefully considers how these new arrangements are to be implemented in practice. We suggest that the Board take a "hands on" approach. As you are aware, in the lead up to a State general election, matters of public interest can be easily politicised and it is not beyond the bounds of contemplation that the cut and thrust of the political process may require the Board to respond to enquires and complaints.

The directors would be well aware of the requirements of the Corporation Act with respect to their civil and criminal obligations of good faith.

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Section 181 of the Corporations Act set out the civil obligations of directors and other officers. They must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

Section 184 then creates a criminal offence if a director or other officer is reckless or intentionally dishonest and fails to exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

It is relevant to note that a company like RQL is subject to the regulatory oversight of the Australian Securities and Investment Commission (ASIC), an independent Commonwealth authority with a well resourced and experienced investigative arm. If ASIC was to receive a complaint that the Board, through its decision making, had acted recklessly and in a manner not in the best interests of the company, (so as to engage the offence provisions in s.184 of the Corporations Act) we believe that as the responsible regulator, ASIC would probably formally investigate such a complaint. An effective defence to such an investigation is to have a full and compelling record of the resolutions taken by the Board and the reasons for the Board's decisions.

## The Executive Assistants

We have several similar concerns about the extension of full TRV payout as a redundancy entitlement to the executive assistants. It seems to us that such an arrangement is:

- (a) Inconsistent with the Board's formal Termination of Employment Policy and Procedures that was authorised by the Remuneration and Nominations Sub-Committee on 1 July 2010. (See clause 1.3 of the Policy that allows for a maximum of 16 weeks pay as compensation for redundancy);
- (b) Inconsistent with the provisions of the current contracts for these officers (that accurately reflect the termination entitlements provided for under the Fair Work Act 2009 and the Board's Policy document); and
- (c) Inconsistent with the usual commercial practice when it comes to the redundancy of executive support staff.

We would recommend that the Board expressly resolve to pass any non-typical entitlements to the executive assistants so that there is a very clear paper trail of the Board's reasoning and decision making underpinning this particular measure.

In fact, we recommend that the whole package, once it is determined be recorded in a detailed Board paper that the Board can consider and resolve upon so as to achieve the stated objectives.

## Parameters for a Retention and Termination Payment Framework

We thought that it may assist RQL if we identified broad parameters under which it might restructure its retention and termination payment position for its key staff during this vital period for the organisation. Our comments are necessarily at a high level at this point in time. Ultimately, we would recommend that the levels of incentive and entitlement be set out for each employee, taking into account their individual position, entitlements and history with the company. We have set out this material in the attachment to this advice.

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

## Drafting

Finally in this preliminary advice, we confirm that we would be happy to assist with the redrafting of contractual provisions to best achieve the objectives of the Board, once the Board has had an opportunity to consider the matters we have raised and confirmed its position with respect to the provision of added performance, retention and termination entitlements.

Yours faithfully

Barry Dunphy, Partner  
+61 7 3292 7020  
bdunphy@claytonutz.com

Draft

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

## Attachment

Executive and Management Team	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months pay (5 weeks to meet statutory requirements)
Termination without cause	Termination payment for notice and payment of all accrued entitlements of the equivalent of between 6 months pay (TRV) to a maximum of 9 months (TRV). The figure is to be determined having regard to the seniority and length of employment. Our recommended figure is 6 months.
Redundancy payment	Severance in accordance with the Fair Work Act
Retention Bonus	A new clause in the contract under which the officer is paid a retention payment payable in instalments annually to retain their services for a set period (e.g. until 2014), as follows 20% year 1, 20% year 2, 60% year 3 on achieving retention date. The payment may be made or paid to a "bank" to accrue, and then be payable either on the relevant retention date being achieved or on termination, whichever is earlier. The quantum of the retention payment must be determined by the Board that the executive is critical to the business continuity. Figures that might be considered could include an amount equivalent to their current annual TRV, split over 3 years, or 6 months of their TRV over 3 years.
Short Term Incentive Payments	A defined amount paid as an additional benefit upon termination for every Key Performance Measure achieved during the balance of the contract up until the date of expiry (e.g. negotiation of a new Product Fee to the satisfaction of the Board). The defined Measure would vary for individual officers

Executive Support	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months Notice (5 weeks to meet statutory requirements)

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Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Termination without cause	Not applicable due to unfair dismissal rights
Additional Benefit on redundancy	Severance in accordance with the Fair Work Act
Retention Bonus	While this would be less common for administrative and support staff, if the Board determined that retention of the relevant employees is critical to business continuity, an appropriate retention payment plan could also be extended to these employees. The structure of the plan could be similar to that outlined for the executives.

Draft

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File Note

Pages 1

Name \_\_\_\_\_ Start Time 11.45 Finish Time \_\_\_\_\_ Date 2/06/11

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

Teleconference with Shana.

If you extend with a full TRV pay out might be hard to hold down.

Comp can move to retain its key staff, that will not be a problem.

In respect of change of govt.

If amending legislation provided indemnity, severance provisions out of commercial expectations

Creation of employee severance liability representing 26 years of payouts

When the trigger points arise where the company is given a share case.

doesn't hang well.

Give the advice

Then try and come up with a formula

Happy to make it generous as you can provided you can get the Clayton Utz sign off.

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

S.M.

In terms of crafting something we could go forward with, just need that straight away!!

BTD.

Well it depends on the trigger points and what is reasonable & what is unreasonable.

Maybe setting a figure, rather than the full FRV.

If it happened in the last 6 months could be caught a bit about.

Looking at potential scenarios.

Understand the Board's concerns to keep the team together.

Balanced term.

"Don't want to go through the ASIC investigation".

CLAYTON UTZ

File Note

Pages 1

Name Dunlop Start Time 2:20 Finish Time \_\_\_\_\_ Date 14/10/11

Client Roxy Ash 3:40 File No \_\_\_\_\_

Re \_\_\_\_\_

Not Jutt	Wesley Gray
Maura Murray	BTD

1. What the Board wants to achieve.

2. Set the scene.

The Board has concerns about the reform law

- Bid wants a pass-pill if there is a change of Gov

- Deal with the Bid with the Executives i.e. below party board

- Requirement of all of the Ex. com

5. Put a message that provides key people a trigger or opportunity to discuss the future for the KNP

He need to deal with this it almost go away.

Business as usual - down the road.

A little unusual -

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

Where it is different

- Focus - what to test

- Agreements - if there is language in  
- what is the trigger

WT Additional considerations

- Approach to one

- Want to deal with the current Board  
- current Board

HC - could be done

MT - Board not really prepared to pay US  
retention program

- Employee - has an option to deal with the  
current Board

improves the employee

HC - Release what they need

- Can use hire certain employees to be ordinary  
employees

- They could apply

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

MT - Can we push to people

- Don't redundancy releases

- Redundancy releases

- Link my no

MT - Exclusion of the claims

- granted \$135m i.e. all money 75% of  
to money

- EBS school return of the people

AC - double edged sword

- Contracts - Terms is not to 30 June 2014

- Reply but to do it.

- Terminate them early

(4) Defend budgets then you can meet your

→ confident about it to moment



Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

- put them on a reserve terms

- avoid redundancy type project

MT - Some entries to June 2013

(6) -> Belden project is what they have

& Dept 16 major contracts and 10 no work for 2014.

& notes -> why

(4) Middle Road option 10 - not poor performer but contract is could be a low offer

-> More with June 30 2012 + 13

(2) hrs these times

Proud, Roz

---

From: Walker, Robbie  
Sent: Tuesday, 5 July 2011 4:49 PM  
To: Middleton, John  
Subject: FW: Racing Qld

John, and I believe the file is one of Barry's, 80120739. robbie

---

From: Walker, Robbie  
Sent: Tuesday, 5 July 2011 1:44 PM  
To: Dunphy, Barry  
Cc: Middleton, John; McCartney, Shae; Cominos, David  
Subject: FW: Racing Qld

Barry

Some comments further to John's....

#### Redundancy

I make the same observations as John on the redundancy analysis. The facts would not stand scrutiny as a redundancy, as the duties/roles will continue to be required by Racing Qld, whether performed by these individuals or by others. Of course the proposal to become "casuals" means that not even the identity of the individuals will actually change.

I note John also makes the point that the preferential tax treatment does not necessarily confer significant financial benefit anyway, unless the individuals have long service.

#### Balance of term

If the existing contracts provide for payment of the balance of the term upon termination, this would be a clear contractual claim available to each employee upon termination, whenever occurring. It is hard to see how this would be affected by a change of government.

#### Possible alternative approaches

##### *Retention*

Here, in light of concern about their positions, several employees have communicated that they may resign. Such circumstances would normally support an employer putting in place retention incentives to secure ongoing employment, if it wished to do so.

Such arrangements could be:

- a retention payment, to be made upon the satisfaction of a nominated condition, such as remaining employed and performing duties over an identified period, eg until January 2012; and/or
- an increase in salary, to secure ongoing service, noting that this would also feed through to an increased payment if termination occurs.

It is difficult to make concrete comments on quantum, however a 50% increase to salary is clearly very substantial. The person responsible for approving the increase (or approving the quantum of a retention payment) will need to be able to reconcile the quantum with their duties to act in the best interests of the Company (how important is it for Racing Qld to secure the individual's ongoing service, balanced with the risk of the individual leaving).

##### *Redundancy upon Racing Qld ceasing to be the approved Control Body*

Alternatively, I'd note the approach set out in Hedy's draft advice of 23 June, which provided for enhanced redundancy benefits if Racing Qld ceases to be the approved Control Body under the Act.

I realise that that approach may have been overtaken by events, but note it as a possible alternative for completeness.

Regards  
Robbie

**Robbie Walker, Consultant, Workplace Relations, Employment & Safety  
Clayton Utz**

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Sydney Office: D +61 2 9353 4208 | Level 15, 1 Bligh Street, Sydney NSW 2000 Australia | [rwalker@claytonutz.com](mailto:rwalker@claytonutz.com)

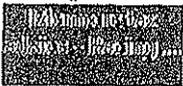
[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Middleton, John  
**Sent:** Tuesday, 5 July 2011 11:38 AM  
**To:** Walker, Robbie  
**Cc:** Dunphy, Barry; McCartney, Shae; Corninos, David  
**Subject:** RE: Racing Qld

Dear All,

Please see draft advice attached for review and consideration.



**John Middleton, Senior Associate  
Clayton Utz**

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---

**From:** Walker, Robbie  
**Sent:** Tuesday, 5 July 2011 10:36 AM  
**To:** Middleton, John  
**Cc:** Dunphy, Barry; McCartney, Shae  
**Subject:** FW: Racing Qld

John

Further to my call, thanks for looking at the this issue. Below is the email from Barry I mentioned.

Looks like a couple of tax issues are pretty central:

- assuming the Jan 12 can be characterised as a redundancy, what would the tax be, compared say to a straight incentive payment?
- if the employees paid back the "redundancy payment" in July, how would that affect the tax treatment - as per Barry's email, would there be a shortfall?

regards, Robbie (4208)

---

**From:** Schofield, Hayley On Behalf Of Dunphy, Barry  
**Sent:** Tuesday, 5 July 2011 9:25 AM  
**To:** Walker, Robbie  
**Cc:** McCartney, Shae  
**Subject:** RE: Racing Qld

Robbie,

There have been a lot of developments in the last 24 hours.

There was a short article in yesterday's Courier Mail that the LNP had decided on a new CEO and Chairman for Racing Queensland (after the next election which is scheduled for March 2012).

This apparently sent the four senior executives being the CEO, the Company Secretary and two others into a tail spin. The upshot of which was that they said to the Chair that they would not continue to stay.

I then had a meeting with the Chair, the CEO and the Company Secretary early yesterday afternoon and the deal that is being considered by the Chair is that the four key staff will be offered the following arrangements to stay:

- A significant uplift in salary from now until the 31st of January 2012. This is being negotiated this morning but the four staff want a 50% increase.
- All of their contracts to terminate on 31 January 2012. They want this to be a redundancy and for them to be paid the balance of their contract. This will either be until mid-year 2013 or even a longer period. Again this is being negotiated now.
- That as from 1 February to 1 July 2012 the four staff will then enter into temporary agreements to continue to work on. I don't know the salary that is being sought. They will then if they are offered and accept a new extended contract of employment, they will then payback the "redundancy payment".

The whole concept is based on the idea that the election will not be called early and that the four staff will effectively be paid out by the current Board before the election. They then intend to hang around on temporary contracts and will if Labor wins the election, then re-sign up on a permanent basis and repay the lump sum additional payment that was received in January 2012. The Board want to meet on Thursday morning to consider this proposal. Our urgent advice is therefore needed.

There are a number of key issues here:

- The taxation effect of what is proposed. Will these lump sum January 2012 payments be taxable as normal income? Will there actually be a redundancy?
- How can they pay back the redundancy in pre-tax dollars if they have a post tax liability, i.e. won't there be a shortfall?
- Are there any other legal issues, i.e. How reasonable is all of this? This raises not only the employment law issues but company law matters. The four staff clearly, as officers, now have a clear conflict of interest and almost seem to be extracting an unfair profit from the company. The Chairman is to some extent supportive of that move.

Racing Queensland has operated for some years now in a politically charged environment. Surprisingly, it is one of the main political targets of the Opposition and Bob Bentley and his Board are seen as possibly the most Labor based Government Board.

Can we discuss the way forward and our views on the basic structure? Can you also see if we can get some tax advice if it is not clear?

Regards

Barry

Barry Dunphy | Partner | Government Services Group  
Clayton Utz

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From: Walker, Robbie  
Sent: Tuesday, 5 July 2011 7:40 AM

To: Dunphy, Barry  
Subject: Racing Qld

Barry

I've been through our earlier advices and your draft paper, so see the context. Let me know if anything came out of your meeting that you want us to follow through on this week.

Robbie

Proud, Roz

---

From: Dunphy, Barry  
Sent: Wednesday, 6 July 2011 9:28 AM  
To: Walker, Robbie  
Subject: Re: Racing Queensland Limited

Thanks Robbie I will be free very soon say in about 45 minutes.

Regards Barry  
Barry Dunphy | Partner | Government Services Group  
Clayton Utz

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From: Walker, Robbie  
Sent: Wednesday, July 06, 2011 09:12 AM  
To: Dunphy, Barry  
Subject: RE: Racing Queensland Limited

Barry

I can discuss whenever you're free - will wait to hear from you.

Regards  
Robbie

---

From: Schofield, Hayley On Behalf Of Dunphy, Barry  
Sent: Tuesday, 5 July 2011 1:49 PM  
To: Walker, Robbie  
Subject: FW: Racing Queensland Limited  
Importance: High

Robbie,

I haven't been able to read the attached letter but I presume that it is the one sent to the Chair by the CEO and the other three executives.

I did receive a call from Shara after we spoke indicating that it had been agreed with the Chair that the percentage uplift in salary would be 50% and that the termination date of the relevant contracts would be amended until 30 June 2014.

The Board is now meeting on Friday morning so we have an extra day to form our view.

I will give you a call a bit later as to how we should work up our advice.

Regards

Barry

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From: Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
Sent: Tuesday, 5 July 2011 1:23 PM  
To: Dunphy, Barry  
Subject: Racing Queensland Limited  
Importance: High

Dear Barry

Mr Bob Bentley, Chairman of Racing Queensland Limited has requested that I forward the attached letter to you.

Kind Regards

Shara

**Shara Murray**  
Company Secretary



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F +61 7 3269 9043  
M 0407 156 539  
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**Briggs, Shannon**

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From: Walker, Robbie  
Sent: Thursday, 7 July 2011 11:36 AM  
To: Dunphy, Barry  
Cc: McDonald, Peter  
Subject: RE: Racing Queensland

Barry

I spoke to Shara, who said Bob would be calling. I then spoke to Bob, who said that the matter is no longer going to be considered by the Board tomorrow.

As such no written advice is required from us today. (Peter and I had already made some amendments to your draft Barry, so I'll give it to Hayley for the file.)

Instead, the four key employees (Tuttle, Orchard, Brennan and Murray) are going to obtain their own legal advice (paid for by RQL up to an appropriate limit) to assist them to formulate a new proposal. RQL will then ask Clayton Utz to advise the Board on the proposal.

Bob asked whether the lawyer engaged by the four employees could talk to us in the course of formulating a new proposal. I said yes they could on instruction from the four.

I then had a general discussion with Bob about redundancy in the near term (as it seems still to feature in the employees' thinking), and we covered similar ground to our discussion with Bob yesterday:

- A redundancy generally entails an employer no longer requiring the duties and functions of a role to be performed by any person, and that there was no event connected with the January 2012 proposal which could have reasonably satisfied that idea. We noted the tax view that the Commissioner would most likely treat such payments as income, and tax them at marginal rates, which would create a tax liability for the employees, and could expose RQL to penalties for incorrect withholding.
- Bob commented that it's hard to see how a CEO could ever be redundant. I agreed, saying that the only common way for a CEO to become redundant is where the employer closes its doors. I noted that RQL losing its Control Body status could lead to a genuine redundancy by a similar analysis.
- Bob commented that the only one of the four that might become legitimately redundant is legal counsel, if RQL ceased doing that work in house - I agreed that might be right, depending on exactly what is proposed.

So, nothing further to do today. Next step is that we will be contacted by or be put in touch with the a lawyer for the four.

Regards  
Robbie

**Robbie Walker, Consultant, Workplace Relations, Employment & Safety  
Clayton Utz**

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From: Schofield, Hayley On Behalf Of Dunphy, Barry  
Sent: Thursday, 7 July 2011 8:42 AM  
To: Walker, Robbie  
Cc: McDonald, Peter  
Subject: Racing Queensland

Robbie and Peter,

Here is an advice that I have quickly dictated to Hayley this morning from Townsville.

Obviously, we cannot complete the advice until Robbie hears from Bob and/or Shara what is the proposed alternative option. If you have not heard by 10am, I think you need to ring Shara to get the relevant details.

Peter, can you review the advice primarily from a view point of format and presentation and also insert the additional paragraph on the directors duty of care. I think it is section 180 or 181 of the Corporations Act.

I will be able to talk to you at various points during the day but will primarily be running the seminar here in Townsville. If you need to get me to ring you urgently, send me a text or an email as I will see that more readily.

Regards

Barry

Barry Dunphy | Partner | Government Services Group  
Clayton Utz

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<< File: Letter of advice to B Bentley.nrl >>

Proud, Roz

---

**From:** Cray, Hedy  
**Sent:** Tuesday, 14 June 2011 7:04 PM  
**To:** McDonald, Peter  
**Cc:** Dunphy, Barry; Hillman, Laura  
**Subject:** Racing Queensland - Employment Agreements

Hello Peter

Barry and I met with Malcolm Tuttle and Shara Murray of Racing Queensland today to discuss their proposed amendments to staff employment agreements.

I will be making 3 different types of categories of contract for:

- Critical people needed to 2014;
- other senior employees;
- executive assistants.

We understand from the earlier emails that this addresses the following pool:

Key/Critical Executives and Management and Other Executives and Management, including:

- Malcolm Tuttle
  - Adam Carter
  - Jamie Orchard
  - Paul Brennan
  - Shara Murray
  - David Rowan
  - Peter Smith
  - Col Truscott
  - Warren Williams
  - Wade Birch
- Executive Assistants, including:
    - Wendy Thomas
    - Kearra Christensen
    - Toni Fenwick
    - Ali Wade
    - Debbie Toohey
    - Jaime Knight

Based on the discussion, I will be preparing an advice and suggested contract amendments in relation to the proposed changes to redundancy entitlements/contract term extensions.

I confirm that I have a copy of Racing Queensland's termination of employment policy, and a copy of the template offer of employment (employee/position not specified) containing Racing Queensland's proposed changes in mark-up provided by Ms Murray on 26 May 2011. I need to determine what contracts are in place now for these different categories of employee.

Could you please provide me with a word copy of the existing contracts of employment for each of the employees listed above if you have them / PDF copies and word examples - as they seemed to think we had word copies?

Regards

Hedy Cray | Partner | Workplace Relations, Employment and Safety  
Clayton Utz

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CLAYTON UTZ

File Note

Pages 6

Name 80120739 Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date 2/1/11

Client KQED File No \_\_\_\_\_

Re \_\_\_\_\_

✓ Barry

Snara

- They went to Northcon Rise

|| Murray Proctor he said  
advice  
they've

- Bd has rec'd proposal - They've looked at

- 30% ↑ in pay x4

- Trigger clause

→ No Central Body / TRV

30%

- Barry is getting

[Canberra until then... Tues]

CLAYTON UTZ

File Note

Pages 1

Name Dunphy Start Time 3:05 Finish Time \_\_\_\_\_ Date 3/8/11

Client Executive Corp File No \_\_\_\_\_

Re Q. Roney

Bob Bentley (3869-9717)

① Called not there

Called Share Murray 3:10

② They will take both orders or none at present

② Bb wanted just to take re for the order  
*JL*

Bob Bentley 3/8/11

① He is going to accept the cap issue.

② The new we basically agreed last night on analysis of the trigger devices from both orders

③ I said that was fine to put both orders on and we'll handle what he wanted note the call that is  
*JL*  
in the last command orders

Name \_\_\_\_\_ Start Time 12:50 Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No. \_\_\_\_\_

Re \_\_\_\_\_

*Left a message for S. Brady*

*Addressed I would.*

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**LEGAL REPRESENTATION**

You may be legally represented at a Commission hearing, if you first obtain leave from the Commissioner. The procedure for seeking such leave is set out in the Initial Practice Guidelines available on the Commission's website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au).

**IF THIS NOTICE REQUIRES YOU TO GIVE A STATEMENT OR ANSWER QUESTIONS**

Pursuant to section 14 of the Act, a person attending before the Commission is not entitled to remain silent upon being required to give evidence, refuse or fail to answer any question they are required by the Commissioner to answer, or refuse or fail to produce any thing that the person has been summonsed or required to produce, on the ground that to do otherwise would or might tend to incriminate the person.

Pursuant to section 14A of the Act, a statement or disclosure made by any witness in answer to any question put to the witness by the Commission or the Commissioner shall not be admissible in evidence against the witness in any civil or criminal proceedings save for any proceedings for contempt or in relation to the offences specified in section 22 of the Act.

**IF THIS NOTICE REQUIRES YOU TO PRODUCE A DOCUMENT OR THING**

You must **bring** the stated document or thing to the Commission, if the stated document or thing is in your possession, custody or control. You must **produce** the document or thing to the Commission, unless you have a reasonable excuse. A claim of privilege, other than legal professional privilege, is not a reasonable excuse. However, legal professional privilege is not a reasonable excuse if the privilege is waived by any person (including you) who has authority to waive it.

**PROTECTIONS AND ALLOWANCES FOR A WITNESS**

Every witness attending before the Commission has the same protection and the same liability as a witness would in any action or trial in the Supreme Court of Queensland.

Pursuant to section 23 of the Act, penalties apply to any employer who dismisses an employee from employment, or prejudices him or her in their employment because the employee appeared as a witness before the Commission.

Pursuant to section 24 of the Act, a person attending a Commission hearing under summons is entitled to be paid the allowances and expenses as allowed by regulation or by the Commissioner.

Queensland Racing  
Commission of Inquiry

2310915 -- R4

28 August 2013

Mr Barry Dunphy  
Partner  
Clayton Utz  
GPO Box 55  
BRISBANE QLD 4001

Dear Mr Dunphy

**REQUIREMENT TO PROVIDE WRITTEN STATEMENT TO RACING  
COMMISSION OF INQUIRY**

Please find enclosed a notice requiring you to give written information in a statement to the Queensland Racing Commission of Inquiry established by the *Commissions of Inquiry Order (No. 1) 2013*.

The statement is to be provided to the Commission on or before 5 September 2013, at the place and in the manner specified in the notice.

If you require further information, clarification or assistance, please contact (at first instance) the Commission's Secretary, Joanne Bugden, on 1300 763 087.

Yours sincerely



**Commissioner**  
The Hon. Margaret White AO

PO Box 12369 George Street QLD 4003  
Telephone: 1300 763 087  
Facsimile: (07) 3239 6644  
Email: [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au)



**QUEENSLAND RACING COMMISSION OF INQUIRY**

*Commissions of Inquiry Act 1950*  
Section 5(1)(d)

**REQUIREMENT TO GIVE INFORMATION IN A WRITTEN STATEMENT**

**To:** Mr Barry Dunphy  
**Of:** Clayton Utz, GPO Box 55, BRISBANE QLD 4001

I, **THE HONOURABLE MARGARET WHITE AO**, Commissioner appointed pursuant to *Commissions of Inquiry Order (No. 1) 2013* to inquire into certain matters pertaining to racing in Queensland ("the Commission") require you to give a written statement to the Commission pursuant to section 5(1)(d) of the *Commissions of Inquiry Act 1950* in regard to your knowledge of the matters set out in the Schedule annexed hereto.

**YOU MUST COMPLY WITH THIS REQUIREMENT BY:**

Giving a written statement prepared either in affidavit form or verified as a statutory declaration under the *Oaths Act 1867* and in accordance with the Practice Guideline No. 01 (which is published on the Commission website at [www.racinginquiry.qld.gov.au](http://www.racinginquiry.qld.gov.au)) to the Commission on or before 5 September 2013. Please note particularly paragraph 7 of the Practice Guideline, which requires all witness statements and exhibits to be provided both in hard copy and electronic format.

The required statement should be provided by delivering it to the Commission at Level 1, 50 Ann Street, BRISBANE, or to the Commission's secretary at PO Box 12369, George Street, BRISBANE. Electronic copies can also be provided by email to [info@racinginquiry.qld.gov.au](mailto:info@racinginquiry.qld.gov.au).

If you believe that you have a reasonable excuse for not complying with this notice, for the purposes of section 5(2)(b) of the *Commissions of Inquiry Act 1950* you will need to provide evidence to the Commission in that regard by the due date specified above.

DATED this *twenty eighth* day of *August* 2013

The Hon. Margaret White AO  
Commissioner  
Queensland Racing Commission of Inquiry

## SCHEDULE

1. To the extent that they are not identified in the requirement dated 20 August 2013:
  - 1.1 The events surrounding the renegotiation of employment contracts in 2011 for the following senior executives of Racing Queensland Limited ("RQL"):
    - (a) Malcolm Tuttle;
    - (b) Jamie Orchard;
    - (c) Paul Brennan; and
    - (d) Shara Reid (formerly Murray) (together, the "Executives").
  - 1.2 The events surrounding the payouts made under the abovementioned contracts on the voluntary termination in March 2012 of the employment of the Executives; and
  - 1.3 The actions of the directors of RQL and the Executives and:
    - (a) the responsibilities;
    - (b) duties; and
    - (c) legal obligations of those persons.
2. In relation to the Clayton Utz files "Racing Qld Ltd: D&O Insurance Review FY11/12" and "Review of Indemnity and Insurance Cover" (12415/6267/80122323) all instructions received from representatives of RQL and advices provided.

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Pursuant to section 14A of the Act, a statement or disclosure made by any witness in answer to any question put to the witness by the Commission or the Commissioner shall not be admissible in evidence against the witness in any civil or criminal proceedings save for any proceedings for contempt or in relation to the offences specified in section 22 of the Act.

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Pursuant to section 24 of the Act, a person attending a Commission hearing under summons is entitled to be paid the allowances and expenses as allowed by regulation or by the Commissioner.

## Proud, Roz

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**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 26 May 2011 12:03 PM  
**To:** Dunphy, Barry; Cook, Brett  
**Cc:** R Bentley; Malcolm Tuttle  
**Subject:** RQL - Amended Executive Employment Agreement  
**Attachments:** RQL Executive Employment Agreement to 2014 24 May.doc

**Importance:** High

### Private & Confidential

Dear Barry and Brett

As discussed yesterday, the Board of Racing Queensland Limited (**RQL**) resolved on 6 May 2011 that its key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014.

The Board **RESOLVED** that:

(a) the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:

- Malcolm Tuttle
- Adam Carter
- Jamie Orchard
- Paul Brennan
- Shara Murray
- David Rowan
- Peter Smith
- Col Truscott
- Warren Williams

(b) Wade Birch be offered an employment agreement to expire on June 30, 2014, and

(c) employment agreements be offered to the following employees to expire on June 30, 2013:

- Wendy Thomas
- Kearra Christensen
- Toni Fenwick
- Ali Wade
- Debbie Toohey
- Jaime Knight

(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

Accordingly, please find **attached** an amended Executive Employment Agreement for your consideration and review. It is the Board's intention that this Agreement be 'in favour' of the RQL employee.

As noted above, Mr Bob Bentley has been authorised by the Board to approve these amended terms.

I look forward to your **urgent** advice concerning the amended Executive Employment Agreement. The Board requires that these Agreements be finalised and executed as soon as possible.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel | Company Secretary



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

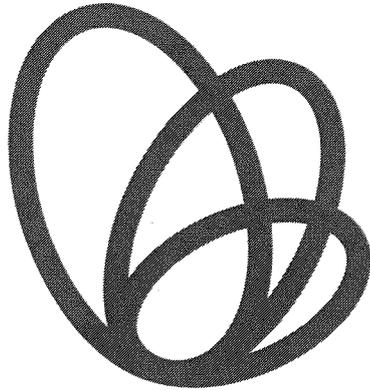
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# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

---

***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**<Employee Name>**

## 1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer <employee name> (referred to in this document as "you" or "your") employment in the position of <position>.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

## 2. ENGAGEMENT

- 2.1. You shall be employed by RQL as <position> and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July ~~2010~~2011 and expiring 30 June ~~2013~~2014.
- 2.5. RQL will, before 1 July ~~2012~~2013, negotiate with you any extension of time of this contract beyond 30 June ~~2013~~2014.

## 3. PLACE OF WORK

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

## 4. COMMENCEMENT AND HOURS OF WORK

- 4.1. ~~This agreement~~ Your employment with RQL will commence on 1 July ~~2010~~2011 or the date when RQL commences operation as an approved Control Body, whichever is the later date.
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$<amount> per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid monthly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a <4 or 6> cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to <%> of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2011, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
- a. Mobile telephone costs, including calls;
  - b. Home internet connectivity.
- provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or

unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.

- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.

- I. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or

d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and

insurance providers. This may include your address, date of birth, health information and professional associations.

#### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
  - a. immediately return the device to RQL on termination of your employment or earlier request;
  - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - c. not give the device to anybody else or permit anybody else to use the device; and
  - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
  - a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause ~~15.7~~15.8;
  - b. Failure to comply with the terms and conditions of your employment contract;
  - c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

- 15.3. Should RQL as the Control Body for the 3 codes of racing, receive a show cause notice that could cause it to cease as the Control Body for the 3 codes of racing, a notice suspending its authority/licence as a Control Body for the 3 codes of racing cease- or any other direction or notice that could cause it not to remain as the Control Body for the 3 codes of racing to be the approved Control Body, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would

have been entitled to receive had you remained employed for the period of the term of the contract.

~~15.3.~~ 15.4. Should any Director of RQL as the Control Body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a Control Body Director for the 3 codes of racing, or any other direction or notice that could cause him or her not to remain as a Control Body Director for the 3 codes of racing, other than for Official Misconduct, or if a Director of RQL ceases to be a Director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

~~15.4.~~ 15.5. If RQL terminates your employment or offers you redundancy for any reason, including in accordance with other than those referred to in clauses ~~15.2~~ clauses 15.3 and ~~15.7~~ ~~15.8~~ ~~15.4~~, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract. Provided that if you accept a redundancy, including offered in accordance with clauses (xxx) 15.3 and 15.4, RQL may accept a shorter period of notice than six weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full.

~~15.5.~~ 15.6. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
- b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.

~~15.6.~~ 15.7. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.

~~15.7.~~ 15.8. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.

~~15.8.~~ 15.9. Following the termination of your employment, or your acceptance of a redundancy, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

~~15.9.~~ 15.10. If RQL terminates your contract without cause or offers you redundancy, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June ~~2013~~ 2014. For clarity, if by 1 July ~~2012~~ ~~2013~~ your contract has been extended, but after 1 July ~~2012~~ ~~2013~~ RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June ~~2013~~ 2014) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.

16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.

16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.

16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;

- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including

future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

28 June 2010

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Bob Bentley  
Chairman

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

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Signature

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1 July 2010

## Proud, Roz

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**From:** Dunphy, Barry  
**Sent:** Monday, 30 May 2011 7:10 PM  
**To:** Cray, Hedy  
**Subject:** FW: RQL - Amended Executive Employment Agreement

**Importance:** High

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 | M 0407 122 283 |  
[bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Monday, 30 May 2011 3:09 PM  
**To:** Dunphy, Barry; Cook, Brett  
**Subject:** Re: RQL - Amended Executive Employment Agreement  
**Importance:** High

**Private & Confidential**

Dear Barry and Brett

**Re: RQL - Amended Executive Employment Agreement**

I refer to my below e-mail to you of 26 May 2011 at 12:03pm, concerning the above matter.

Could RQL please have your advice concerning the amended Executive Employment Agreement by **Wednesday, 1 June 2011**.

I apologise for any inconvenience.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

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**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Shara Murray  
**Sent:** Thursday, May 26, 2011 12:03 PM  
**To:** [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com); [bcook@claytonutz.com](mailto:bcook@claytonutz.com)

**Cc:** R Bentley; Malcolm Tuttle  
**Subject:** RQL - Amended Executive Employment Agreement  
**Importance:** High

**Private & Confidential**

Dear Barry and Brett

As discussed yesterday, the Board of Racing Queensland Limited (**RQL**) resolved on 6 May 2011 that its key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014.

The Board **RESOLVED** that:

(a) the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:

- Malcolm Tuttle
- Adam Carter
- Jamie Orchard
- Paul Brennan
- Shara Murray
- David Rowan
- Peter Smith
- Col Truscott
- Warren Williams

(b) Wade Birch be offered an employment agreement to expire on June 30, 2014, and

(c) employment agreements be offered to the following employees to expire on June 30, 2013:

- Wendy Thomas
- Kearra Christensen
- Toni Fenwick
- Ali Wade
- Debbie Toohey
- Jaime Knight

(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

Accordingly, please find **attached** an amended Executive Employment Agreement for your consideration and review. It is the Board's intention that this Agreement be 'in favour' of the RQL employee.

As noted above, Mr Bob Bentley has been authorised by the Board to approve these amended terms.

I look forward to your **urgent** advice concerning the amended Executive Employment Agreement. The Board requires that these Agreements be finalised and executed as soon as possible.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

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**Proud, Roz**

---

**From:** Dunphy, Barry  
**Sent:** Tuesday, 31 May 2011 2:30 PM  
**To:** McDonald, Peter; Cray, Hedy  
**Subject:** FW: Board Minute and Policy  
**Attachments:** doc20110531084322.pdf; HR pol\_021\_RQ - Termination of Employment Vsn1.doc

**Importance:** High

FYI

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 | M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

---

**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Tuesday, 31 May 2011 9:47 AM  
**To:** Dunphy, Barry  
**Subject:** Re: Board Minute and Policy  
**Importance:** High

Dear Barry

I apologise I missed your telephone calls yesterday afternoon.

As requested, please find **attached**:

- (a) RQL Board Minutes of 6 May 2011, and
- (b) RQL's HR Policy – Termination of Employment.

Should you require any further information, please contact me.

Kind Regards

Shara

***Shara Murray***  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
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### **3.2 Remuneration & Nominations Committee Meeting Minutes and Recommendations**

The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nomination Committee.

The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.

RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.

They key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.

In addition, the Board considered a recommendation from the Remuneration & Nomination Committee, which led to the following resolution:

The Board **RESOLVED** that:

(a) the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:

- Malcolm Tuttle
- Adam Carter
- Jamie Orchard
- Paul Brennan
- Shara Murray
- David Rowan
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- Col Truscott
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- Wendy Thomas
- Kearra Christensen
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- Ali Wade
- Debbie Toohey
- Jaime Knight

(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

(e) Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2014.

(f) Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

### **3.3 Capalaba & Bundaberg Clubs – Show Cause Update**

#### **Capalaba Greyhound Racing Club Inc.**

Mr Brennan updated the Board in relation to the issue of the Show Cause Notice to the Capalaba Greyhound Racing Club Inc (**Club**).

After a number of subsequent meetings, the Club has requested RQL to take responsibility for managing the race meetings and barrier trials and also assume responsibility for facility maintenance.

Mr Brennan has drafted a proposal outlining the roles and responsibilities at the Club. This draft proposal will be taken to a meeting to be held with the Club and RQL representatives on Saturday, 14 May 2011.

Mr Brennan sought the Board's approval for the following:

1. RQL to take responsibility for the maintenance and management of the Club in accordance with the draft proposal.
2. Expend \$160K in up front capital investment (\$25K from Government).
3. Expend up to \$100K on purchasing the Clubs assets, dependent on the valuation.
4. The five year budget, which includes two full time staff at the Club.

This was **APPROVED** by the Board.

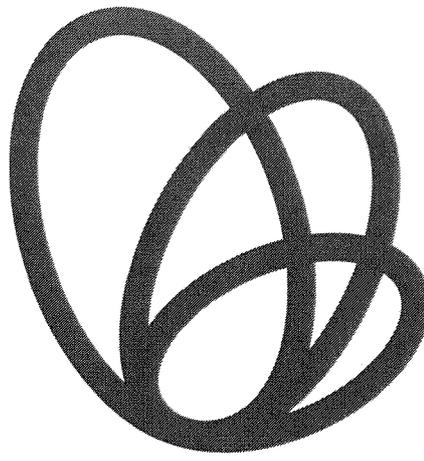
#### **Bundaberg Race Club Inc.**

Mr Brennan updated the board in relation to the issue of the Show Cause Notice to Bundaberg Race Club Inc. (**Club**).

Mr Brennan informed the Board that the Club has provided sufficient documentation to enable RQL to make a determination that the Club is no longer trading whilst insolvent and that a viable business model has been put in place for the remainder of 2010/11 and the full 2011/12 financial year.

Mr Brennan sought the Board's approval to reinstate the Club license and the Club contributing \$5,000 to prizemoney for the Cup meeting in July 2011, and that all future meetings be retained at base prizemoney levels until the Club can demonstrate that they are in a financial position to make increased contributions to prizemoney.

This was **APPROVED** by the Board.



# RACING QUEENSLAND

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## TERMINATION OF EMPLOYMENT Policy and Procedures

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<b>Authorised By:</b>	Remuneration and Nomination Sub-Committee	<b>Date of Authorisation:</b>	1 July 2010
<b>Last Amendment Date:</b>	1 July 2010		
<b>Review Due Date:</b>	30 June 2011		
<b>Policy Owner:</b>	Chief Financial Officer		
<b>Related Documents:</b>	<ul style="list-style-type: none"><li>▪ Code of Conduct Policy</li><li>▪ Performance Counselling Policy</li></ul>	<ul style="list-style-type: none"><li>▪ Fair Work Act 2009</li></ul>	

*Any person who requires assistance in understanding this document should contact their manager.*

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## **PURPOSE**

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Racing Queensland Limited (RQL) recognises that termination of employment occurs for a variety of personal or work-related reasons, initiated by either the employee or RQL. RQL is committed to adhering to its legislative obligations in relation to termination of employment.

This policy aims to ensure that when an employee leaves the organisation, termination of employment is carried out in an effective and efficient manner; the interests of both parties are protected; and that all legal requirements are met. This policy should be read in conjunction with your contract of employment.

## **SCOPE**

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This policy applies to all employees, including permanent, casual and temporary personnel, of RQL, unless otherwise identified by the CEO.

## **POLICY PRINCIPLES**

---

### **1.1. RESIGNATION OR RETIREMENT**

Should an employee wish to resign or retire they must notify RQL in writing of their intention, indicating the proposed date of separation.

Employees must provide RQL with the required period of notice in accordance with their contract of employment or applicable industrial instrument. At the company's discretion, a shorter period of notice may be granted.

Unless other arrangements are agreed, employees are required to work out their notice period. If the employee fails to give the required notice, RQL may withhold the salary payment equivalent to the notice period from their final pay or take legal action.

Where previously approved annual leave falls within the notice period, RQL will normally honour this arrangement, subject to overriding operational requirements. Other holidays may only be taken during the notice period with the express authority of the employee's manager.

On, or prior to, the final day the employee must collect and remove any personal possessions they have on RQL's premises.

### **1.2. ABANDONMENT OF EMPLOYMENT**

Should an employee fail to attend work for a continuous period exceeding three working days without receiving authorisation from RQL for the absence or providing a satisfactory explanation for their absence the employee will be considered to have abandoned their employment.

RQL will endeavour to contact the employee either personally or by registered post to determine the reason for their absence and whether they intend to return to work. If no reasonable circumstances can be given, or the employee cannot be contacted within fourteen days, they will be deemed to have resigned and RQL will take steps to terminate their employment.

### **1.3. REDUNDANCY**

Changes that arise in the normal course of business sometimes result in positions becoming redundant. The company does not take such decisions lightly and every reasonable effort will be made to avoid the need to pursue redundancies, bearing in mind the business and people impacts.

If a position becomes redundant, the employee will be provided with notice of retrenchment no less than the termination provisions in their employment agreement. Employees may be required to work some or all of the notice period. RQL may offer payment in lieu of some or all of the notice period.

Where an employee is retrenched, they will receive a redundancy entitlements in line with the legislation or industrial instrument under which they are employed. The National Employment Standards of 1 January 2010 state that an employee with at least one year of continuous service may be entitled to a redundancy or severance payment (to a maximum of 16 weeks pay).

Employee's period of continuous service with the employer on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks*

\*Consistent with the 2004 Redundancy Case decision made by the AIRC.

#### 1.4. TERMINATION DURING QUALIFYING PERIOD

An employee's employment may be terminated during the six month qualifying period by either the employee or RQL giving one week's notice.

#### 1.5. DISMISSAL

RQL may terminate an employee's employment due to unsatisfactory performance or behaviour. Where employment is terminated for performance or behavioural reasons, RQL will provide notice in accordance with the employee's contract of employment or the applicable industrial instrument.

#### 1.6. SUMMARY DISMISSAL

Summary dismissal will occur if an employee displays inappropriate behaviour or serious misconduct that would make it unreasonable to require RQL to continue their employment during a period of notice and as such warrants immediate dismissal from the company. This behaviour may include a breach of policies or an unlawful act

Summary dismissals are only made for serious misconduct. Acts of misconduct may include, but are not limited to:

- ✘ Fraud.
- ✘ Theft.
- ✘ Violence or fighting.
- ✘ Workplace harassment.
- ✘ Sexual harassment.
- ✘ Wilful disobedience.
- ✘ Possession of illegal drugs.
- ✘ Sleeping on the job.
- ✘ Insulting words/ abusive language/ obscenity.
- ✘ Failure to observe safety rules.
- ✘ Insolence.
- ✘ Concealment of a material fact on

- ⌘ Insubordination.
- ⌘ Drunkenness or under the influence of illegal drugs.
- ⌘ Dishonesty in the course of the employment.
- ⌘ engagement.

Each case will be considered on its merits, as a question of degree will always be involved. The tests to be applied will vary with the nature of the business and the position held by the employee.

### 1.7. RETURN OF COMPANY PROPERTY AND SECURITY

Upon leaving the employment of RQL employees are required to return all company property in good condition. Property belonging to RQL may include, but is not limited to: mobile phones, files, uniforms, protective clothing, access keys, and computer hardware and software.

It is the responsibility of the employee's manager to ensure that all company property is returned on or prior to the cessation date.

## PROCEDURE

### 1.1. INCIDENTS

If an employee has concerns regarding RQL's termination practices or believes that this policy has been breached they should report it immediately to their manager.

### 1.2. POLICY BREACHES

Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

- ⌘ Counselling.
- ⌘ Written Warning.
- ⌘ Final Written Warning.
- ⌘ Instant Dismissal.
- ⌘ Any other lawful or legitimate action RQL deems fit under the circumstances.

## REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS

**Proud, Roz**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Tuesday, 31 May 2011 9:47 AM  
**To:** Dunphy, Barry  
**Subject:** Re: Board Minute and Policy  
**Attachments:** doc20110531084322.pdf; HR pol\_021\_RQ - Termination of Employment Vsn1.doc

**Importance:** High

Dear Barry

I apologise I missed your telephone calls yesterday afternoon.

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- (a) RQL Board Minutes of 6 May 2011, and
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Should you require any further information, please contact me.

Kind Regards

Shara

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Senior Corporate Counsel



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(d) The Chairman to approve the terms relevant to the agreements and the extension of the agreements.

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**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

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4. The five year budget, which includes two full time staff at the Club.

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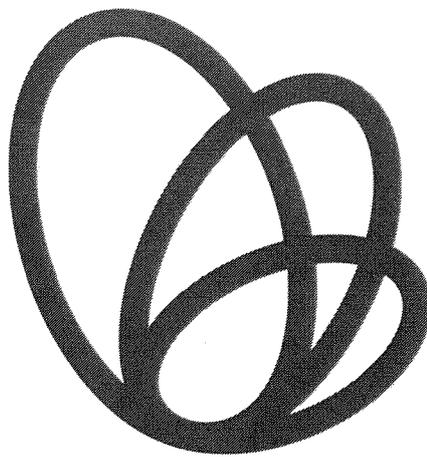
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This was **APPROVED** by the Board.



# RACING QUEENSLAND

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## TERMINATION OF EMPLOYMENT Policy and Procedures

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<b>Authorised By:</b>	Remuneration and Nomination Sub-Committee	<b>Date of Authorisation:</b>	1 July 2010
<b>Last Amendment Date:</b>	1 July 2010		
<b>Review Due Date:</b>	30 June 2011		
<b>Policy Owner:</b>	Chief Financial Officer		
<b>Related Documents:</b>	<ul style="list-style-type: none"><li>▪ Code of Conduct Policy</li><li>▪ Performance Counselling Policy</li></ul>	<ul style="list-style-type: none"><li>▪ Fair Work Act 2009</li></ul>	

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## **PURPOSE**

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Racing Queensland Limited (RQL) recognises that termination of employment occurs for a variety of personal or work-related reasons, initiated by either the employee or RQL. RQL is committed to adhering to its legislative obligations in relation to termination of employment.

This policy aims to ensure that when an employee leaves the organisation, termination of employment is carried out in an effective and efficient manner; the interests of both parties are protected; and that all legal requirements are met. This policy should be read in conjunction with your contract of employment.

## **SCOPE**

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- ⊗ Theft.
- ⊗ Violence or fighting.
- ⊗ Workplace harassment.
- ⊗ Sexual harassment.
- ⊗ Wilful disobedience.
- ⊗ Possession of illegal drugs.
- ⊗ Sleeping on the job.
- ⊗ Insulting words/ abusive language/ obscenity.
- ⊗ Failure to observe safety rules.
- ⊗ Insolence.
- ⊗ Concealment of a material fact on

- ⌘ Insubordination.
- ⌘ Drunkenness or under the influence of illegal drugs.
- ⌘ engagement.
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Each case will be considered on its merits, as a question of degree will always be involved. The tests to be applied will vary with the nature of the business and the position held by the employee.

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## PROCEDURE

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Failing to adhere to this policy may result in the following actions, at the discretion of RQL:

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- ⌘ Any other lawful or legitimate action RQL deems fit under the circumstances.

## REVISION HISTORY

Revision	Date	Description of Changes	Author
01.00	1/7/2010	New Policy	HRBS

Memo

1 June 2011

To: File  
Attendance:  
Time/Units:  
From: Peter McDonald  
Extension: 7222  
Location: B26:79

Matter number: 80120739

**Executive Employment Arrangements**

I had a phone conversation with Shara Murray on 1 June 2011 at about 3.50 pm.

I sought clarification on the status of the various employees in question.

Dealing with each:

- (a) Malcolm Tuttle is the chief executive officer; and
- (b) Adam Carter is the chief financial officer.
- (c) Jamie Orchard is the director of integrity operations; and
- (d) Paul Brennan is the director of product development.
- (e) Shara Murray is the company secretary and general counsel; and
- (f) David Rowan is the information and communications manager;
- (g) Peter Smith is the licensing and training manger.
- (h) Col Truscott is the non-TAB racing thoroughbred services manager; and
- (i) Warren Williams is the facilities maintenance and development manager.

Wade Bourke is also in a managerial position.

For the executive assistants, Wendy Thomas is the legal assistant and Debbie Toohey is executive assistant to Shara Murray. Kearra Christianson is Malcolm Tuttle's executive assistant. Jaime Knight is the executive assistant to Jamie Orchard and Toni Fenwick executive assistant to Paul Brennan. Ali Wade is also an executive assistant.

Each of the executive assistants are currently engaged under contracts of employment however they do not receive the same redundancy entitlements as the senior executives and managers. They are subject to the standard maximum 16 week policy set out in the board's policy document.

I sought clarification from Shara as to whether the board resolution made any mention of the changes to the redundancy policy and she said that this hadn't been set out in the resolution but the board made it clear that it wanted to protect the interests of the staff with respect to redundancy in the event that the existing board is removed and a new board decides to sack the staff.

# CLAYTON UTZ

Shara said that the change in redundancy policy for the senior executives and managers occurred when the company became the control body for the 3 codes of racing. When that occurred the employees were promised this more generous redundancy payout arrangement.

Shara is organising to send through all the existing contracts of employment of all impacted staff for our information. She should be able to do this some time tomorrow. I explained to Shara that we needed to take great care in providing our advice on these matters as they had some implications for the board and I touched generally upon the major issues that we saw arising in terms of the Corporations Act implications.

Name \_\_\_\_\_ Start Time 11.45 Finish Time \_\_\_\_\_ Date 2 / 06 / 11

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

Teleconference with Shana.

If you extend with a full TRV pay out might be hard to hold down.

Coys can move to retain its key staff, that will not be a problem.

In respect of change of govt.

If amending legislation provided indemnity, severance provisions out of commercial expectations

Creation of employee severance liability - presenting 26 years of payouts.

Here the trigger points arise where the company is given a share carve.

doesn't hang well.

Give the advice

Then try and come up with a formula

Happy to make it generous as you can provided you can get the Clayton Utz sign off.

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

S.M.

In terms of crafting something we could go forward with, just need that straight away!!

B.T.D.

Well it depends on the trigger points and what is reasonable & what is unreasonable.

Maybe setting a figure, rather than the full TRV.

If it happened in the last 6 months could be caught a bit short.

Looking at potential scenarios.

Understand the Boards concerns to keep the team together.

Balanced term.

"Don't want to go through the ASIC investigation".

**Proud, Roz**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 2 June 2011 12:03 PM  
**To:** McDonald, Peter  
**Cc:** Dunphy, Barry  
**Subject:** Employment Agreements: Email 1 of 4  
**Attachments:** Adam Carter.pdf; Ali Wade.pdf; Col Truscott.pdf; David Rowan.pdf

Peter

As discussed, please find employment agreements **attached**.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



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**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
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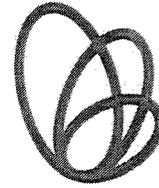
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28 June 2010

**Mr Adam Carter**  
122A Queens Parade  
BRIGHTON QLD 4017



**RACING  
QUEENSLAND**

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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**PRIVATE AND CONFIDENTIAL**

Dear Adam,

As we have discussed, I am delighted to offer you the position of Chief Financial Officer with Racing Queensland Limited ("RQL").

The attached Offer of Employment sets out the terms and conditions of employment that are being offered. If you accept this Offer of Employment, then a binding employment agreement will be created between you and RQL. Your start date in this position will be the date when RQL becomes the new racing control body in Queensland. This is scheduled to be 1 July 2010. You should not sign the enclosed Offer of Employment until 1 July 2010, when RQL commences operations. In the meantime, it would be appreciated if you could sign and return the enclosed Acceptance of Declaration.

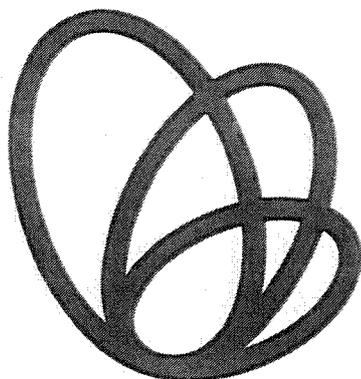
If you have any questions regarding the enclosed offer please don't hesitate to contact me.

Congratulations on your appointment. I am looking forward to working with you in future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bob Bentley', written over a white rectangular area.

Bob Bentley  
Chairman  
Racing Queensland Limited



# RACING QUEENSLAND

---

## OFFER OF EMPLOYMENT

---

***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Adam Carter**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Adam Carter (referred to in this document as "you" or "your") employment in the position of Chief Financial Officer.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as Chief Financial Officer and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$175,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
  - a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 50% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
  - a. Mobile telephone costs, including calls;
  - b. Home internet connectivity.provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or

unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.

- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.

- I. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or

- d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.
- 11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

- 12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
  - b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
  - c. In the course of, as a consequence of or in relation to the performance of the employees duties;
  - d. Relating to RQL's general methods of operation; or
  - e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;
- vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.
- 12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.
- 12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

- 13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and

insurance providers. This may include your address, date of birth, health information and professional associations.

#### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
  - a. immediately return the device to RQL on termination of your employment or earlier request;
  - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - c. not give the device to anybody else or permit anybody else to use the device; and
  - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
  - a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
  - b. Failure to comply with the terms and conditions of your employment contract;
  - c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.
- 15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

- 15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.
- 15.5. During any period of notice, RQL may require you:
- To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.

- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

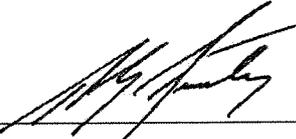
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



28 June 2010

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Bob Bentley  
Chairman

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



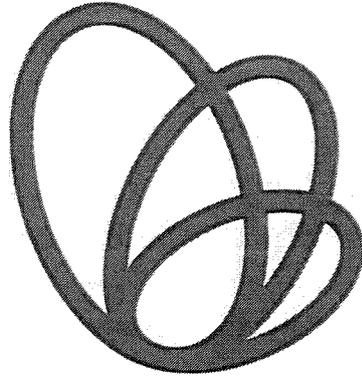
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Signature

Adam Carter

1 July 2010



RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Ali WADE** (referred to in this document as "You or Your")

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

## 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

## 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements.. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

## 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually, There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

- 5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.
- 5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one months notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

Period of continuous service on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

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## 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

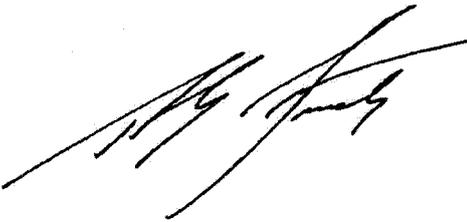
20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:



Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

Ali WADE

Employee Name



Signature

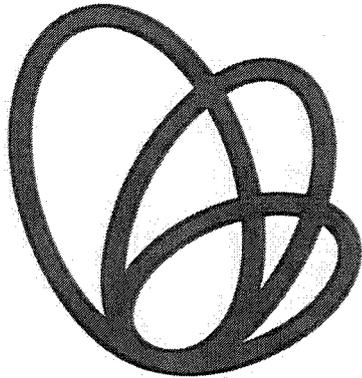
1 July 2010

Date



## SCHEDULE 1

<b>Employee Name</b>	Ali WADE
<b>Your Position</b>	Senior Finance Officer Prizemoney/ Accounts Receivable
<b>Location(s)</b>	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
<b>Ordinary Days</b>	Monday to Friday
<b>Base Salary</b>	<b>\$ 64,220.19</b>
<b>Superannuation</b>	<b>\$ 5,779.81</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 70,000.00</b>
<b>Additional Benefits</b>	Nil
<b>Additional Leave Entitlements</b>	You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Colin Truscott**

## 1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Colin Truscott (referred to in this document as "you" or "your") employment in the position of Non TAB Thoroughbred Racing Manager.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chief Executive Officer, Mr Malcolm Tuttle, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

## 2. ENGAGEMENT

- 2.1. You shall be employed by RQL as Non TAB Thoroughbred Racing Manager and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Director of Product Development.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

## 3. PLACE OF WORK

- 3.1. You will be employed at the regional racing venue where you are currently based or any such other location as RQL directs you to work from. If you are required to move from the regional racing venue where you are currently based, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia.

## 4. COMMENCEMENT AND HOURS OF WORK

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date.
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior management role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.
- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.

4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$92,700 per annum, including compulsory superannuation.

5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:

- a. Taxes required by law, including PAYG and FBT;
- b. Compulsory superannuation contributions;
- c. The cost of any salary sacrifice arrangements implemented by you;
- d. Any other deductions which you have authorised RQL to make;
- e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
- f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.3.

5.3. The cash component of your remuneration package will be paid in twelve equal monthly instalments direct to your nominated bank account. The deposit to your bank will usually be made on the first working day after the 14th day of each month.

5.4. RQL will provide you with either a 4 or 6 cylinder vehicle as nominated by You. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.

5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.

5.6. In addition to your TRV, RQL will cover the following costs:

- a. Mobile telephone costs, including calls;
- b. Home internet connectivity; and
- c. 100% of your home telephone account,

provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.

5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.

5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.

- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the

reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.

- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to

ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.

- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

#### 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

#### 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or
  - d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 14. RQL PROPERTY AND SECURITY

14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control.

You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.

14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:

- a. immediately return the device to RQL on termination of your employment or earlier request;
- b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
- c. not give the device to anybody else or permit anybody else to use the device; and
- d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.

15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:

- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
- b. Failure to comply with the terms and conditions of your employment contract;
- c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.

15.5. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or

b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.

15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.

15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.

15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.

16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.

16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.

16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

- 21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

- 22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

- 22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.

- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

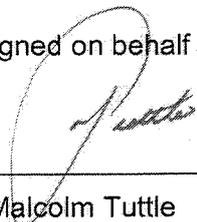
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



8 July 2010

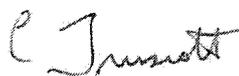
Malcolm Tuttle

Date

Chief Executive Officer

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

Colin Truscott



19-7-2010

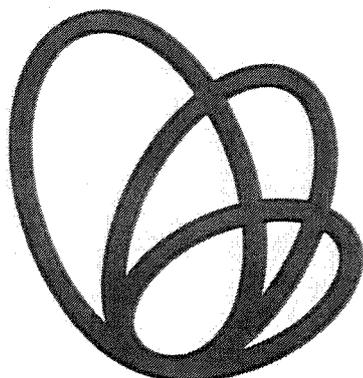
Employee

Signature

Date

**SCHEDULE 1**

<b>Employee Name</b>	Colin TRUSCOTT
<b>Your Position</b>	Non TAB Thoroughbred Racing Manager ✓
<b>Location(s)</b>	The regional racing venue where you are currently based or any such other location as RQL directs you to work from. If you are required to move from the regional racing venue where you are currently based, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.
<b>Ordinary Days</b>	An average of five days to be worked between Monday and Sunday and averaged over a 4 week cycle. Ordinary Days include public holidays as directed by RQL.
<b>Base Salary</b>	<b>\$ 85,045.87</b> ✓
<b>Superannuation</b>	<b>\$ 7,654.12</b> ✓
<b>Total Remuneration Value (TRV)</b>	<b>\$ 92,700.00</b> ✓
<b>Additional Benefits</b>	<ol style="list-style-type: none"> <li>1. RQL will provide a mobile telephone for business use and for reasonable private use in accordance with RQL policies and procedures. ✓</li> <li>2. RQL will cover 100% of your home telephone account, provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time. ✓</li> <li>3. 100% paid internet connection and reasonable use through QRL plan with Telstra ✓</li> </ol>
<b>Additional Leave Entitlements</b>	You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis. ✓



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**David Rowan**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer David Rowan (referred to in this document as "you" or "your") employment in the position of IT and Communications Manager.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as IT and Communications Manager and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$125,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
  - a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 75% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
  - a. Mobile telephone costs, including calls;
  - b. Home internet connectivity;provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or

unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.

- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.

- I. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or

d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and

insurance providers. This may include your address, date of birth, health information and professional associations.

#### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- immediately return the device to RQL on termination of your employment or earlier request;
  - not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - not give the device to anybody else or permit anybody else to use the device; and
  - use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
- Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
  - Failure to comply with the terms and conditions of your employment contract;
  - You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

- 15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

- 15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.
- 15.5. During any period of notice, RQL may require you:
- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.

- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

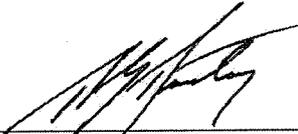
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



28 June 2010

Bob Bentley  
Chairman

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



Signature

David Rowan

1 July 2010

**Proud, Roz**

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**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 2 June 2011 12:04 PM  
**To:** McDonald, Peter  
**Cc:** Dunphy, Barry  
**Subject:** Employment Agreements: Email 2 of 4  
**Attachments:** Debbie Toohey.pdf; Jaime Knight.pdf; Jamie Orchard.pdf; Kearra Christensen.pdf

Peter

As discussed, please find employment agreements **attached**.

Kind Regards

Shara

**Shara Murray**

Senior Corporate Counsel | Company Secretary



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**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

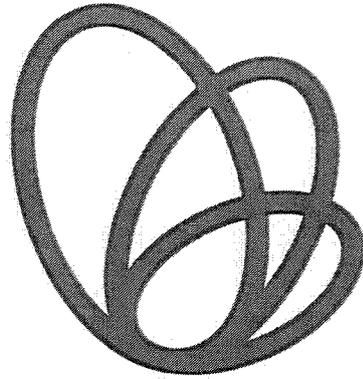
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RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Debbie TOOHEY (referred to in this document as "You or Your")**

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

## 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

## 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

## 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.

5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one months notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

Period of continuous service on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

## 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:

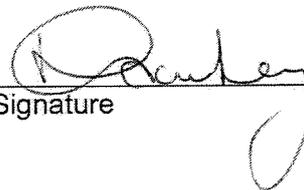


Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

Debbie TOOHEY

Employee Name



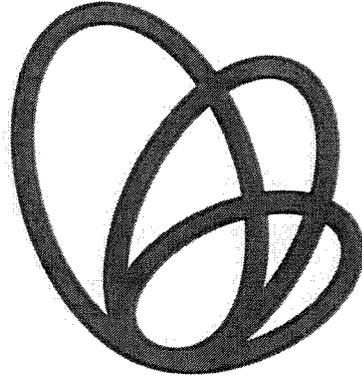
Signature

1 July 2010

Date

**SCHEDULE 1**

<b>Employee Name</b>	Debbie TOOHEY
<b>Your Position</b>	Executive Assistant/Board Secretary
<b>Location(s)</b>	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
<b>Ordinary Days</b>	Monday to Friday
<b>Base Salary</b>	<b>\$ 59,633.02</b>
<b>Superannuation</b>	<b>\$ 5,366.97</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 65,000.00</b>
<b>Additional Benefits</b>	Nil
<b>Additional Leave Entitlements</b>	You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.



RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Jaime KNIGHT (referred to in this document as "You or Your")**

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

### 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

### 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

### 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually, There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.

5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## **8. INFORMATION, POLICIES AND PROCEDURES**

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## **9. CONFIDENTIAL INFORMATION**

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

- 10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
  - b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
  - c. In the course of, as a consequence of or in relation to the performance of the employees duties;
  - d. Relating to RQL's general methods of operation; or
  - e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;
- vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.
- 10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

- 11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

- 12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one month's notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

Period of continuous service on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

#### 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

#### 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

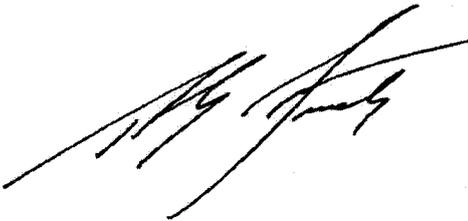
20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

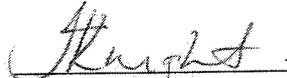
Signed on behalf of RQL by:



Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

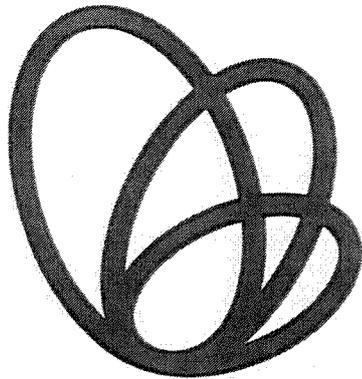
Jaime KNIGHT  
Employee Name

  
Signature

1 July 2010  
Date

**SCHEDULE 1**

<b>Employee Name</b>	Jaime KNIGHT
<b>Your Position</b>	Executive Assistant/Complaints Co-ordinator
<b>Location(s)</b>	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
<b>Ordinary Days</b>	Monday to Friday
<b>Base Salary</b>	<b>\$ 57,339.45</b>
<b>Superannuation</b>	<b>\$ 5,160.55</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 62,500.00</b>
<b>Additional Benefits</b>	RQL will provide a mobile telephone for business use and for reasonable private use in accordance with RQL policies and procedures.
<b>Additional Leave Entitlements</b>	You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Jamie Orchard**

## 1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Jamie Orchard (referred to in this document as "you" or "your") employment in the position of Director of Integrity Operations.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

## 2. ENGAGEMENT

- 2.1. You shall be employed by RQL as Director of Integrity Operations and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

## 3. PLACE OF WORK

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

## 4. COMMENCEMENT AND HOURS OF WORK

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$230,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 6 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 25% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 6 cylinder vehicle is to be valued at \$15,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
- a. Mobile telephone costs, including calls;
  - b. Home internet connectivity; and
  - c. 50% of your home telephone account,
- provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or

unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.

- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.

- I. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or

d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and

insurance providers. This may include your address, date of birth, health information and professional associations.

#### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
  - a. immediately return the device to RQL on termination of your employment or earlier request;
  - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - c. not give the device to anybody else or permit anybody else to use the device; and
  - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
  - a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
  - b. Failure to comply with the terms and conditions of your employment contract;
  - c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

- 15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

- 15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.
- 15.5. During any period of notice, RQL may require you:
- To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.

- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

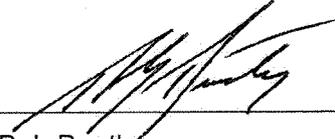
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

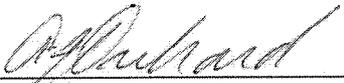
Signed on behalf of RQL.

  
\_\_\_\_\_  
Bob Bentley  
Chairman

28 June 2010

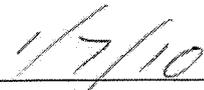
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Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

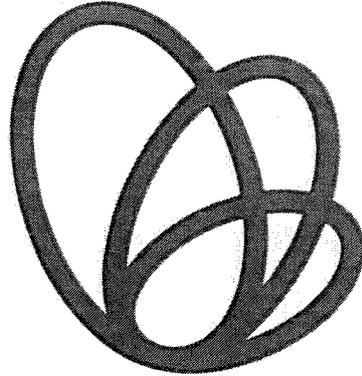
  
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Signature

**Jamie Orchard**

  
\_\_\_\_\_

1 July 2010



RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Kearra CHRISTENSEN** (referred to in this document as "You or Your")

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

## 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

## 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements.. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

## 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually, There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.

5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one months notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

<b>Period of continuous service on termination</b>	<b>Redundancy pay period</b>
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### **14. ENTIRE AGREEMENT**

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### **15. VARIATION**

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### **16. SEVERABILITY**

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### **17. WORK ELIGIBILITY**

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### **18. WARRANTIES**

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

## 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:

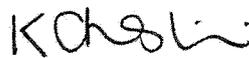


Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

Kearra CHRISTENSEN

Employee Name



Signature

1 July 2010

Date

**SCHEDULE 1**

<b>Employee Name</b>	Kearra CHRISTENSEN
<b>Your Position</b>	Executive Assistant
<b>Location(s)</b>	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
<b>Ordinary Days</b>	Monday to Friday
<b>Base Salary</b>	<b>\$ 59,633.03</b>
<b>Superannuation</b>	<b>\$ 5,366.97</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 65,000.00</b>
<b>Additional Benefits</b>	Nil
<b>Additional Leave Entitlements</b>	You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.

**Proud, Roz**

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**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 2 June 2011 12:05 PM  
**To:** McDonald, Peter  
**Cc:** Dunphy, Barry  
**Subject:** Employment Agreements: Email 3 of 4  
**Attachments:** Malcolm Tuttle.pdf; Paul Brennan.pdf; Peter Smith.pdf; Shara Murray.pdf

Peter

As discussed, please find employment agreements **attached**.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



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**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

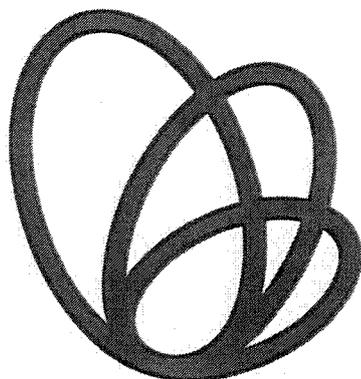
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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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*CONFIDENTIAL*

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Malcolm Tuttle**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Malcolm Tuttle (referred to in this document as "you" or "your") employment in the position of Chief Executive Officer.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as Chief Executive Officer and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Board of Racing Queensland Limited or its nominated delegate.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.

4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

**5. REMUNERATION AND SUPERANNUATION**

5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$300,000 per annum, including compulsory superannuation.

5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:

- a. Taxes required by law, including PAYG and FBT;
- b. Compulsory superannuation contributions;
- c. The cost of any salary sacrifice arrangements implemented by you;
- d. Any other deductions which you have authorised RQL to make;
- e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
- f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.

5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.

5.4. RQL will provide you with a 6 cylinder vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.

5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.

5.6. In addition to your TRV, RQL will cover the following costs:

- a. Mobile telephone costs, including calls;
- b. Home internet connectivity;
- c. 100% of your home telephone account,

provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.

5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.

5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings

and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.

- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to

produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.

7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave

7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.

7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation

where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.

- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Board of Racing Queensland Limited or its nominated delegates in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

#### 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

#### 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or
  - d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 14. RQL PROPERTY AND SECURITY

14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control.

You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.

14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:

- a. immediately return the device to RQL on termination of your employment or earlier request;
- b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
- c. not give the device to anybody else or permit anybody else to use the device; and
- d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

## 15. TERMINATION OF EMPLOYMENT

15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.

15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:

- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
- b. Failure to comply with the terms and conditions of your employment contract;
- c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.

15.5. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or

- b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

- 18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

- 19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

- 21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

- 22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

- 22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.

- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

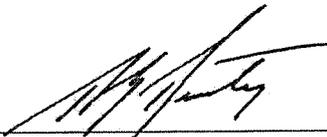
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

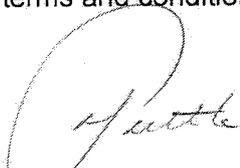


Bob Bentley  
Chairman

28 June 2010

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

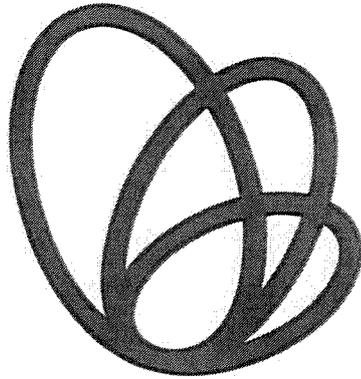


1.7.10.

Signature

Malcolm Tuttle

1 July 2010



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Paul Brennan**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Paul Brennan (referred to in this document as "you" or "your") employment in the position of Director of Product Development.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as Product Development Director and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$180,000 per annum, including compulsory superannuation.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
  - a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 6 cylinder vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
  - a. Mobile telephone costs, including calls;
  - b. Home internet connectivity; and
  - c. 50% of your home telephone account,provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings

and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.

- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to

produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.

- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation

where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.

- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

#### 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

#### 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or
  - d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 14. RQL PROPERTY AND SECURITY

14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control.

You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.

14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:

- a. immediately return the device to RQL on termination of your employment or earlier request;
- b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
- c. not give the device to anybody else or permit anybody else to use the device; and
- d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

## 15. TERMINATION OF EMPLOYMENT

15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.

15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:

- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
- b. Failure to comply with the terms and conditions of your employment contract;
- c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.

15.5. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or

- b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

- 18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

- 19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

- 21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

- 22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

- 22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.

- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

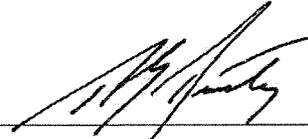
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



Bob Bentley  
Chairman

28 June 2010

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

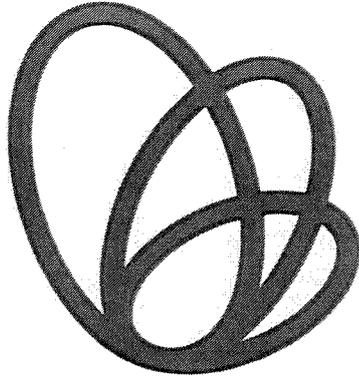


Paul Brennan

30 June 2010.

1 July 2010

Signature



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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*CONFIDENTIAL*

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Peter Smith**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Peter Smith (referred to in this document as "you" or "your") employment in the position of Licensing and Training Manager.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as Licensing and Training Manager and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.

- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$120,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
  - a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 50% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
  - a. Mobile telephone costs, including calls;
  - b. Home internet connectivity;provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.
- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or

unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.

- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.

- I. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or

d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and

insurance providers. This may include your address, date of birth, health information and professional associations.

#### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
  - a. immediately return the device to RQL on termination of your employment or earlier request;
  - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - c. not give the device to anybody else or permit anybody else to use the device; and
  - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
  - a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
  - b. Failure to comply with the terms and conditions of your employment contract;
  - c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

- 15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

- 15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2, 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.
- 15.5. During any period of notice, RQL may require you:
- To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.

- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.

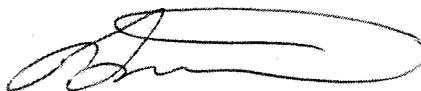


28 June 2010

Bob Bentley  
Chairman

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

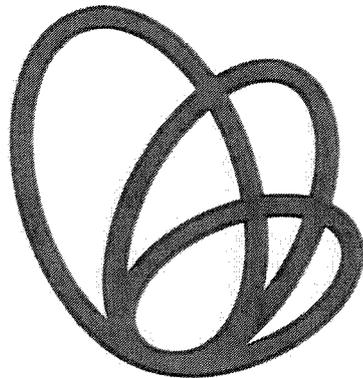


30/6/2010.

Signature

Peter Smith

1 July 2010



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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***CONFIDENTIAL***

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Shara Murray**

## 1. OFFER OF EMPLOYMENT

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Shara Murray (referred to in this document as "you" or "your") employment in the position of Senior Corporate Counsel/Company Secretary.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chairman of the Board, Mr Bob Bentley, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

## 2. ENGAGEMENT

- 2.1. You shall be employed by RQL as Senior Corporate Counsel/Company Secretary and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Chief Executive Officer.
- 2.2. In your capacity as Senior Corporate Counsel, you will report to the Chief Executive Officer. In your capacity as Company Secretary, you will report to the Chairman of the Board of Directors.
- 2.3. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.4. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.5. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.6. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.
- 2.7. In your capacity as Senior Corporate Counsel, you are required from time to time to give legal advice to RQL. RQL acknowledges that in doing so, you are independent of RQL and must give that advice whether it be favourable to RQL or otherwise. RQL acknowledges it agrees that at no time may it use the giving of advice by you which may be unfavourable to its interests as ground for any disciplinary action of any nature or kind.

## 3. PLACE OF WORK

- 3.1. You will be employed at RQL's Deagon head office, but you may be required to perform your duties at other locations as reasonably requested. RQL may move your position to another location due to business requirements. If this is required RQL will provide you with notice of at least four weeks of the intention to move your position, and will discuss any such change with you as soon as possible.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia and overseas.

## 4. COMMENCEMENT AND HOURS OF WORK

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior executive role. You are expected to devote your time,

attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.

- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.
- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

- 5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$120,000 per annum, including compulsory superannuation. If you choose to take up the option of RQL providing you with a vehicle, as outlined below at clause 5.4, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in clause 5.4.
- 5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
  - a. Taxes required by law, including PAYG and FBT;
  - b. Compulsory superannuation contributions;
  - c. The cost of any salary sacrifice arrangements implemented by you;
  - d. Any other deductions which you have authorised RQL to make;
  - e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.4.
- 5.3. Your Salary will be paid fortnightly, in arrears, direct to your nominated bank account.
- 5.4. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 75% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 4 cylinder vehicle is to be valued at \$12,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.
- 5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.
- 5.6. In addition to your TRV, RQL will cover the following costs:
  - a. Mobile telephone costs, including calls;
  - b. Home internet connectivity;

provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.

- 5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.
- 5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.

- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

### 8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.

- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL. This clause does not limit your rights or duties to give independent legal advice when called upon to do so.
- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

## 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

## 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
- With RQL's prior written permission;
  - In the proper performance of your duties;
  - As expressly allowed under this Agreement; or
  - For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.
- 11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

- 12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
  - Directly or indirectly as a result of the employee or anybody else's access to confidential information;
  - In the course of, as a consequence of or in relation to the performance of the employees duties;
  - Relating to RQL's general methods of operation; or
  - In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;
- vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.
- 12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.
- 12.5. Your obligations under this clause will survive the termination of this Agreement.

### 13. PRIVACY

- 13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

### 14. RQL PROPERTY AND SECURITY

- 14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- a. immediately return the device to RQL on termination of your employment or earlier request;
  - b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - c. not give the device to anybody else or permit anybody else to use the device; and
  - d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 15. TERMINATION OF EMPLOYMENT

- 15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.
- 15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:
- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
  - b. Failure to comply with the terms and conditions of your employment contract;
  - c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

- 15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.
- 15.5. During any period of notice, RQL may require you:
- To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.4 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.

- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



Bob Bentley  
Chairman

28 June 2010

Date

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.



Signature

Shara Murray

1 July 2010

**Proud, Roz**

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**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 2 June 2011 12:05 PM  
**To:** McDonald, Peter  
**Cc:** Dunphy, Barry  
**Subject:** RE: Employment Agreements: Email 4 of 4  
**Attachments:** Toni Fenwick.pdf; Wade Birch.pdf; Warren Williams.pdf; Wendy Thomas.pdf

Peter

As discussed, please find employment agreements **attached**.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



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**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

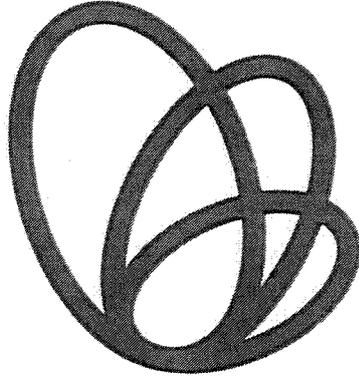
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RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Toni FENWICK** (referred to in this document as "You or Your")

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

### 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

### 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements.. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

### 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually, There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

- 5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.
- 5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

- 10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
  - b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
  - c. In the course of, as a consequence of or in relation to the performance of the employees duties;
  - d. Relating to RQL's general methods of operation; or
  - e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

- 10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

- 11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

- 12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one months notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

Period of continuous service on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

## 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:



Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

Toni FENWICK

Employee Name



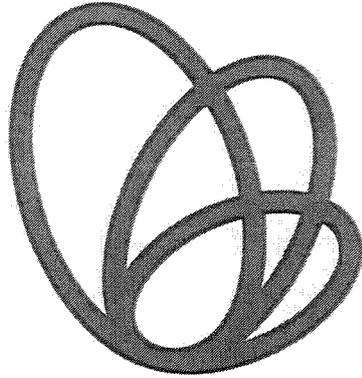
Signature

1 July 2010

Date

**SCHEDULE 1**

<b>Employee Name</b>	Toni FENWICK
<b>Your Position</b>	Executive Assistant
<b>Location(s)</b>	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
<b>Ordinary Days</b>	Monday to Friday
<b>Base Salary</b>	\$62,631.92
<b>Superannuation</b>	\$5,636.87
<b>Total Remuneration Value (TRV)</b>	\$68,268.79
<b>Additional Benefits</b>	1. Nil
<b>Additional Leave Entitlements</b>	<p>You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.</p> <p>A pro rata entitlement is applicable on termination after 7 years.</p>
<b>Time Off in Lieu Entitlements</b>	Nil



RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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*CONFIDENTIAL*

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**Wade BIRCH** (referred to in this document as "You or Your")

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

## 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.

## 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

## 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Some employees will be entitled to time off in lieu of hours worked on particular days. If you have any such entitlement it is set out in Schedule 1 as Time Off in Lieu Entitlements.
- 3.4. Hours of work for some employees are rostered to periodically allow for a rostered day off. Such rostered days off may be taken provided that the employee has worked an average of 38 hours per week over the remaining days of work. If You are entitled to schedule your working hours in this way, details are set out in Schedule 1 as RDO Entitlements.
- 3.5. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.
- 3.6. Depending on the nature of your work, you may be entitled to specific Meal Breaks. If so, these are set out in Schedule 1 at Meal Breaks.

#### 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV, effective from 1 July 2010 are set out in Schedule 1 to this agreement.
- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. Your Salary will be paid to you fortnightly in arrears.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the

excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

- 4.11. Some employees may be entitled to Additional Benefits that reflect agreements made with previous employers. If you are one of these employees, those Additional Benefits are set out in Schedule 1. If there is any inconsistency between those Additional Benefits and the other terms of this agreement then the Additional Benefits will prevail.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.

5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009* and to any Additional Benefits set out in Schedule 1 that relate to parental leave.

5.11. Unless provided otherwise in Schedule 1, under Additional Leave Entitlements, you are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:

- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
- (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;

- (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
- (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.

7.2. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.

7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.

8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.

8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:

- (a) With RQL's prior written permission;
- (b) In the proper performance of your duties;
- (c) As expressly allowed under this Agreement; or
- (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.

9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

- 10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
  - b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
  - c. In the course of, as a consequence of or in relation to the performance of the employees duties;
  - d. Relating to RQL's general methods of operation; or
  - e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;
- vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.
- 10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

- 11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

- 12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:
- ▶ immediately return the device to RQL on termination or your employment or earlier request;
  - ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
  - ▶ not give the device to anybody else or permit anybody else to use the device; and
  - ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one month's notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice. Some employees are entitled to an additional separation benefit if they resign from their employment. If you are one of these employees, details of the applicable separation benefit are set out in Schedule 1 as part of the Additional Benefits.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

- 13.7. If your employment is terminated due to redundancy, you will be provided with redundancy entitlements in line with relevant legislation. The *Fair Work Act 2009* currently provides for the following redundancy entitlements:

Period of continuous service on termination	Redundancy pay period
At least 1 year but less than 2 years	4 weeks
At least 2 years but less than 3 years	6 weeks
At least 3 years but less than 4 years	7 weeks
At least 4 years but less than 5 years	8 weeks
At least 5 years but less than 6 years	10 weeks
At least 6 years but less than 7 years	11 weeks
At least 7 years but less than 8 years	13 weeks
At least 8 years but less than 9 years	14 weeks
At least 9 years but less than 10 years	16 weeks
At least 10 years	12 weeks

If you are entitled to any additional payments on redundancy, these will be set out in Schedule 1 under Additional Benefits.

#### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

- 15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

- 16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

- 17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

- 18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person

having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

#### 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

#### 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.
- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.

(p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

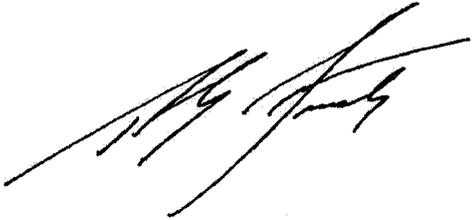
20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:

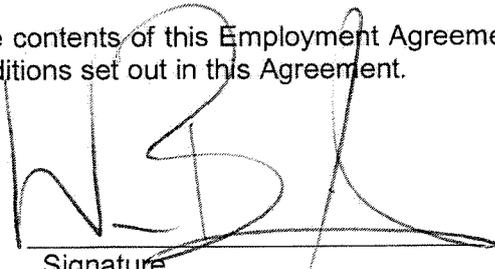


Bob Bentley  
Chairman

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

Wade BIRCH

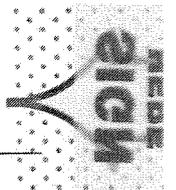
Employee Name



Signature

1 July 2010

Date



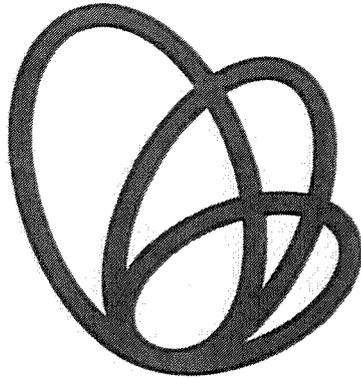
**SCHEDULE 1**

<b>Employee Name</b>	Wade BIRCH
<b>Your Position</b>	Chief Stipendiary Steward (Thoroughbreds)
<b>Location(s)</b>	RQL's Head Office at Deagon or any such other location as RQL directs you to work from. If you are required to move your principal place of work from RQL's Head Office at Deagon, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.
<b>Ordinary Days</b>	An average of five days to be worked between Monday and Sunday and averaged over a 4 week cycle. Ordinary Days include public holidays as directed by RQL.
<b>Base Salary</b>	<b>\$ 142,697.25</b>
<b>Superannuation</b>	<b>\$ 12,302.75</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 155,000.00</b>
	If you choose to take up the option of RQL providing you with a vehicle, then your TRV will also include your agreed contribution towards the vehicle's cost as set out in the Additional Benefits at Schedule 1.
<b>Additional Benefits</b>	<p>1. RQL will provide you with a 4 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 50% of the annual value of the vehicle nominated by RQL. Effective from 1 July 2010, a 4 cylinder vehicle is valued at \$12,000 per annum.</p> <p>If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.</p>



RACING  
QUEENSLAND

	<ol style="list-style-type: none"><li>2. RQL will provide a mobile telephone for business use and for reasonable private use in accordance with RQL policies and procedures.</li><li>3. RQL will cover 50% of your home telephone account, provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.</li><li>4. 100% paid internet connection and reasonable use through RQL plan with Telstra</li></ol>
<b>Additional Leave Entitlements</b>	<ol style="list-style-type: none"><li>1. You are entitled to one week's extra annual leave per 12 months continuous service. This extra week's leave will accrue throughout the year.</li><li>2. You are entitled to accrue long service leave on the basis that you are entitled to 13 weeks long service leave after 10 years continuous service. Once you have completed 10 years service, additional long service leave will then accrue on a pro rata basis.</li></ol>



# RACING QUEENSLAND

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## OFFER OF EMPLOYMENT

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*CONFIDENTIAL*

**Made by:**

**Racing Queensland Limited; ACN 142 786 874**

**To:**

**Warren Williams**

**1. OFFER OF EMPLOYMENT**

- 1.1. Racing Queensland Limited ACN 142 786 874 (referred to in this document as "RQL") wishes to offer Colin Truscott (referred to in this document as "you" or "your") employment in the position of Facility Maintenance and Development Manager.
- 1.2. This document sets out the complete terms of the contract of employment that is being offered to you and it supercedes and replaces entirely any prior agreed terms regarding your employment with RQL. If you think that there are any other agreed terms not included in this document, please advise the Chief Executive Officer, Mr Malcolm Tuttle, before you sign this document.
- 1.3. Once this document has been signed by you it will become a binding contract of employment between you and RQL.

**2. ENGAGEMENT**

- 2.1. You shall be employed by RQL as Facility Maintenance and Development Manager and in such other offices or capacities, as may from time to time be assigned to you, in accordance with the terms of this Agreement. You will report to the Director of Product Development.
- 2.2. The duties that you perform will be in line with your position description and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing.
- 2.3. You agree that RQL may alter your position from time to time, including changing your title, your duties and your workplace, provided that the altered position is reasonably comparable or an adequate alternative position to your position prior to the change. You agree that changes of that nature will not give rise to any termination, separation or redundancy entitlements.
- 2.4. This contract is for a term commencing 1 July 2010 and expiring 30 June 2013.
- 2.5. RQL will, before 1 July 2012, negotiate with you any extension of time of this contract beyond 30 June 2013.

**3. PLACE OF WORK**

- 3.1. You will be employed at RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
- 3.2. The responsibilities of your position mean that you may be required to travel and work for extended periods throughout Australia.

**4. COMMENCEMENT AND HOURS OF WORK**

- 4.1. Your employment with RQL will commence on 1 July 2010 or the date when RQL commences operation as an approved Control Body, whichever is the later date
- 4.2. You will be employed on a full-time basis. Your TRV has been set taking into account that you are being appointed to a senior management role. You are expected to devote your time, attention and skills as need to ensure that you effectively carry out the responsibilities of your role. You agree that this may regularly involve work outside of standard business hours, including work on weekends and public holidays if required, and that your TRV includes payment for all such hours worked.
- 4.3. Hours worked outside of RQL's standard office hours will not attract additional pay as you acknowledge that your TRV reasonably compensates you for all hours worked.
- 4.4. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.

4.5. You agree that RQL may direct you at any time to not attend work or carry out your duties and that, if RQL does issue you with such a direction, that this will not amount to termination of your employment or breach of your employment contract.

## 5. REMUNERATION AND SUPERANNUATION

5.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and compulsory superannuation contributions. You will receive a gross TRV of \$144,200 per annum, including compulsory superannuation.

5.2. That part of your TRV remaining after deduction of superannuation, including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:

- a. Taxes required by law, including PAYG and FBT;
- b. Compulsory superannuation contributions;
- c. The cost of any salary sacrifice arrangements implemented by you;
- d. Any other deductions which you have authorised RQL to make;
- e. An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Offer of Employment amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
- f. Your contribution to the cost of the motor vehicle provided to you by RQL, as set out in clause 5.3.

5.3. The cash component of your remuneration package will be paid in twelve equal monthly instalments direct to your nominated bank account. The deposit to your bank will usually be made on the first working day after the 14th day of each month.

5.4. RQL will provide you with a 6 cylinder vehicle, provided that you agree to salary sacrifice an amount equivalent to 25% of the nominal annual value of the vehicle agreed with RQL. You agree that, effective from 1 July 2010, a 6 cylinder vehicle is to be valued at \$15,000 per annum. If at any time you cease salary sacrificing this agreed amount you will no longer be entitled to the use of the vehicle. You may choose not to accept the offer of use of a vehicle but if you do so, RQL's provision of a vehicle cannot be cashed out and does not form part of your TRV.

5.5. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your TRV, as agreed, into your superannuation fund.

5.6. In addition to your TRV, RQL will cover the following costs:

- a. Mobile telephone costs, including calls;

provided that all such costs will be determined in accordance with any relevant RQL policies in place from time to time.

5.7. Your remuneration arrangements will be reviewed annually. There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.

5.8. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time.

5.9. All costs associated with salary sacrificing will be deducted from your TRV before your Salary is calculated and paid. Any salary sacrifice is subject to Australian Tax Office rulings

and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.

- 5.10. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 5.11. You agree that any monies owed by you to RQL as at the date of termination of employment may be deducted by RQL from your final termination pay.
- 5.12. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 6. EXPENSES

- 6.1. RQL will reimburse you in accordance with RQL's Expense Reimbursement Policy, as amended from time to time, for reasonable work-related expenses incurred by you in the performance of your duties.

## 7. LEAVE

- 7.1. You are entitled to 4 weeks' paid annual leave per 12 months of continuous employment, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in line with organisational requirements and must be approved prior to you taking annual leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 7.2. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 7.3. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 7.4. You are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 7.5. Personal leave entitlements will accumulate from year to year but are not paid out upon termination;
- 7.6. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 7.7. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to

produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.

- 7.8. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave
- 7.9. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 7.10. You are entitled to thirteen weeks long service leave after ten years continuous service subject to and in accordance with the RQL Long Service Leave policy.

## 8. EMPLOYEE OBLIGATIONS

8.1. You agree that you will:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work or other activities outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours, and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 9. CONFLICT OF INTEREST

- 9.1. You are being appointed as a senior executive. This means that you are required to always act in good faith in RQL's best interests and to ensure that you are not placed in a situation

where your duties to RQL are in conflict with your personal interests. This extends to ensuring that you are not in a situation where there could be a reasonably perceived conflict between your duties to RQL and your personal interests. RQL's Conflict of Interest Policy contains more information about circumstances when conflicts can arise. If you are in doubt you must seek clarification from RQL.

- 9.2. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.
- 9.3. You warrant that, from 1 July 2010, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. You will be required to complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.
- 9.4. You agree that you will immediately notify the Chief Executive Officer in writing if a conflict or risk of conflict arises which will impact on your actual or perceived ability to carry out your obligations under this agreement. After assessing the conflict or risk of conflict, RQL may give you written notice requiring you to remedy the conflict or risk of conflict within a specified time.
- 9.5. You agree that you will not enter into or be involved in any other employment or business activity that could conflict with, be detrimental to or interfere with RQL's interests or the performance of the responsibilities of your position with RQL.

#### 10. INFORMATION, POLICIES AND PROCEDURES

- 10.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 10.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 10.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.
- 10.4. It is a term of your employment contract that you comply with the RQL Code of Conduct, as amended from time to time.

#### 11. CONFIDENTIAL INFORMATION

- 11.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
  - a. With RQL's prior written permission;
  - b. In the proper performance of your duties;
  - c. As expressly allowed under this Agreement; or
  - d. For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 11.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 11.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.

11.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 12. INTELLECTUAL PROPERTY

12.1. You acknowledge and agree that all existing and future Intellectual Property Rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:

- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;
- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

12.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.

12.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.

12.4. You consent to RQL infringing any Moral Rights that you may have or become entitled to in any Work created, developed, modified or enhanced in the course of your employment.

12.5. Your obligations under this clause will survive the termination of this Agreement.

## 13. PRIVACY

13.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.

13.2. During the course of your employment, RQL may collect, use, handle and/or disclose your personal information in the proper course of business, such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 14. RQL PROPERTY AND SECURITY

14.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.

14.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control.

You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).

14.3. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.

14.4. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:

- a. immediately return the device to RQL on termination of your employment or earlier request;
- b. not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
- c. not give the device to anybody else or permit anybody else to use the device; and
- d. use the device strictly in accordance with any conditions advised by RQL in respect of it.

#### 15. TERMINATION OF EMPLOYMENT

15.1. If by reason of health or other personal issues you are unable to continue the fulfilment of your duties under this contract, you may resign from your employment at any time by giving six weeks' notice in writing. If you do not give that notice, you authorise RQL to deduct from any payment owing to you a sum equivalent to the TRV you would have been entitled to for the period by which your actual notice fell short of the required six week notice period. RQL may, at its discretion, decide to accept a shorter period of notice from you. Otherwise you are bound by the period of this contract.

15.2. RQL may terminate your employment by giving you six weeks' notice in writing if your employment is being terminated for any one or more of the following reasons:

- a. Unsatisfactory performance other than a termination for Misconduct as provided for by clause 15.7;
- b. Failure to comply with the terms and conditions of your employment contract;
- c. You suffer from an incapacity that renders you unable to carry out the inherent requirements of your position;

If you are over 45 years of age at that time and have more than 2 years continuous service with RQL, that notice will be increased to seven weeks notice. AT RQL's discretion, RQL may pay you in lieu of part or all of that notice period.

15.3. Should RQL cease to be the approved Control Body, RQL will provide you the opportunity to take redundancy. The redundancy will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.

15.4. If RQL terminates your employment for any reason other than those referred to in clauses 15.2 15.3 and 15.7, then you will be given six weeks' written notice of termination and will be paid on termination a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract.

15.5. During any period of notice, RQL may require you:

- a. To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or

- b. To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 15.6. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 15.7. RQL may terminate your employment summarily without notice or payment in lieu of notice if RQL reasonably concludes that you have committed Misconduct. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 15.8. Following the termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.
- 15.9. If RQL terminates your contract without cause, including if RQL ceases to be the Control Body under the Racing Act 2002 (QLD), you will be entitled to a payment equivalent to the TRV you would have been entitled to receive had you remained employed until the term of the contract expired, 30 June 2013. For clarity, if by 1 July 2012 your contract has been extended, but after 1 July 2012 RQL ceases to be the Control Body or terminates you without cause, your entitlement to redundancy does not extend beyond the original term (expiring 30 June 2013) unless otherwise negotiated in a new contract.

## 16. ENTIRE AGREEMENT

- 16.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 16.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 16.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.
- 16.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

## 17. VARIATION

- 17.1. Subject to RQL's right to amend any policies and to change your title, duties or position in accordance with clause 2.3 of this Agreement, the terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

## 18. SEVERABILITY

- 18.1. If any provision in this Agreement is unenforceable, illegal or void, then it is deemed to be severable and independent and will not affect the validity or enforceability of any other provisions of this Agreement which will remain in force.

## 19. WORK ELIGIBILITY

- 19.1. Your employment is conditional upon you providing if requested by RQL, prior to your commencement, evidence of your eligibility to work in Australia.

## 20. WARRANTIES

- 20.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.
- 20.2. You acknowledge that RQL has relied upon the accuracy and truthfulness of any representations, whether written or verbal, made by you in relation to your professional qualifications, skills and experience during the pre-employment process. This offer of employment has been made in reliance upon these representations.

## 21. CONFIDENTIALITY OF AGREEMENT

- 21.1. This Agreement and its contents are confidential and should not be communicated to any other party.

## 22. DEFINITIONS AND INTERPRETATION

### 22.1. Misconduct includes but is not limited to:

- a. Drunkenness or intoxication;
- b. Dishonesty;
- c. Neglect of duty or incompetence;
- d. Any form of misrepresentation, whether to RQL or others in the performance of your duties;
- e. Being charged with a criminal offence which, in RQL's opinion, affects your suitability for your position;
- f. Conduct which may injure RQL's reputation or operations;
- g. Refusal or failure to comply with RQL's lawful directions;
- h. Breach of your obligations under clause 11 of this Agreement; and
- i. You being prohibited from taking part in the management of RQL pursuant to the *Corporations Act 2001*.

### 22.2. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- a. Would be of commercial value to a competitor of RQL.
- b. Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- c. Relates to RQL's operational requirements.
- d. Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- e. Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- f. Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- g. Relates to or is contained in any of RQL's computer data bases or software.
- h. Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.

- i. Relates to or is contained in any manuals or handbooks produced by RQL.
- j. Relates to RQL fees, quotations, prices or charges in respect of services or products.
- k. Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- l. Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- m. Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- n. Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- o. Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- p. Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

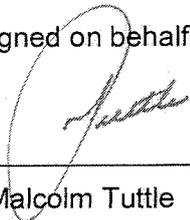
22.3. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

22.4. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

22.5. Control Body has the same meaning given by the *Racing Act 2002* (Qld).

22.6. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL.



8 July 2010

Malcolm Tuttle

Date

Chief Executive Officer

I acknowledge that I have read the contents of this Offer of Employment and accept that offer on the terms and conditions set out in this Agreement.

Warren Williams

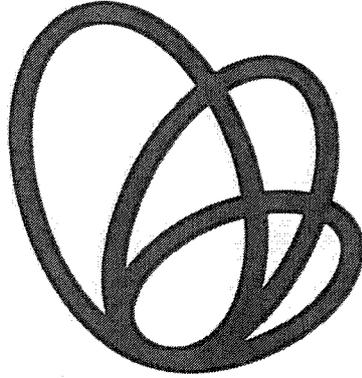


16/7/2010

Employee

Signature

Date



RACING  
QUEENSLAND

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**OFFER OF EMPLOYMENT**

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***CONFIDENTIAL***

This Offer of Employment is made by:

**RACING QUEENSLAND LIMITED (ACN 142 786 874)**

To

**WENDY THOMAS (referred to in this document as "You or Your")**

This Agreement sets out the terms and conditions of employment being offered by Racing Queensland Limited (RQL).

## 1. ENGAGEMENT

- 1.1. You shall be employed by RQL in Your Position as set out in Schedule 1 to this Agreement and in such other offices or capacities, as may from time to time be assigned to you in accordance with the terms of this Agreement. Your employment will commence on 21 February 2011 or such other date agreed in writing with RQL.
- 1.2. The duties that you perform will be in line with the **attached** Role Profile and may vary from time to time in accordance with the terms of this Agreement and business requirements. If your duties do vary, the terms and conditions set out in this Agreement will continue to apply unless otherwise agreed in writing. Because RQL is a new entity created by amalgamating three separate control bodies, it is expected that there will be changes made to that role profile in the future as RQL adapts responsively to future challenges. It is agreed that any changes will not fundamentally alter the nature of your role. RQL will consult you in advance about any changes that are proposed for your position description. In turn, you agree that you will diligently fulfil the responsibilities set out in your position description, as it stands from time to time.
- 1.3. Your ongoing employment is subject to your satisfactory completion of the six month qualifying period that is set by the *Fair Work Act 2009*. This period is an opportunity for both RQL and yourself to determine your suitability for the position and ongoing employment. During this period your work performance will be reviewed and evaluated by your manager.

## 2. PLACE OF WORK

- 2.1. Your principal place of work will be the Location(s) set out in Schedule 1 to this agreement. You may be required to perform your duties at other locations as reasonably requested. RQL may move your principal place of work to another location due to business requirements. If you are required to move your principal place of work, RQL will provide you with at least four weeks' notice of the move and will discuss any such change with you as soon as possible.

## 3. HOURS OF WORK

- 3.1. You will be employed on a full-time basis and are expected to work an average of at least 38 hours per week. The days on which you may be asked to work your ordinary hours are the Ordinary Days set out in Schedule 1 to this agreement, or such other days as are agreed with RQL to be your ordinary working days. Your starting and finishing times should be determined in consultation with your manager.
- 3.2. In order to meet the responsibilities of your position, operational or client requirements you may be required to work additional hours as necessary from time to time. Your Salary compensates you for all hours worked and you will not receive additional pay if working hours in excess of 38 hours per week as you acknowledge that your Salary reasonably compensates you for all hours worked.
- 3.3. Punctuality is important in providing a proper service to clients. If you are unable to attend work on any day, or will be late for work, you must personally advise RQL of any absence as soon as possible.

## 4. REMUNERATION AND SUPERANNUATION

- 4.1. Your remuneration is calculated on a total remuneration value (TRV) basis, which is inclusive of all remuneration entitlements and RQL's compulsory superannuation contribution. Details of your TRV are set out in Schedule 1 to this agreement.

- 4.2. That part of your TRV remaining after deduction of superannuation, (including any deemed or notional contributions), any salary sacrifice arrangements implemented by you and any other entitlements we are obliged to provide will be your gross Salary. You authorise RQL to deduct the following, where applicable, from your TRV in order to calculate your actual net salary payments:
- (a) Taxes required by law, including PAYG and FBT;
  - (b) Compulsory superannuation contributions;
  - (c) The cost of any salary sacrifice arrangements implemented by you;
  - (d) Any other deductions which you have authorised RQL to make;
  - (e) An amount equal to your TRV for the period of any unauthorised absences, any unpaid leave or periods when you have failed to provide the required notice of termination of your employment. You agree that your signing of this Agreement amounts to express written consent to deduct an amount in accordance with the *Fair Work Act 2009*;
  - (f) Any contribution that you are required to make to the cost of a motor vehicle as set out in Schedule 1 under Additional Benefits.
- 4.3. The cash component of your remuneration package will be paid in twelve equal monthly instalments direct to your nominated bank account. The deposit to your bank will usually be made on the first working day after the 14th day of each month.
- 4.4. RQL will pay superannuation contributions in accordance with statutory requirements into a nominated complying superannuation fund of your choice. You may elect to contribute additional amounts of your Salary, as agreed, into your superannuation fund.
- 4.5. Your remuneration arrangements will be reviewed annually, There is no guarantee that your TRV will be increased each year. Any review will take into account market movement, your performance and RQL's financial situation.
- 4.6. RQL takes a flexible approach to the structuring of TRV and allows its employees to determine how they will receive their remuneration. You will be permitted to structure your TRV in accordance with the RQL Remuneration Policy and Procedures that are in place from time to time. That policy currently allows for employees to change their salary package options annually.
- 4.7. You will be responsible for all costs associated with salary sacrificing. Any salary sacrifice is subject to Australian Tax Office rulings and, should there be any change to the current treatment of salary sacrificing, the salary sacrifice arrangement will be reviewed to ensure that there are no additional costs to RQL.
- 4.8. You agree that in the event of an overpayment of salary, RQL may recover the amount of the overpayment by way of deduction from your future earnings. If this occurs, RQL will provide you with written notification of the intention to recover the overpayment and the amount to be recovered.
- 4.9. You agree that any monies owing to RQL upon termination of employment may be deducted by RQL from your final termination pay.
- 4.10. You agree that your Salary has been set to include all allowances, penalties and loadings that may be payable to you, regardless of how that entitlement arises. You also agree that, if at any time during your employment, you are entitled to payment for overtime, penalties, loadings and allowances under an award or agreement, your Salary is being paid as a composite payment in satisfaction of both your contractual entitlements and all such award or agreement entitlements. You agree that if your Salary exceeds the amount that you would be entitled to for ordinary hours of work under an award or agreement, then the excess paid to you may be set off against any award or agreement entitlements and does not increase the rates payable to you under any applicable award or agreement.

## 5. LEAVE

- 5.1. All full time employees are entitled to 4 weeks' paid annual leave per 12 months of continuous service, accrued in accordance with the *Fair Work Act 2009*. Annual leave entitlements accrue throughout the year and accumulate from year to year when accrued leave is not taken. All annual leave will be approved in accordance with organisational requirements and must be approved prior to you taking leave. The RQL Leave Policy contains more details about the taking of annual leave and management of annual leave balances. You agree that it is reasonable for RQL to apply that Leave Policy.
- 5.2. The working patterns of some employees mean that they are entitled to additional annual leave entitlements. If you are one of these employees, details of your Additional Leave Entitlements are set out in Schedule 1 to this agreement.
- 5.3. To ensure you maintain a healthy work and life balance, you will be encouraged to take leave each year. We may direct you to take annual leave in accordance with applicable legislation, which currently requires the giving of notice and says that we cannot direct you to take all of your accrued leave. There are certain times during the year when annual leave will not usually be granted. Those times differ in various parts of the business. For example, employees working in the finance area will not generally be granted leave from May to September.
- 5.4. There is no separate leave loading payable to you as your TRV has been set taking this into account. On termination of employment, any accrued annual leave will be paid at your then current ordinary rate of pay.
- 5.5. Full time employees are entitled to paid personal leave of ten days per year in accordance with the *Fair Work Act 2009*. Personal leave includes sick leave and carer's leave.
- 5.6. Personal leave entitlements will accumulate from year to year but are not paid out upon termination.
- 5.7. The *Fair Work Act 2009* provides for carer's leave to be taken to care for a member of your immediate family or household who requires care or support due to an illness or injury or unexpected emergency affecting them. Your entitlement to take carer's leave is governed by the provisions of the *Fair Work Act 2009*. You may take unpaid carer's leave of up to two days per occasion if you have exhausted your paid personal leave entitlements.
- 5.8. If you are absent due to sick or carer's leave you are required to notify RQL at the commencement of your normal working time or as soon as reasonably practicable and, as far as practicable, state the estimated duration of the absence. You may be required to produce a medical certificate or other proof that RQL considers reasonable proof of the reason for your absence if you take sick or carer's leave. The RQL Leave Policy contains more information about these requirements.
- 5.9. You are entitled to paid compassionate leave in accordance with the *Fair Work Act 2009*. That Act currently provides for a maximum of two days for each occasion when a member of your immediate family or a member of your household contracts or develops an illness that poses a serious threat to their life, or sustains an injury that poses a serious threat to their life, or dies. You may be asked to provide reasonable evidence of the illness, injury or death before you are entitled to take this paid compassionate leave.
- 5.10. You may be entitled to parental leave (maternity, paternity and adoption leave) if applicable in accordance with the *Fair Work Act 2009*.
- 5.11. You are entitled to long service leave in accordance with legislative requirements and in accordance with the RQL Long Service Leave policy.

## 6. EMPLOYEE OBLIGATIONS

- 6.1. In accordance with your duties you must:

- a. Perform to the best of your ability and knowledge the duties assigned to you, in a manner consistent with your position, as determined by RQL.
- b. Exhibit professional behaviour and attitude in dealings with managers, employees, clients, and suppliers of RQL, and all others.
- c. Take all reasonable steps to meet performance criteria that RQL establishes from time to time.
- d. Abide by all safety, quality and security procedures applying to RQL's operations and premises.
- e. Refrain from all behaviour that could be perceived as discrimination, harassment or bullying in the workplace under the applicable legislation.
- f. Observe and comply with all policies, procedures, and operational manuals, as amended by RQL from time to time and all reasonable directions given by RQL.
- g. Not engage in remunerated work outside of RQL that may be a conflict of interest or lead to a reasonably perceived conflict of interest, without RQL's prior written consent.
- h. Not claim or accept any fee, gratuity, commission or other benefit from any source other than RQL in payment for any services concerned with RQL's business.
- i. Devote the whole of your time and abilities during normal working hours and at such other times as may be reasonably necessary, to the performance of your duties.
- j. Use your best endeavours to promote, develop and extend RQL's business interests and reputation and not do anything to the detriment of those business interests or reputation.
- k. Comply with, implement and enforce any legislation that applies to the duties or responsibilities of your position.
- l. Immediately notify RQL if you become aware or have reason to believe that another employee of RQL has failed to comply with any legislation applying to their duties or responsibilities.

## 7. CONFLICT OF INTEREST

- 7.1. You must not engage in any activity that would conflict with RQL's interests or operations. Conflict of interest will be determined in accordance with RQL's Conflict of Interest Policy, which may be amended by RQL from time to time. Examples of situations that might create a conflict of interest are:
- (a) Any interest in property used for stud purpose, agistment, breeding, training or other purposes associated with the racing industry;
  - (b) relationships with licensed persons in the racing industry or with any person providing services or facilities to the racing industry;
  - (c) any involvement in the ownership, breeding, leasing, claiming, racing or management of horses or greyhounds;
  - (d) having a family member who is a licensed person in the racing industry or who provides services or facilities to the racing industry.
- 7.2. You warrant that, from the date you commence employment, there will be no circumstances which would create a perceived or actual conflict of interest between your personal interests and your obligations to RQL. This offer of employment is made to you on the condition that you complete and sign the Conflict of Interest and Racing Interest Declaration Form prior to

commencing with RQL. This form will be required to be completed annually or where there is any change to your circumstances.

- 7.3. If you have an actual or perceived conflict of interest, you must immediately advise the appropriate person in accordance with RQL's Conflict of Interest Policy and follow any directions given to you. Failure to report an actual or perceived conflict of interest is an extremely serious matter and may be treated by RQL as serious misconduct which is sufficient to justify terminating your employment.
- 7.4. You must not accept any payment or other benefit from any person as an inducement or reward for any act or forbearance with any matter or operation transacted by RQL or on its behalf. You must report any actual or potential conflict of interest to RQL immediately.

## 8. INFORMATION, POLICIES AND PROCEDURES

- 8.1. It is a term of your employment contract that you must comply with all lawful orders, instructions, standards, policies and procedures in existence at RQL. While you must observe and comply with these policies and procedures, the contents of those policies and procedures do not form terms and conditions of your employment contract with RQL unless expressly referred to in this Agreement. If there is any inconsistency between the terms of this Agreement and RQL's policies and procedures, the terms of this Agreement will prevail.
- 8.2. To the extent that RQL's policies and procedures refer to obligations on RQL, you agree that they are guides only and not contractual terms, conditions or representations on which you rely.
- 8.3. You will not knowingly withhold any information or material within your possession that may affect RQL's performance or reputation.

## 9. CONFIDENTIAL INFORMATION

- 9.1. You must not at any time during your employment with RQL, or at any time after your employment terminates, disclose to any other person or use or attempt to use any Confidential Information of RQL except:
- (a) With RQL's prior written permission;
  - (b) In the proper performance of your duties;
  - (c) As expressly allowed under this Agreement; or
  - (d) For the purposes of disclosure only where you are legally obliged to disclose by a Court, Commission or Tribunal.
- 9.2. During your employment with RQL, you must use your best endeavours to prevent the unauthorised disclosure of any Confidential Information or trade secrets by a third party. When Confidential Information is disclosed as permitted by clause 9.1 you must ensure that the person to whom the information is disclosed is made aware of its confidential nature and use your best endeavours to ensure that person does not use or disclose that information.
- 9.3. The obligations of this clause shall survive the termination of this Agreement. You must not, after termination of employment use Confidential Information for a purpose other than for the benefit of RQL.

## 10. INTELLECTUAL PROPERTY

- 10.1. You acknowledge and agree that all existing and future intellectual property rights in any Confidential Information or in respect of any intellectual property developed, in development, created or conceived wholly or partly by you, alone or together with any other person or body, whether during or outside working hours:
- a. On RQL's premises or using RQL's facilities or resources, facilities or resources which were in the care and control of RQL, or any of RQL's employees, officers, agents, subcontractors or representatives;

- b. Directly or indirectly as a result of the employee or anybody else's access to confidential information;
- c. In the course of, as a consequence of or in relation to the performance of the employees duties;
- d. Relating to RQL's general methods of operation; or
- e. In respect of or associated with any of RQL's products or services, and any alterations or additions or methods of making, using, marketing, selling or providing those products or services;

vest in and belong to RQL, and to the extent necessary to vest ownership in RQL, the intellectual property is deemed to be assigned to RQL as its exclusive property.

- 10.2. You agree to execute all documents, including any assignments, and do all acts and things, required by RQL for the purpose of effecting and perfecting the title of RQL or its nominee to the intellectual property rights described in the clause above, in Australia or such other countries as RQL requires. You consent to RQL infringing any Moral Rights that you may have or become entitled to, in any work created, developed, modified or enhanced in the course of their employment.
- 10.3. You must immediately disclose to RQL in writing, any invention or improvement you make or think of during the course of your employment.
- 10.4. Your obligations under this clause will continue, notwithstanding the expiry or termination of this Agreement.

## 11. PRIVACY

- 11.1. You must not remove or copy any information, including client or employee information, from RQL's premises without RQL's consent.
- 11.2. During the course of your employment, You agree that RQL may collect, use, handle and/or disclose your personal information in the proper course of business; such as to facilitate the provision of salary and benefits, and supply required information to external superannuation and insurance providers. This may include your address, date of birth, health information and professional associations.

## 12. RQL PROPERTY AND SECURITY

- 12.1. All documents, records, papers, manuals, materials of any nature and other property of, or relating to, the business of RQL, whether prepared by you or not, are and remain the property of RQL.
- 12.2. You agree to take all reasonable steps to ensure the security of and protect all Confidential Information and Intellectual Property Rights of RQL in your possession, power or control. You agree to comply with, and to the best of your endeavours ensure that other employees or contractors engaged by RQL comply with, all of RQL's security guidelines, procedures, rules and regulations (whether formal or informal).
- 12.3. No materials, tools or equipment of any description may be borrowed or removed from the premises without the prior consent of RQL.
- 12.4. Upon termination of this Agreement, you shall immediately deliver to RQL all documents, records, papers, materials of any nature whatsoever and other property of, or relating to, RQL's affairs or any of RQL's related business entities, which may be in your possession or under your control.
- 12.5. If you are provided with a security access device of any kind, such as a key or computer coded access card, you will:

- ▶ immediately return the device to RQL on termination or your employment or earlier request;
- ▶ not copy nor permit the copying of the device or any aspect of it which is integral to its function of security;
- ▶ not give the device to anybody else or permit anybody else to use the device; and
- ▶ use the device strictly in accordance with any conditions advised by RQL in respect of it.

### 13. TERMINATION OF EMPLOYMENT

- 13.1. Subject to RQL's rights regarding summary dismissal, either you or RQL may terminate your employment by giving one months notice, or a mutually agreed lesser period, to the other party in writing. RQL may pay you the equivalent of that period or part of the period in lieu of such notice. The notice period required to be given by RQL will be increased by one week if you are over 45 years of age and employed for more than two years of continuous service with RQL.
- 13.2. During any period of notice, RQL may require you:
- ▶ To perform duties that are different from those that you were required to perform during the rest of your employment with RQL, provided that you have the necessary skills, training, education and experience to undertake them; or
  - ▶ To not present yourself for work, do any work or contact any of RQL's clients or personnel for any period up to the date of termination of employment.
- 13.3. During any period of notice you will continue to be employed by RQL and you must not engage or prepare to engage in any business activity that is the same or similar to the duties you were performing for RQL. Up to the termination of your employment you and RQL shall remain bound by the mutual obligations of trust and confidence.
- 13.4. If you do not give the required notice and there is no agreement regarding a shorter notice period, RQL is authorised to withhold or deduct from your final termination payment, the equivalent amount of salary in lieu of the required notice.
- 13.5. RQL may terminate your employment summarily without notice or payment in lieu of notice if you commit any dishonest act, serious misconduct or any other act that justifies summary dismissal. If your employment is summarily terminated by RQL you will not be entitled to any notice payment, or other benefit on termination other than the statutory entitlements accrued up to and including the termination date. Such payment will be in full satisfaction and discharge of all claims and demands by you against RQL in respect of your employment.
- 13.6. Following termination of your employment, upon RQL's request, you agree to provide RQL with reasonable assistance regarding any matter relating directly or indirectly to your employment, or which arises out of events which occurred during the period of your employment, including providing statements or affidavits, attending meetings and attending hearings or inquiries.

### 14. ENTIRE AGREEMENT

- 14.1. This Agreement forms the entire agreement between you and RQL and shall operate to the exclusion of, and wholly replace, all other contracts or agreements that would otherwise apply to your employment. This Agreement supersedes all prior agreements, understandings and negotiations.
- 14.2. This Agreement represents a full record of the contractual terms and conditions with respect to your employment with RQL and supersedes any prior oral or written contract or understanding between you and RQL.
- 14.3. You agree that you will, if requested by RQL in the future, sign additional documents which include words to the effect that this Agreement forms the entire agreement between you and RQL regarding your terms and conditions of employment.

14.4. Any award or legislation applicable to your employment does not form a term of your employment contract.

#### 15. VARIATION

15.1. The terms and conditions of this Agreement may only be amended by agreement in writing signed by you and RQL.

#### 16. SEVERABILITY

16.1. If any provision in this Agreement is unenforceable, illegal or void, then it is severed and the rest of the Agreement remains in force.

#### 17. WORK ELIGIBILITY

17.1. Your employment is conditional upon you providing to RQL, prior to your commencement, evidence of your eligibility to work in Australia.

#### 18. WARRANTIES

18.1. You warrant that you have the expertise, qualifications, licenses and registration necessary to perform your duties and will perform them in a manner appropriate to a person having such expertise, qualifications, licenses or registration. You must maintain that expertise, qualifications, licenses and registration throughout your employment.

#### 19. CONFIDENTIALITY OF AGREEMENT

19.1. This Agreement and its contents are confidential and should not be communicated to any other party.

#### 20. DEFINITIONS AND INTERPRETATION

20.1. Confidential Information means the trade secrets and all other information regarding RQL's affairs which become known to you in circumstances where you know, or should know, that the information is to be treated as confidential. This Confidential Information includes without limitation any information that:

- (a) Would be of commercial value to a competitor of RQL.
- (b) Relates to RQL's financial affairs; including financial information, accounts work, financing information, management reports and performance or profitability reports and margins.
- (c) Relates to RQL's operational requirements.
- (d) Relates to any arrangements or transactions between RQL and stakeholders in the racing industry.
- (e) Relates to RQL's customers; including customer details, customer lists, details of customer requirements, details of customer prospects, the identity of any customer, their requirements and their financial affairs.
- (f) Relates to any functions you perform in relation to the regulation, licensing, administering or policing of racing and its integrity
- (g) Relates to or is contained in any of RQL's computer data bases or software.
- (h) Relates to any arrangements or transactions between RQL and its respective suppliers or contractors; including their identity and the price or charges in respect of the supplies or services RQL acquires from them.
- (i) Relates to or is contained in any manuals or handbooks produced by RQL.
- (j) Relates to RQL fees, quotations, prices or charges in respect of services or products.

- (k) Relates to the marketing and selling techniques used by RQL; including marketing plans, sales plans, research and data surveys.
- (l) Relates to trade secrets, technical specifications, know how, plans, design concepts, ideas, design specifications, manufacturing or development processes, research, formulae, processes, applications, unique features or techniques in respect of any of RQL's products, services or operations, whether existing or in development.
- (m) Relates to or is associated with any of RQL's technology or software, or any related products or services, including any source code, programming, plans, concepts, specifications, alterations or additions, content, features, operation opportunities, benefits or market appeal, whether produced by you or otherwise.
- (n) Is prepared by RQL or anybody else based on or incorporating information referred to in paragraphs (a) to (m) above, including all notes and other records, whether written or otherwise, and any copies of the information, notes and other records referred to in paragraphs (a) to (m) above.

But does not include information that:

- (o) Was rightfully in your possession and not subject to an obligation of confidentiality before the negotiations leading to the commencement of your employment with RQL, whether pursuant to this Agreement or otherwise.
- (p) Is or, after the commencement of your employment becomes, available in the public domain other than as a result of a breach of this Agreement

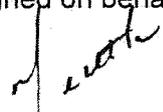
20.2. Intellectual Property Rights means any and all beneficial and legal ownership and intellectual and industrial protection rights throughout the world, both present and future, including rights in respect of or in connection with any confidential information, copyright, including future copyright and rights in the nature of or analogous to copyright), moral rights, inventions (including patents), trade marks, service marks, designs, circuit layout and performance protection (whether or not now existing and whether or not registered or registrable) and includes any right to apply for the registration of such right and all renewals and extensions.

20.3. Moral Rights has the meaning given to that term in the *Copyright Act 1968* (C'th)

20.4. Schedule 1 means the Schedule attached to this agreement. It is agreed that all of the contents of that Schedule are incorporated as terms of this Agreement.

20.5. References to legislation are references to legislation as in force at the relevant time.

Signed on behalf of RQL by:



Malcolm Tuttle  
Chief Executive Officer

I acknowledge that I have read the contents of this Employment Agreement and accept the offer of employment on the terms and conditions set out in this Agreement.

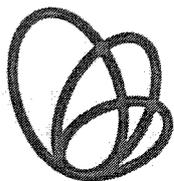
Wendy Thomas

Employee Name



Signature

29/11/10  
Date



**RACING**  
QUEENSLAND

SCHEDULE 1

Your Position	Legal Assistant
Commencement Date	21 February 2011
Location(s)	RQL's Head Office at Deagon and such other locations as reasonably requested by RQL.
Ordinary Days	Monday - Friday
<b>Base Salary</b>	<b>\$ 57,339.45</b>
<b>Superannuation</b>	<b>\$ 5160.55</b>
<b>Total Remuneration Value (TRV)</b>	<b>\$ 62,500.00</b>

FT - PERMANENT

## Proud, Roz

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**From:** Dunphy, Barry  
**Sent:** Thursday, 2 June 2011 5:29 PM  
**To:** 'Shara Murray'  
**Cc:** Cray, Hedy; McDonald, Peter  
**Subject:** Draft Advice on Employment Entitlements

Shara,

Here is our advice in draft for you to review. We wanted to make sure that we have covered off on all of the issues for you.

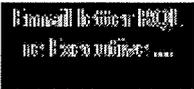
I will be out of the Office tomorrow but I will be available on my mobile. Please feel free to call me if you want to discuss any aspect of the enclosed advice. Alternatively, please feel free to call Peter McDonald on 3292 7222 with any queries, feedback or comments.

Best Regards

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 | M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)



## Confidential

### Email

2 June 2011

Ms Shara Murray  
Senior Corporate Counsel/Company  
Secretary  
Racing Queensland Ltd  
PO Box 63  
SANDGATE QLD 4017  
[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

Our ref 12223/12955/80120739

Dear Shara

### Amended Executive Employment Arrangements

We refer to your meeting with Barry Dunphy and Brett Cook on 25 May 2011 and to your email dated 26 May 2011 in relation to the above matter. We have been asked to provide legal advice to Racing Queensland Ltd (**RQL**) about the proposal to offer varied employment arrangements to certain executive and administrative personnel.

We have been briefed with a copy of the current contracts of employment of the relevant personnel and we have examined those contracts.

For convenience and in order to meet your timeframe, we will summarise in this letter our general concerns about the legal issues that appear to arise. If necessary, we can further elaborate on our reasons. In addition, we can assist with any re-drafting of contractual terms in due course.

Before we set out our comments, we will briefly summarise the background details as we understand it.

### Background

The Board has resolved that RQL's executive and managerial staff need to be retained and provided with additional security of tenure to safeguard business continuity. In addition, key executive assistants are to be offered revised contractual conditions with incentives similar to the executive and managerial staff.

The objective is to reinforce the stability of the executive workforce during the period between now and 2014 by which time RQL must negotiate and achieve some fundamentally important milestones that are critical to the continuation of the racing industry in Queensland e.g. the renegotiation of the Product Fee. As a consequence, the Board has resolved that the existing employment arrangements for 9 key executives be extended by 12 months up to and including 30 June 2014. Additionally, the Board resolved that Wade Birch be offered an employment agreement to expire on 30 June 2014 and that 6 executive assistants be offered varied employment agreements expiring on 30 June 2013. The Board also resolved that the Chairman was to approve the terms relevant to the agreements and the extension of the agreements.

We confirm that, in our opinion, RQL is fully justified in seeking to structure its employment and remuneration policy to gain the maximum advantage for the company and to preserve its business continuity and corporate knowledge throughout this critical period. The fact that the period happens to coincide with a looming election and the predicable prospect of some political "argy bargy" only adds to the merit and logic

of the Board's strategy. What is important however is that the Board pursues its objective in a sustainable manner and in a manner that will not inadvertently damage the company.

## **The Contract Variations**

We understand from your instructions that the Board has communicated its intention that enhanced "redundancy" entitlements should also be offered to the relevant employees so that if unilateral termination of their employment does occur that the staff will be fully compensated.

It is appropriate to set out the relevant clauses of the conditions of employment as they are proposed to be varied in order to meet these requirements:

- "15.3 Should RQL as the control body for the 3 codes of racing receive a show cause notice that could cause it to cease as the control body for the 3 codes of racing, a notice suspending its licence as a control body for the 3 codes of racing, or any other direction or notice that could cause it not to remain as the control body for the 3 codes of racing, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.4 Should any director of RQL as the control body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a control body director for the 3 codes of racing, or any other direction or notice that could cause him or her not to remain as a control body director for the 3 codes of racing, other than for official misconduct, or if a director of RQL ceases to be a director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.5 If RQL offers you redundancy for any reason including in accordance with clause 15.3 and 15.4, then you will be given 6 weeks' written notice and will be paid a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract. Provided that if you accept a redundancy including in accordance with clause 15.3 and 15.4 RQL may accept a shorter period of notice than 6 weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full."

For the reasons that we will explain, we are of the view that the proposed variations are not the optimal means for the Board to achieve its objectives. Indeed they appear to us to pose some legal risks for both the Board, the company and its other officers.

Later in this advice we have set out the broad parameters that we believe may help the company address the objectives that the Board seeks to achieve.

## The Executive Arrangements

Under the existing executive contracts, the position is that if RQL ceases to be the control body for the 3 codes of racing, or if RQL terminates employment for any reason other than a reason relating to fault on the part of the employee, then RQL is provide to the employees the opportunity to take a redundancy. The termination payment is the equivalent of the Total Remuneration Value of the contract remaining at that time.

The draft proposals as set out in the above clauses significantly vary that approach by significantly extending the triggers for redundancy.

In our opinion, the extended redundancy clauses raise the following issues of concern for both the directors and officers of RQL in terms of the duty of good faith and proper purpose under section 181 and 184 of the Corporations Act:

- (a) The Board resolution authorises an extension of the contracts of the 9 executives and the offering of new contracts to the executive assistants. This necessarily enlarges the TRV of the contract that must be paid in the event of redundancy.
- (b) There is no Board resolution confirming the changes to the "redundancy arrangements". This is of concern given that the revised arrangements could have a significant impact upon the financial interests of the company;
- (c) The obligation to *immediately provide staff with the opportunity to take redundancy* when the listed triggering events occur, appears to us to be inconsistent with the concept of redundancy (where the employer determines when and how a redundancy arises) with consequent implications for the treatment of the termination payment as an eligible termination payment or a redundancy payment for taxation purposes;
- (d) In any event, it may be doubtful that the primary objective of securing the retention of key staff is best served by *immediately providing* an opportunity to take redundancy at a time when (under the proposed clauses) one would expect that the company would require "all hands" to respond to any formal disciplinary processes under the provisions of the Racing Act 2002; and
- (e) The quantum of the extended redundancy measures (now that the contracts are being extended by 12 months) appears to us to be overly generous when compared with prevailing commercial practice.

## Complaint and Investigation

It is important, in our opinion that the Board now carefully considers how these new arrangements are to be implemented in practice. We suggest that the Board take a "hands on" approach. As you are aware, in the lead up to a State general election, matters of public interest can be easily politicised and it is not beyond the bounds of contemplation that the cut and thrust of the political process may require the Board to respond to enquires and complaints.

The directors would be well aware of the requirements of the Corporation Act with respect to their civil and criminal obligations of good faith.

Section 181 of the Corporations Act set out the civil obligations of directors and other officers. They must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

Section 184 then creates a criminal offence if a director or other officer is reckless or intentionally dishonest and fails to exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

It is relevant to note that a company like RQL is subject to the regulatory oversight of the Australian Securities and Investment Commission (ASIC), an independent Commonwealth authority with a well resourced and experienced investigative arm. If ASIC was to receive a complaint that the Board, through its decision making, had acted recklessly and in a manner not in the best interests of the company, (so as to engage the offence provisions in s.184 of the Corporations Act) we believe that as the responsible regulator, ASIC would probably formally investigate such a complaint. An effective defence to such an investigation is to have a full and compelling record of the resolutions taken by the Board and the reasons for the Board's decisions.

### **The Executive Assistants**

We have several similar concerns about the extension of full TRV payout as a redundancy entitlement to the executive assistants. It seems to us that such an arrangement is:

- (a) Inconsistent with the Board's formal Termination of Employment Policy and Procedures that was authorised by the Remuneration and Nominations Sub-Committee on 1 July 2010. (See clause 1.3 of the Policy that allows for a maximum of 16 weeks pay as compensation for redundancy);
- (b) Inconsistent with the provisions of the current contracts for these officers (that accurately reflect the termination entitlements provided for under the Fair Work Act 2009 and the Board's Policy document); and
- (c) Inconsistent with the usual commercial practice when it comes to the redundancy of executive support staff.

We would recommend that the Board expressly resolve to pass any non-typical entitlements to the executive assistants so that there is a very clear paper trail of the Board's reasoning and decision making underpinning this particular measure.

In fact, we recommend that the whole package, once it is determined be recorded in a detailed Board paper that the Board can consider and resolve upon so as to achieve the stated objectives.

### **Parameters for a Retention and Termination Payment Framework**

We thought that it may assist RQL if we identified broad parameters under which it might restructure its retention and termination payment position for its key staff during this vital period for the organisation. Our comments are necessarily at a high level at this point in time. Ultimately, we would recommend that the levels of incentive and entitlement be set out for each employee, taking into account their individual position, entitlements and history with the company. We have set out this material in the **attachment** to this advice.

## Drafting

Finally in this preliminary advice, we confirm that we would be happy to assist with the redrafting of contractual provisions to best achieve the objectives of the Board, once the Board has had an opportunity to consider the matters we have raised and confirmed its position with respect to the provision of added performance, retention and termination entitlements.

Yours faithfully

**Barry Dunphy, Partner**  
+61 7 3292 7020  
bdunphy@claytonutz.com

Draft

## Attachment

Executive and Management Team	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months pay (5 weeks to meet statutory requirements)
Termination without cause	<p>Termination payment for notice and payment of all accrued entitlements of the equivalent of between 6 months pay (TRV) to a maximum of 9 months (TRV).</p> <p>The figure is to be determined having regard to the seniority and length of employment. Our recommended figure is 6 months.</p>
Redundancy payment	Severance in accordance with the Fair Work Act
Retention Bonus	<p>A new clause in the contract under which the officer is paid a retention payment payable in instalments annually to retain their services for a set period (e.g. until 2014), as follows 20% year 1, 20% year 2, 60% year 3 on achieving retention date.</p> <p>The payment may be made or paid to a "bank" to accrue, and then be payable either on the relevant retention date being achieved or on termination, whichever is earlier.</p> <p>The quantum of the retention payment must be determined by the Board that the executive is critical to the business continuity. Figures that might be considered could include an amount equivalent to their current annual TRV, split over 3 years, or 6 months of their TRV over 3 years.</p>
Short Term Incentive Payments	A defined amount paid as an additional benefit upon termination for every Key Performance Measure achieved during the balance of the contract up until the date of expiry (e.g. negotiation of a new Product Fee to the satisfaction of the Board). The defined Measure would vary for individual officers

Executive Support	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months Notice (5 weeks to meet statutory requirements)

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Termination without cause	Not applicable due to unfair dismissal rights
Additional Benefit on redundancy	Severance in accordance with the Fair Work Act
Retention Bonus	While this would be less common for administrative and support staff, if the Board determined that retention of the relevant employees is critical to business continuity, an appropriate retention payment plan could also be extended to these employees. The structure of the plan could be similar to that outlined for the executives.

DRAFT

**Proud, Roz**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Friday, 3 June 2011 2:38 PM  
**To:** Dunphy, Barry  
**Subject:** RE: Draft Advice on Employment Entitlements

Thanks Barry – I will discuss with Mal on Monday morning and contact you on Monday.

Regards  
Shara

***Shara Murray***

Senior Corporate Counsel | Company Secretary



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [<mailto:bdunphy@claytonutz.com>]  
**Sent:** Thursday, June 02, 2011 5:29 PM  
**To:** Shara Murray  
**Cc:** Cray, Hedy; McDonald, Peter  
**Subject:** Draft Advice on Employment Entitlements

Shara,

Here is our advice in draft for you to review. We wanted to make sure that we have covered off on all of the issues for you.

I will be out of the Office tomorrow but I will be available on my mobile. Please feel free to call me if you want to discuss any aspect of the enclosed advice. Alternatively, please feel free to call Peter McDonald on 3292 7222 with any queries, feedback or comments.

Best Regards

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 | M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

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<<Email letter RQL re Executive Employment Arrangements 1\_6\_11.DOC>>

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Name Dunlop Start Time 2:20 Finish Time \_\_\_\_\_ Date 14/10/11  
 Client Ray Ould 3:40 File No \_\_\_\_\_  
 Re \_\_\_\_\_

Met Jutta Hedy Gray  
 Maria Murray BTB

1. What the Board wants to achieve.

2. Set the scene

The Board has concern about the return on

- Board wants a person with a degree of focus

- Deal with the bid and the executives ie Helen  
 party board

- Replacement of all of the Ex-ecutive

3. Put a message that provides key people a  
 trigger or opportunity ie drugs that follow from  
 the LNSP

Its need to deal with this if almost go away.

Business as usual - down the road.

A little unusual -

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

Where it is different

- Focus - what to look

- Agreements - if there is language re  
- what is the trigger

WT Additional considerations

- Agreement to one

- Want to deal with the current Board

- Current Board

HC - could be done

MT - Board not really prepared to pay US  
retention payment.

- employee - has an option to deal with the  
current Board

Impoverish the employee.

HC - Deliberate about the need

- Consider how certain employees to be ordinary  
agreements

- They could apply

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No. \_\_\_\_\_

Re \_\_\_\_\_

MT - Can we pick the people

- Don't Redundancy releases

- Redundancy releases

- Get my ro

MT - Exclusion of the sum

- Granted \$135m ie all money 75% of  
to money

- Essential return of the people

AC - double edged sword

- Contains - Term is not to 30 June 2014

- heavily tied to do it

- Terminate than early

(4) Report budget this year and next year

→ couldn't do it at the moment

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

MT - Memorandum - pay the order

Paul Lippman - not pay the order

HC - labelled wrong

- excluded from Redwing etc

MTI - 2014

1 July 2011

2013 - 2014

Extra Printed - heavy blank of the form

June 30 2014

Set Agreement - period has expired

Sept - Oct 2012 - 7 June 2014

3 / 12 / 6  
21 months

(3)

Janeef visited - portions

to relocate

Team - ETS - across team

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

- put them on a reserve tiller

- avoid redundancy type project

MT - Some business to June 2013

(a) → Better project is what they have

→ Dept 16 major contract and 11 20 weeks for 2014.

→ notes → why

(b) middle hand system 11 - not poor performer but constantly is could be a candidate

→ None with June 30 2012 + 13

(c) has these two

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client Racing Queensland File No \_\_\_\_\_

Re \_\_\_\_\_

Key Staff

① Not saying if LNP gets in:

② Column point

→ Re stability the movement

→ some issues

→ speak to key regions

→ Column point

→ Calculations table

→ give output / (start banner) Table

5 Min

→ to key people

→ Red the staff path in down

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_ / \_\_\_ / \_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

③ Need to be people

four people

① 4-3% more on TRV

- reference to shipping or down

disturbances

⇒ all staff

- change work hours that

- road process

②

bb - pay to 4 people

- 50% as a return to day

on 2/6

In addition - pay 1e London

reducing 1e to 1e effective of

Jan / 1 / Feb

→ Emshy to 30 June 2014

→ estd to 2014

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

— extend the details

— 2014 come to 12 months 10

to look at end

③ From 1st of October 10 5 months

to end on the financial year

to June 30 — 10/10

If 4 days were to be included

to bring the relevant period 10

get it pro to 30 June

④ ~~2A~~ Column — of their eyes

Name \_\_\_\_\_ Start Time \_\_\_\_\_ Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

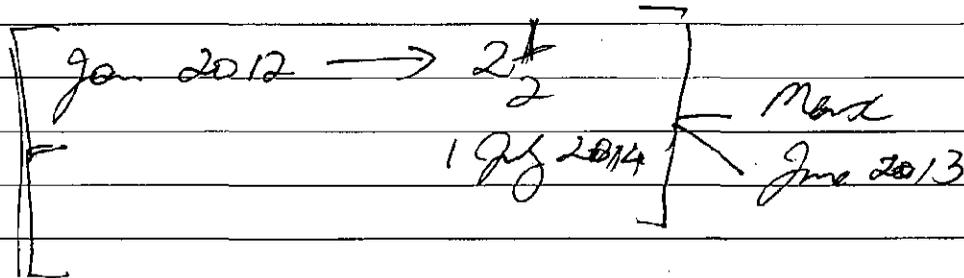
Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

Lehman - presentable

- Book

- Book - more agreements



- 2013 - lot of talk

- 31/1/2014 - Mark tax

- get it signed.

- Registrars

- offer to the that

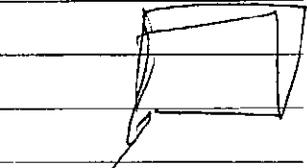
- put it in place now

5mth contract  
 makes 30 June  
 2012

It may seem silly affairs

→ Put back to the cog

→ Tax implications - work to the cog - Timmons



Tim  
 work

**Proud, Roz**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Tuesday, 5 July 2011 1:23 PM  
**To:** Dunphy, Barry  
**Subject:** Racing Queensland Limited  
**Attachments:** doc20110705131237.pdf

**Importance:** High

Dear Barry

Mr Bob Bentley, Chairman of Racing Queensland Limited has requested that I forward the **attached** letter to you.

Kind Regards

Shara

***Shara Murray***

Company Secretary



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RECEIVED  
SM 5/7/11



RACING  
QUEENSLAND

5 July 2011

Mr Bob Bentley  
Chairman  
Racing Queensland Limited  
Racecourse Road  
DEAGON QLD 4017

Racing Queensland Limited  
A.B.N 62 142 786 874  
Racecourse Rd Deagon QLD 4017  
PO Box 63 Sandgate QLD 4017  
T 07 3869 9777  
F 07 3269 6404  
E [info@racingqueensland.com.au](mailto:info@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

Dear Sir

As you are aware, there has been significant media speculation in relation to the administration of racing in Queensland post the State election which is due to be called by March, 2012.

You advise that the outcome of the State election will be determined by June 30, 2012.

The media speculation, including an article under the hand of Mark Oberhardt in yesterday's Courier Mail, points to a changing of the guard at Racing Queensland Limited should the Liberal National Party be successful in the upcoming State election. Mark Oberhardt states, "Huge tip that a country racing legend would replace Bob Bentley as RQ chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive".

The website, [Letsgohorseracing.com.au](http://Letsgohorseracing.com.au), has signalled that it will publish a list of new RQL officers on its website tomorrow.

Our staff are regularly reminded at race meetings by Race Club directors that our time is up.

Given the media speculation and discussions within the industry, it is apparent that at the very least there will be significant change to the Board of Directors and senior executive staff at Racing Queensland Limited if there is a change of Government.

The speculation that senior executive staff will be removed post the State election is taking its toll and you would have gathered at yesterday's meeting it is now having the effect of destabilising senior management, and our broader staff.

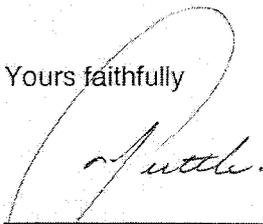
You heard first-hand yesterday from Jamie Orchard, Paul Brennan, Shara Murray and myself in relation to the impact this is having on our work with Racing Queensland Limited and indeed on our personal lives. You are aware that each of us have relatively young families and as responsible individuals are required to plan for our future. We are not of a mind to take unreasonable risks with our future and gamble on a reformed company or new Board retaining our services beyond the State election. In fact, it is more likely than not, that given the seniority associated with each of our positions, we will be removed from office.

As such, we request that you give urgent consideration to retaining the services of key people in the organisation and also consider putting in place a framework that provides us with the necessary security both leading up to and subsequent to the upcoming State election.

We remain committed to the Board and look forward to working with you to arrive at a satisfactory solution during this time of heightened instability.

Should you wish to discuss this matter further, please do not hesitate to contact myself.

Yours faithfully



---

**Malcolm Tuttle**  
Chief Executive Officer



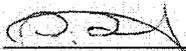
---

**Jamie Orchard**  
Director of Integrity Operations



---

**Paul Brennan**  
Director Product Development



---

**Shara Murray**  
Senior Corporate Counsel

## Proud, Roz

---

**From:** Walker, Robbie  
**Sent:** Thursday, 7 July 2011 11:36 AM  
**To:** Dunphy, Barry  
**Cc:** McDonald, Peter  
**Subject:** RE: Racing Queensland

Barry

I spoke to Shara, who said Bob would be calling. I then spoke to Bob, who said that the matter is no longer going to be considered by the Board tomorrow.

As such no written advice is required from us today. (Peter and I had already made some amendments to your draft Barry, so I'll give it to Hayley for the file.)

Instead, the four key employees (Tuttle, Orchard, Brennan and Murray) are going to obtain their own legal advice (paid for by RQL up to an appropriate limit) to assist them to formulate a new proposal. RQL will then ask Clayton Utz to advise the Board on the proposal.

Bob asked whether the lawyer engaged by the four employees could talk to us in the course of formulating a new proposal. I said yes they could on instruction from the four.

I then had a general discussion with Bob about redundancy in the near term (as it seems still to feature in the employees' thinking), and we covered similar ground to our discussion with Bob yesterday:

- A redundancy generally entails an employer no longer requiring the duties and functions of a role to be performed by any person, and that there was no event connected with the January 2012 proposal which could have reasonably satisfied that idea. We noted the tax view that the Commissioner would most likely treat such payments as income, and tax them at marginal rates, which would create a tax liability for the employees, and could expose RQL to penalties for incorrect withholding.
- Bob commented that it's hard to see how a CEO could ever be redundant. I agreed, saying that the only common way for a CEO to become redundant is where the employer closes its doors. I noted that RQL losing its Control Body status could lead to a genuine redundancy by a similar analysis.
- Bob commented that the only one of the four that might become legitimately redundant is legal counsel, if RQL ceased doing that work in house - I agreed that might be right, depending on exactly what is proposed.

So, nothing further to do today. Next step is that we will be contacted by or be put in touch with the a lawyer for the four.

Regards  
Robbie

**Robbie Walker, Consultant, Workplace Relations, Employment & Safety**  
**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

---

**From:** Schofield, Hayley **On Behalf Of** Dunphy, Barry  
**Sent:** Thursday, 7 July 2011 8:42 AM  
**To:** Walker, Robbie  
**Cc:** McDonald, Peter  
**Subject:** Racing Queensland

Robbie and Peter,

Here is an advice that I have quickly dictated to Hayley this morning from Townsville.

Obviously, we cannot complete the advice until Robbie hears from Bob and/or Shara what is the proposed alternative option. If you have not heard by 10am, I think you need to ring Shara to get the relevant details.

Peter, can you review the advice primarily from a view point of format and presentation and also insert the additional paragraph on the directors duty of care. I think it is section 180 or 181 of the Corporations Act.

I will be able to talk to you at various points during the day but will primarily be running the seminar here in Townsville. If you need to get me to ring you urgently, send me a text or an email as I will see that more readily.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)



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<< File: Letter of advice to B Bentley.nrl >>

**Fursey, Jessica**

---

**From:** Debbie Toohey <dtoohey@racingqueensland.com.au>  
**Sent:** Thursday, 21 July 2011 1:16 PM  
**To:** Dunphy, Barry  
**Subject:** RQL Board Paper  
**Attachments:** doc20110721130537.pdf

Dear Barry

Please see attached as requested.

Kind regards

**Debbie Toohey**

EA to Senior Corporate Counsel/Company Secretary  
Board Secretary

PO Box 63, Sandgate QLD 4017

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F +61 7 3269 9043



E [dtoohey@racingqueensland.com.au](mailto:dtoohey@racingqueensland.com.au)

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**BOARD PAPER NUMBER**

**Senior Executive Staff**

---

**PURPOSE:**

To recommend a course of action to the Board in relation to the following four (4) executives:

- Malcolm Tuttle, Chief Executive Officer
- Jamie Orchard, Director Integrity Operations
- Paul Brennan, Director Product Development, and
- Shara Murray, Senior Corporate Counsel/Company Secretary.

**BACKGROUND:**

At its meeting on May 6, 2011, the Board considered a report from the Remuneration and Nominations Committee in relation to Racing Queensland Limited staff and the offering of extended employment agreements to a number of key people within the organisation.

The precise minute from the May 6, 2011 meeting which was confirmed at the June 7, 2011 meeting reads as follows:

**Remuneration & Nominations Committee Meeting Minutes and Recommendations**

*The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nominations Committee.*

*The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.*

*RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.*

*These key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.*

In addition, the Board considered a recommendation from the Remuneration & Nominations Committee, which led to the following resolution:

The Board **RESOLVED** that:

- (a) *the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:*
- *Malcolm Tuttle*
  - *Adam Carter*
  - *Jamie Orchard*
  - *Paul Brennan*
  - *Shara Murray*
  - *David Rowan*
  - *Peter Smith*
  - *Col Truscott*
  - *Warren Williams*
- (b) *Wade Birch be offered an employment agreement to expire on June 30, 2014, and*
- (c) *employment agreements be offered to the following employees to expire on June 30, 2013:*
- *Wendy Thomas*
  - *Kearra Christensen*
  - *Toni Fenwick*
  - *Ali Wade*
  - *Debbie Toohey*
  - *Jaime Knight*
- (d) *The Chairman to approve the terms relevant to the agreements and the extension of the agreements.*
- (e) *Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2013.*
- (f) *Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

In discussions with Clayton Utz, concerns were raised in relation to the number of personnel being offered extended employment agreements and also the fact that executive support staff were to be included with those being offered fixed-term employment agreements.

## **Current Issues:**

Since the May 6, 2011 meeting of the RQL Board, there has been continued speculation within the racing industry in Queensland as to the likely replacements of key personnel both on the Board and within the executive staff of the organisation. This speculation comes about as a possible change of Government and the stated position of the LNP that RQL will undergo significant change. Following are a number of accounts that give substantial weight to the fact change will occur.

This first account below has been lifted directly from the Letsgohorseracing.com.au website on July 6, 2011. After outlining that the Board will be ousted it states that both Malcolm Tuttle and Jamie Orchard will be removed.

### **ALL THE SCUTTLEBUTT ABOUT CHANGES AT RQ IF LNP WINS GOVERNMENT**

*CONFIRMATION that the Bob Bentley Racing Queensland Board will be sacked if the LNP wins the next election has led to widespread industry speculation about who will replace them.*

*Lists of prospective candidates for everything from the new Board to Chief Executive Officer and even Director of Integrity Operations have done the rounds.*

*At first we elected not to run these e-mails but as this has become such a contentious topic – and the LNP opened this can of worms to start with by announcing it would dump the RQ Board this far out from an election – here is a precise of the scuttle-butt that has been forwarded to us.*

*We wish to stress at the outset that this should not be interpreted as our web-site's opinion of what might happen if and when the Government changes. It is merely a general cross-section of scuttle-butt that is doing the rounds.*

*The only thing of which we are certain at this stage is that the RQ Board of Chairman Bob Bentley, Deputy Chairman Tony Hanmer and Members Bob Lette, Bill Ludwig, Wayne Milner and Bradley Ryan will be shown the door as soon as a new LNP Government can rush through the necessary legislation.*

*That could take some time after an election and they are known to have a 'quick exit plan' for the current Board and an interim measure to take control of the three codes. Whether this means the appointment of an administrator or how it would be done has not been revealed by the LNP.*

*The other policy that has been revealed is that the merged board will be discontinued with each code under a new Government responsible for controlling its own destiny which would suggest a return to three separate Boards.*

*What happens to the harness and greyhound industries under the mooted changes has not been addressed in the e-mails that we have received. These have solely targeted the future control of thoroughbred racing in Queensland.*

#### KEVIN DIXON THE POPULAR CHOICE AS NEW RQ BOARD CHAIRMAN

*THE one common denominator points to popular Brisbane Racing Club chairman Kevin Dixon being appointed to run the new Board. Those close to him say that this will not be a long-term appointment but that he is seen as the administrator best suited and most likely to initially steer thoroughbred racing in a new direction in Queensland.*

*The other appointment that many are predicting is a return to the RQ fold of Bill Andrews, the Board member who lost his seat under Chairman Bob Bentley and then contested the validity of the new appointment process for the merged Board but was – in the eyes of many – a victim of the voting system that currently exists.*

*Beyond these two favored selections the forecast appointments reach far and wide within the industry. There is a suggestion that a prominent racing identity from the country will take over once Mr Dixon believes his job has been done.*

*The most likely and favored candidate – in the eyes of many – would be Kevin O'Keefe, a high profile and respected administrator and owner in both the gallops and harness codes from North Queensland. But those close to him say he is not interested.*

*One high profile business and racing identity continually bobbing up as a prospective new Board member and possible chairman is Gary Pemberton, a former Chairman of Racing NSW, now based in Queensland. When it comes to qualifications Mr Pemberton would win hands down.*

*He was formerly chairman of TAB Limited, Billabong International, Qantas Airways, Brambles Industries and a Director of CSR Ltd, John Fairfax Holdings, Commonwealth Bank, Rio Tinto Ltd, Queensland Investment Corporation and Rothschild Group in Australia.*

*One would doubt that a businessman of Mr Pemberton's talents would want to involve himself in the crap fight that is Racing Queensland despite his undoubted passion for the thoroughbred industry.*

*Another popular duo high on the list includes members of the inaugural Queensland Country Racing Committee in Dr Tony Fitzgerald and Gary Peoples. A patron of the Esk Jockey Club, Dr Fitzgerald has served in numerous roles in Queensland racing and is currently on the First*

*Level Appeals Panel. Mr Peoples, an outspoken country racing critic of the Bentley Board, has been Mayor of the Aramac Shire and chairman of the Central West Country Racing Association.*

*What some e-mail writers have referred to as 'a couple of old war-horses from the era of National Party-Queensland Turf Club control of racing in Queensland' have also been mentioned in dispatches. They are Bill Sexton, a former QTC chairman; one-time QR Board member and current member of the Kevin Dixon-led BRC Board and Dick Banks, a former Queensland Principal Club Board member from Blackall who resigned in controversial circumstances from the Queensland Regional Racing Council in the era of Merri Rose as Labor Racing Minister.*

*Another strongly tipped to play a racing role in an LNP Government is lawyer Bill Millican, the former hard-working chairman of the Gold Coast Turf Club. Mr Millican is a long-time friend of Ray Stevens, who shares the LNP racing industry responsibilities with Shadow Minister Tim Nicholls. He has also being tipped recently in the Brisbane racing media as a possible CEO in the new-look RQ.*

*Some of the other candidates being suggested for Board positions include:*

*Gerard Betros, an associate lecturer and unit leader from the Faculty of Business at the University of Southern Queensland whose alternative structure for the integrated control body for the three racing codes was well received by many sections of the industry;*

*Dan Bowden, a former Deputy Chairman of the QR Board and a former Ipswich Turf Club Chairman;*

*Allen Volz, the former CEO of the Taowoomba Turf Club, who is now on the Board there;*

*Sean Kelk, former CEO of the Brisbane Turf Club and now owner of The Barefoot Accountant;*

*Wayne Wilson, the high profile race commentator who retired recently; and*

*Jeremy Turner, a former CEO of Queensland Racing and former Chief Financial Officer of Queensland Motorways, who is now a Board member of Swimming Australia.*

#### **CHANGES TIPPED TO TWO MAJOR ROLES UNDER A NEW RQ BOARD**

*THERE is also strong speculation that two major roles will change at Racing Queensland under a new Board if the LNP wins Government and these are those of Chief Executive Officer Malcolm Tuttle and Director of Integrity Services Jamie Orchard.*

*In fact the mail is strong that the entire Integrity Department is set for a major shake-up and may be separated from RQ which many still claim was a recommendation of two Racing Inquiries that has never been carried out.*

*Mr Orchard has not been a popular figure with many since his appointment as Integrity boss (not that this is a bad thing in the eyes of the punters) but if the scuttle-butt has an ounce of truth to it he will be on the first bus out.*

*There has been a push for the return of Steve Railton, the one-time QR chairman of stewards, who was sacked by the Bentley Board. There are strong moves behind the scenes within the LNP to have him return from Hong Kong where he now works but there are just as many who claim he didn't fire a shot when chief steward at QR and don't want him back.*

*The greatest certainty – according to those who claim to know what the LNP has planned for racing in Queensland – is that Malcolm Tuttle, the one-time steward who made a meteoric rise to CEO under the Bentley-led Board, will be dumped.*

*There has been widespread disapproval with the Tuttle appointment among industry stakeholders which even the current chairman would be aware of but he has stood by his loyal CEO. Removal of the Bentley Board will see that life-line disappear.*

*Those being touted as possible replacements for Mr Tuttle include:*

*Former Gold Coast Turf Club CEO Scott Whiteman who now runs Country Racing Victoria;*

*Former GCTC chairman Bill Millican, a lawyer with a strong racing background.*

*And three former Queensland Racing CEOs in Kevin Hasemann (now with Queensland Swimming), Jeremy Turner (now a Director of Momentum Consulting Group) and Greg Honchin (now a Board member of a Radio Station at Redcliffe).*

*There were others suggested as possible Board candidates that we have not mentioned to save them from being the butt of many racing jokes.*

*That completes our compilation of the e-mails received that you have asked for. We make no apology for publishing the suggestions that are doing the rounds in racing and political circles but do warn that most originate from an industry where nothing is lost in the telling.*

#### **OUR SAY ON THE SPECULATION AND WHAT THE LNP MIGHT DO WITH RQ**

**EDITOR'S NOTE:** *ALL this speculation on prospective candidates for major roles in a new-look Racing Queensland provides plenty of fodder for the racing rumor mill, the turf columnists and web sites like ours who attract thousands of hits when we publish this sort of gossip.*

*But before the victims of this fiasco, the do-gooder racing officials or our wonderful politicians start bleating about the misinformed creating industry disunity, it can easily be overcome.*

*The ball is now firmly in the LNP court. They threw the first punch declaring that the current Board would be sacked. It's now up to them to finish the fight and provide some policy on what they have planned for the new-look Racing Queensland. It's not good enough to keep saying we will tell you when we are ready to.*

*Personally, if I were framing a market on what will happen, here it is:*

*Kevin Dixon is odds-on to run a new-look RQ Board*

*Bill Andrews short odds to return to the RQ Board*

*Malcolm Tuttle and Jeremy Orchard odds-on to be eventually dumped from their current roles as Chief Executive Officer and Director of Integrity Services.*

*The present Integrity Department odds-on to be separated from RQ and become an entirely independent body run separately to, but under the arm of, the Government's Racing Department.*

*The wild-card of course is that the LNP could revert to the industry appointing a Board from the regions which would be a retrograde step and only create the old problems of conflicts of interest for those elected to represent their respective regions.*

*The LNP could also take the selection process out of the political arena and hand it over to the industry – that would be an easy cop out for a new Government.*

*At the end of the day if racing in Queensland is to try and keep pace with the major states it needs to adopt a professional, business and marketing approach, to the management of the control body.*

*There is no place in RQ racing of the future for the Jurassic Park attitudes of the past where too many decisions have been based on political square-ups and hatreds. The new Board needs to include younger members with racing, business and marketing backgrounds who can try to lure the lost generations back to the track.*

*Start with an experienced base – the likes of Kevin Dixon, Bill Andrews, Kevin O'Keefe or Gerard Betros but search for suitable Board members of the younger ilk with fresh ideas.*

*For what it's worth I think ideal Board candidates could include: Barry Taylor, one of the most successful lawyers in the land who has raced some top horses and from his Townsville base experiences and has a knowledge of the best of both worlds in racing from the country to the city; John McCoy, a popular and experienced racing and media personality with strong links now to Tattersall's Club; Jeremy Turner, an extremely talented and competent CEO when he worked for Queensland Racing, possessing great marketing and business skills and a passion for racing; and there is a need for a talented female on the Board with racing and marketing experience – women play an important role in racing these days – someone*

*like Mary Collier, the former Chairman of the Brisbane Racing Club, who has a strong racing and legal background and these days co-hosts a breakfast radio show on 4BC.*

*Those above are just my thoughts and won't be everybody's cup of tea but most would agree that the new Board needs a different blend if racing in Queensland is ever going to progress from the political bun fight that has turned the industry in the north into joke status.*

*Ends.*

Mark Oberhardt of the Courier Mail stated in the Monday, July 4, 2011 edition of that paper, the following:

"Huge tip that a country racing legend would replace Bob Bentley as RQ Chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive."

The LNP through its racing mouthpiece, Ray Stevens, has openly declared that Racing Queensland Limited will undergo significant change in the event that there is a change of government.

RQL staff are regularly accosted at the races with claims that RQL will be gone when the LNP seizes power following the next election.

Recent incidents of this include regular approaches by the Brisbane Racing Club Chairman, Kevin Dixon, to our stipendiary stewards and more recently, on Saturday July 2, 2011, continual claims by the Toowoomba Turf Club Chairman Bob Frappell in conversation with RQL's Adam Carter that RQL has nine months left.

In an article under the hand of Terry Butts of the North Queensland Register, and reproduced on the Letsgohorseracing.com.au website, homage was paid to Ray Stevens of the LNP as a result of Stevens' pledge to sack Bentley and his Board and rearrange the integrity department and administration of Racing Queensland. The article went on to outline that Ray Stevens also vowed to scrap the one board for the three codes introduced controversially last year and will revert back to separate boards for trots and dogs and totally separate from gallops.

The following post appeared on the Thoroughbred Village forum and refers to a rotten few being expunged with a direct reference to, "porkey brennan".

<b>kornjulio2</b>	Post Options
<a href="#">Members</a>	<a href="#">Post Reply</a>
<a href="#">Profile</a>	<a href="#">Quote kornjulio2</a>
<a href="#">Send Private Message</a>	Thanks(0)
<a href="#">Find Members</a>	<a href="#">Quote</a> <a href="#">Reply</a> Posted: 06 May 2011 at 10:26am
<a href="#">Posts</a>	from the crew that brought stakeholders pet rocks with microphones, gondolas at palm meadows, super tracks at riverside goodna and the nullifying of base stakeholders rights.....many moons ago i declared these parasites the fawitee towers of racing admin.....im sure plenty at qr will be preparing resumes and looking for greener pastures, the reality is the rotten few will be expunged in one of the first acts of the new parliment and the core honest employees will be retained.....so its bye bye porkey brennan
<a href="#">Add to Buddy List</a>	

The following post appeared on the same site and refers to, "shara no-idea".

<b>kornjulio2</b>	Post Options
<a href="#">Members</a>	<a href="#">Post Reply</a>
<a href="#">Profile</a>	<a href="#">Quote kornfullo2</a>
<a href="#">Send Private Message</a>	Thanks(0)
<a href="#">Find Members</a>	<a href="#">Quote</a> <a href="#">Reply</a> Posted: 18 May 2011 at 9:49am
<a href="#">Posts</a>	argh dont ya just love it...osama bin bentheads latest rant re-critiszm and not playing favourites is true gold spin from the hands of rq/rorters inc corporate spin doctors=sequel communications and one shaun rigby....stakeholders prizemoney dont ya just love it.....well osammy BIN BENTHEAD,dribblin billy,integrity lemon,head steward cant hackitt.porkey brennan,basil tuttle,shara no-idea and smithers smith one thing is certain as you read this missive the industry will not miss your rorting,negligence,money squandering,standover tactics,vote rorting and industry wrecking tricks and drivel ONE BIT.....ring rope-a-dope tim hes at parliment in mackay next week and would be afraid to show even a union boss the disgusting,dangerous,unsafe track in his home town of mackay.....annageddon awaits you suckhole parasites
<a href="#">Add to Buddy List</a>	
Champion 	
Joined: 01 Mar 2007	
Status: Offline	
Points: 1802	

Peter Cameron of the Gold Coast Bulletin stated in the Tuesday, July 19, 2011 edition of that paper, the following:

***GCTC needs to back \$50 million chance***

*BARRING privatisation, a new committee looks like the best bet for the onceproud Gold Coast Turf Club.*

*It is a poor advertisement for Gold Coast racing when administrators are fined or disqualified on misconduct charges.*

*Local licensees bookies, jockeys, trainers etc seem to have had enough.*

*They tell the Bulletin plenty in private.*

*The State Government offered up to \$50 million to rebuild the racecourse in January last year.*

*But the GCTC hoard dithered.*

*It may have been inexperience but dealing with the government of the day is sound business governance in any jurisdiction. The AFL and NRL enjoy lush government facilities.*

*The GCTC is promising to return to surplus when the annual balance sheet is produced in a few weeks. The few hundred grand from a Sky Channel agreement will be handy constructing a profit.*

*But raffling board members' car parking spaces is not exactly a show of confidence in club finances.*

*A minimum of five new board members may be elected to the GCTC at the September elections. First priority will be to grab the \$50 million. Equity considerations sound important but irrelevant when a racing minister can veto any sale of club real estate. Queensland laws also provide for racing privatisation.*

***Not all is lost for GCTC. The hot tip is that if the LNP wins government, former Gold Coast chairman Bill Millican will be invited to run a new state racing administration. "Changa" Millican a former rugby league coach should be able to handle the rough stuff.***

Mark Oberhardt of the Courier Mail stated in the Monday, July 18, 2011 edition of that paper, the following:

***Time to plan for a future***

***THERE is continuing speculation about a clean out of racing administrators after the next election. I would hate to see a night of the long knives but the sport desperately needs young blood who can look 20 years ahead. The sport had major problems in the past decade but worse is to come. As has been pointed out repeatedly, racing is linked closely with the gambling dollar and unless something is done to ensure long-term growth racing here could soon be nothing more than a novelty. For starters the TAB agreement runs out in 2014. The Queensland TAB pays a large fee for exclusive rights so for instance TABCORP can't set up here. But the computer age has made exclusive rights virtually meaningless. One sure bet is no one in their right mind will pay to have an exclusive service which is no longer viable. The futures of TAB agencies and on-course bookies look grim. Somewhere in this state must be a messiah who has an idea to ensure the sport survives in a healthy format.***

There is no doubt in my mind that an LNP government will seek so called retribution not only against the Board but against senior executive staff.

This heightened interest about who is to replace me and our Chief Executive Officer and Director of Integrity is having a destabilising effect on Racing Queensland Limited as an organisation. More than ever, our senior executives need to be protected to be able to proceed without fear or favour.

Clearly the landscape has changed since the Board resolution of May 6, 2011, and it is my firm view that we need to reconsider our position as a Board in relation to our key executives. Those executives that are most at risk are also those that will play a vital role over the next 6 months. These four executives are:

- Malcolm Tuttle, Chief Executive Officer
- Jamie Orchard, Director Integrity Operations
- Paul Brennan, Director Product Development; and
- Shara Murray, Senior Corporate Counsel/Company Secretary,

and it is for this reason I recommend to the Board an approach that provides these key executives with certainty prior to the election.

My recommendations in relation to these four executives are as follows:

1. A 30% increase to each executive's TRV, effective from 1 July 2011.
2. The inclusion of a material adverse change clause with a trigger that includes a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), a change to either the make-up of the RQL Board, reporting lines for the Executive or an organisational restructure, entitling Executive to:

- (a) a payment equivalent to the amount of each Executive's TRV that they would have received had the Executive remained employed by RQL to the completion of the term, plus an amount of severance pay equivalent to the RQL-wide redundancy pay payment, as a material adverse change severance payment; and
- (b) all other legal entitlements (such as accrued leave).

3. Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.

In summary, the general effect of these benefits is that in circumstances of a termination or cessation due to a material adverse change, an Executive would become entitled to resign and trigger a payment equivalent to the amount each Executive would have received to the end of the term and a redundancy payment. This will provide the Executives with the protection they are seeking and satisfy RQL's desire to maintain the Executives' employment.

These recommendations are not made lightly to the Board. They are made following the receipt of the attached correspondence, further consideration of the unreasonable and changing circumstances under which these people are expected to perform, the increased industry interest in who will replace them in the event the LNP is successful, the substantive outcomes that have been delivered by them, the work ahead of them in the short term and their commitment to both RQL and the industry.

In the attached correspondence, the four executives set out both their current and future concerns in terms of security for themselves and their families. Given the volatile nature of the industry at present and the fact that it has been openly declared that there will be significant change to RQL should the LNP be successful, I believe it is incumbent on ourselves as directors to provide the necessary certainty and to recognise the commitment and value that these four executives bring to this organisation.

By way of substance, these four executives collectively bring to this organisation over 40 years' experience in the racing industry.

One only has to review some of the more recent initiatives promoted by these executives to put into context the value they bring to the organisation. A brief overview is set out for your consideration below:

- Initiated the economic review that lead to the Queensland Government committing to wagering tax redistribution and the 3 code merger (\$85 million Government commitment).
- Managed the amalgamation of the three codes (savings of \$1.3 million in year 1).

- Initiated and secured race club broadcast agreements to the value of \$110 million. This represents an increase of 65%. Further, two previous attempts to bundle the rights to negotiate as a whole failed.
- The implementation of initiatives that have assisted in delivering \$324 million of total wagering growth over the last six years.
- Delivered an increase in prizemoney over the last six years of \$19 million or 30%.
- Worked closely with Government to introduce race information legislation and implement policies that flowed from that legislation (income of \$32.5 million per annum).
- Restructured race club governance at: Sunshine Coast Turf Club, Rockhampton Jockey Club, and Capalaba Greyhound Racing Club.
- Implemented administrative reform in introducing an operational subsidy saving \$10million per annum.
- The introduction of contemporary club and venue licences.
- Establish local and national insurance regimes saving \$1.5million per annum.
- Driven national IT reform with the pending introduction of a single national business system with savings forecast at approximately \$2 million of operational expenditure per annum.
- Will work closely with the Government during the next six (6) months to establish a framework for a new wagering licence beyond June 30, 2014 (\$132 million per annum).
- Led the industry response to the equine influenza incursion causing even our most significant detractors to praise RQL. The incursion was estimated to have had an impact of \$1 billion on the Australian industry.
- Successfully developed the business case and will manage the distribution of \$2.5 million of Government funding to assist with the flood and cyclone remediation at Queensland venues.
- Developed the Industry Infrastructure Plan on behalf of the 3 codes of racing in Queensland. The Plan fully costed is \$235 million.
- Delivered changes to the greyhound industry funding model that will lead to \$2.1 million of increased benefits for the greyhound industry.
- Upgraded stewards' technology where we are now seen as industry leaders in this area.
- Currently leading the industry response to the Hendra Virus incursion.
- Successfully negotiated a grant of \$10million from the Government for the innovative synthetic track program.

Over the next six (6) months there are a number of activities to be undertaken by these executives. These include:

- Ensure compliance with governance requirements under the *Corporations Act* and *Racing Act 2002* through and audit process.
- Finalise the strategic plan for the industry.
- Review the agreement with the Racing Science Centre with a view to providing a report to the Board that ensures RQL's analytical needs are met in a cost-effective manner.

- Review, as required, all internal and external policies to ensure compliance and effectiveness.
- Review and amend the new club licensing system subsequent to its initial implementation.
- Develop and submit an audit regime to Government for licensed participants, venues and animals to comply with Section 99(1) of the Racing Act 2002.
- Undertake an audit of the minimum standards for TAB and Non-TAB meetings and trials.
- Review the effectiveness of race-day integrity operations and report to the Board on opportunities to improve efficiency.
- Develop a drug and alcohol testing framework for licensees and animals for the 2012/2013 financial year.
- Undertake a review and report to the Board in relation to the existing appeals process, including QCAT.
- Facilitate a "think tank" of key people with a view to generating initiatives to improve the wagering program and subsequently report to the Board.
- Deliver the approved Industry Infrastructure Plan on time and on budget.
- Report to the Board on commercial opportunities that exist as part of the Infrastructure Plan delivery including at venues such as Deagon, Corbould Park and Callaghan Park.
- Review the amount of Non-TAB races conducted in Queensland and report to the Board.
- Subsequent to the development of the financial key performance indicators, add to these a set of non-financial KPI's that are linked to the payment of the operational subsidy.
- Develop and implement TAB race club service level agreements.
- Work with Harness Racing Australia and Greyhound Australasia Limited to optimise opportunities to aggregate broadcast rights where possible.
- Continue to promote initiatives with RISA, HRA and GAL to optimise commercial returns from the exploitation of racing materials.
- Review and report to the Board on legal decisions and developments as they relate to race information legislation.
- Form and facilitate meetings of the New Business Development Committee.
- Report to the Board on a regular basis in relation to initiatives identified by the New Business Development Committee seeking Board approval to pursue new work initiatives.
- Actively work with Government to establish a viable framework ensuring adequate revenues flow to the industry beyond June 30, 2014.
- Review the approach taken in relation to the pricing for the use of race information leading to the expiry of the existing agreements with corporate bookmakers.

- Expand the industry-wide workplace health and safety approach to encapsulate all clubs.
- Implement and approve an internal fraud plan and policy.
- Further recommend to the Remuneration and Nominations Committee that an organisational review be undertaken.
- Undertake a satisfaction/culture survey of the organisation.
- Ensure performance appraisals with objectives are implemented for all staff.
- Implement a succession plan for the organisation including interdepartmental considerations.
- Following a process review, evaluate the increased use of technology to improve the integrity of racing in Queensland and report to the Board with recommendations.
- Develop a structured set of dates to facilitate regular meetings with key industry bodies including the State Government.

**ATTACHMENTS:**

- Attachment 1: Letter dated July 5, 2011, signed by Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray outlining their concerns.
- Attachment 2: Estimate Cost of Severance/Redundancy for Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray.
- Attachment 3: Norton Rose Advice – 20 July 2011.

**RESOLUTIONS:**

1. The Board to rescind the Board Resolution of May 6, 2011 Board Meeting, which reads:

**Remuneration & Nominations Committee Meeting Minutes and Recommendations**

*The Board today noted the draft minutes of the April 14, 2011, meeting of the Remuneration & Nominations Committee.*

*The Chairman advised Board Directors that he and Mr Ludwig had considered the situation and the amount of work that the executive staff will have to do between now and 2014 with the changing wagering landscape and the approach to the end of the exclusivity of the TattsBet license.*

*RQL will be required to commence negotiations of a Product Fee with TattsBet post 2014 and the Board needs to understand that key staff will be integral to a successful outcome.*

*These key executive staff need security of tenure as well as their assistants so as to not be distracted by innuendo and rumour about the period between now and 2014. Board members unanimously agreed with the recommendation with the Remuneration and Nominations committee.*

*In addition, the Board considered a recommendation from the Remuneration & Nominations Committee, which led to the following resolution:*

*The Board **RESOLVED** that:*

- (a) *the existing employment agreements be extended by 12 months up to and including June 30, 2014, for the following employees:*
- Malcolm Tuttle*
  - Adam Carter*
  - Jamie Orchard*
  - Paul Brennan*
  - Shara Murray*
  - David Rowan*
  - Peter Smith*
  - Col Truscott*
  - Warren Williams*
- (b) *Wade Birch be offered an employment agreement to expire on June 30, 2014, and*
- (c) *employment agreements be offered to the following employees to expire on June 30, 2013:*
- Wendy Thomas*
  - Kearra Christensen*
  - Toni Fenwick*
  - Ali Wade*
  - Debbie Toohey*
  - Jaime Knight*
- (d) *The Chairman to approve the terms relevant to the agreements and the extension of the agreements.*
- (e) *Ms Murray to draft Employment Agreements for the Executive Assistants to expire 30 June 2013.*
- (f) *Ms Murray to draft an Employment Agreement for Mr Wade Birch to expire 30 June 2014.*

**MOVED** by Mr Wayne Milner **SECONDED** by Mr Bradley Ryan

**Motion carried**

2. The Recommendations for Malcolm Tuttle, Jamie Orchard, Paul Brennan and Shara Murray:
  - (a) A 30% increase to each executive's TRV, effective from 1 July 2011.
  - (b) The inclusion of a material adverse change clause with a trigger that includes a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), a change to either the make-up of the RQL Board, reporting lines for the Executive or an organisational restructure, entitling Executive to:
    - i. a payment equivalent to the amount of each Executive's TRV that they would have received had the Executive remained employed by RQL to the completion of the term, plus an amount of severance pay equivalent to the RQL-wide redundancy pay payment, as a material adverse change severance payment; and
    - ii. all other legal entitlements (such as accrued leave).
  - (c) Retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012.
3. The employment agreements for Adam Carter, David Rowan, Peter Smith, Col Truscott and Warren Williams be styled and formatted in accordance with any recommendations from Clayton Utz on the basis that there is no change to the existing terms and conditions of their current employment agreements.
4. Wade Birch to be offered an employment agreement with a term until June 30, 2013 based on his current terms and conditions with the agreement to be styled and formatted in accordance with any recommendations from Clayton Utz.
5. Clayton Utz to review the Norton Rose advice and on the basis there are no material concerns, the Board to authorise the Chairman to effect all agreements in accordance with the above resolutions.



**BOB BENTLEY**  
Chairman



RACING  
QUEENSLAND

5 July 2011

Mr Bob Bentley  
Chairman  
Racing Queensland Limited  
Racecourse Road  
DEAGON QLD 4017

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Dear Sir

As you are aware, there has been significant media speculation in relation to the administration of racing in Queensland post the State election which is due to be called by March, 2012.

You advise that the outcome of the State election will be determined by June 30, 2012.

The media speculation, including an article under the hand of Mark Oberhardt in yesterday's Courier Mail, points to a changing of the guard at Racing Queensland Limited should the Liberal National Party be successful in the upcoming State election. Mark Oberhardt states, "*Huge tip that a country racing legend would replace Bob Bentley as RQ chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive*".

The website, [Letsgohorseracing.com.au](http://Letsgohorseracing.com.au), has signalled that it will publish a list of new RQL officers on its website tomorrow.

Our staff are regularly reminded at race meetings by Race Club directors that our time is up.

Given the media speculation and discussions within the industry, it is apparent that at the very least there will be significant change to the Board of Directors and senior executive staff at Racing Queensland Limited if there is a change of Government.

The speculation that senior executive staff will be removed post the State election is taking its toll and you would have gathered at yesterday's meeting it is now having the effect of destabilising senior management, and our broader staff.

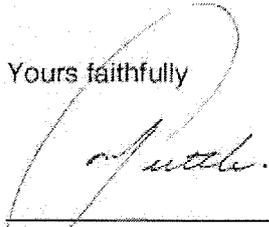
You heard first-hand yesterday from Jamie Orchard, Paul Brennan, Shara Murray and myself in relation to the impact this is having on our work with Racing Queensland Limited and indeed on our personal lives. You are aware that each of us have relatively young families and as responsible individuals are required to plan for our future. We are not of a mind to take unreasonable risks with our future and gamble on a reformed company or new Board retaining our services beyond the State election. In fact, it is more likely than not, that given the seniority associated with each of our positions, we will be removed from office.

As such, we request that you give urgent consideration to retaining the services of key people in the organisation and also consider putting in place a framework that provides us with the necessary security both leading up to and subsequent to the upcoming State election.

We remain committed to the Board and look forward to working with you to arrive at a satisfactory solution during this time of heightened instability.

Should you wish to discuss this matter further, please do not hesitate to contact myself.

Yours faithfully



---

**Malcolm Tuttle**  
Chief Executive Officer



---

**Jamie Orchard**  
Director of Integrity Operations



---

**Paul Brennan**  
Director Product Development



---

**Shara Murray**  
Senior Corporate Counsel

Employee Name	Start date	TRV at June 30, 2011	Proposed CPI Increase @ 3.0% of TRV	Proposed TRV	Base (TRV excl. Supers)	Redundancy to be paid on June 30, 2012 from July 1, 2012 to June 30, 2013 as per existing Contract	Redundancy Payment in Accordance with the Fair Work Act	Total Additional Cost of Redundancy/Entitlements	Annual Leave pay cost	LSI Amount	Total Redundancy from June 30, 2013 includes forecasted annual and long service leave as well as Redundancy Pay Period	Tax	Net Pay
Jeffrey Oberlander, JAMES		\$ 836,000.00	\$ 249,000.00	\$ 1,079,000.00	\$ 989,908.26	\$ 989,908.26	\$ 204,587.16	\$ 1,194,495.41	\$ 213,533.20	\$ 258,978.70	\$ 1,667,005.31	\$ 458,017.10	\$ 1,210,988.21
<b>Total</b>													

ATTACHMENT 2

20 July 2011

Email: [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

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**Private & Confidential**

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Dear Shara

**Executive retention strategy**

**1 Instructions**

1.1 We have been instructed to advise the Board of Directors of Racing Queensland Limited (Board) in relation to a retention strategy for the following executives of Racing Queensland Limited (RQL):

- (1) Mr Malcolm Tuttle, Chief Executive Officer;
- (2) Mr Jamie Orchard, Director Integrity Operations;
- (3) Mr Paul Brennan, Director Product Development; and
- (4) Ms Shara Murray, Senior Corporate Counsel,

(collectively referred to as the Executives).

1.2 The Board has instructed us to advise on options available to it to address the ongoing need to retain and reward high performing executives in an environment of uncertainty, taking into account the legal obligations imposed on the Board in determining an appropriate level of remuneration and benefits.

1.3 In this letter we have:

- (1) considered the general obligations imposed on the Board under the *Corporations Act 2001 (Cth) (Act)*;
- (2) considered the specific requirements, if any, to avoid breaching the Act in relation to any benefits to be provided; and
- (3) provided an overview of the types of benefits that we consider would be appropriate in the circumstances that the Board may wish to consider.

APAC-#10820366-v5

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## 2 Executive summary and recommendation

2.1 In determining the appropriateness of rewards for the Executives, the real question for the Board is whether or not any proposed benefit or change to the benefits is unfair or unconscionable. In making this determination, the Board should have regard to factors including:

- (1) the need to retain the Executives;
- (2) the level of skills and knowledge of the Executives;
- (3) the limitations imposed on other companies by the Act (specifically in relation to termination payments); and
- (4) current market conditions and drivers.

2.2 In circumstances where:

- (1) the proposed new benefits are necessary for the retention of the Executive;
- (2) the retention of the Executive is in the best interests of RQL; and
- (3) the benefits are not disproportionate,

it is unlikely that a resulting agreement would be deemed to be unfair or unconscionable.

2.3 Our suggestions for appropriate benefits that are not disproportionate, are the most straightforward and that are in the interests of RQL are as follows:

- (1) an increase to the total remuneration value (TRV) of each Executive of up to 30%;
- (2) retention of the current 3 year term with an obligation on RQL to renegotiate before 31 December 2012;
- (3) the implementation of a RQL-wide redundancy policy with payments based on length of service in a particular position; and
- (4) the inclusion of a material adverse change clause with a trigger that includes a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), a change to either the make up of the RQL Board, reporting lines for the Executive or an organisational restructure, entitling Executive to:
  - (a) a payment equivalent to the amount of each Executive's TRV that they would have received had the Executive remained employed by RQL to the completion of the term, plus an amount of severance pay equivalent to the RQL-wide redundancy payment, as a material adverse change severance payment; and
  - (b) all other legal entitlements (such as accrued leave).

2.4 In summary, the general effect of these benefits is that in circumstances of a termination or cessation due to a material adverse change, an Executive would become entitled to resign and trigger a payment equivalent to the amount each Executive would have received to the end of the term and a redundancy payment. We consider that this will provide the Executives with the protection they are seeking in the current environment and satisfy RQL's desire to maintain the Executives' employment.

### 3 Background

#### *General*

- 3.1 We are instructed that without implementing a reasonable executive retention strategy, RQL considers it faces a real risk of the resignation of one or more of the Executives. A resignation of the Executives would have serious implications for the ongoing operations of RQL.

#### *Corporate status*

- 3.2 RQL is a company incorporated under the Act and limited by guarantee. It does not have share capital.
- 3.3 None of the Executives are currently appointed, or have been appointed in the past 3 years, as a director of RQL.
- 3.4 RQL is not a "disclosing entity" for the purposes of Part 2D.2 of the Act (which relates to termination payments made to person's holding a managerial or executive office).
- 3.5 Under its Constitution, the directors of RQL are required to retire in rotation, two at every Annual General Meeting held in an election year and then every second year thereafter.

#### *Industry environment*

- 3.6 We are instructed that the current industry conditions are cause for concern in retaining the Executives.
- 3.7 In particular, there is ongoing industry speculation around the removal of the Board and the termination of the employment of the Executives if there is a change from the current Labor Government to a Liberal National Party (LNP) run Government in the next State election to be held prior to June 2012.
- 3.8 This speculation stems from a number of comments made in Parliament by Shadow Minister for Racing and member of the LNP Mr Ray Stevens MP.
- 3.9 For example, on 20 May 2010, as recorded in Hansard, Mr Stevens stated:
- (1) "We believe that each racing code should have control over its own sector of the industry";
  - (2) "If this bill is passed, we commit to the overall racing industry that this legislation will be dismantled and control will be given back to each of the codes"; and
  - (3) "When the Liberal National Party wins government at the next State election we will immediately dismantle this flawed and undemocratic legislation, and we will put control of the three racing codes back into the hands of the industry participants".
- 3.10 Mr Stevens has also strongly indicated his opposition to the current Chairman of RQL, Mr Bob Bentley, which he has most recently reiterated in Parliament on 25 May 2011.
- 3.11 As part of continued speculation in response to Mr Stevens' statements, on 6 July 2011 the following comments were published on the Letsgohorseracing.com.au website and appear to be indicative of the ongoing speculation in the racing industry:
- (1) "There is also strong speculation that two major roles will change at Racing Queensland under a new Board if the LNP wins Government and these are those of Chief Executive Officer Malcolm Tuttle and Director of Integrity Services Jamie Orchard";
  - (2) "The greatest certainty – according to those who claim to know what the LNP has planned for racing in Queensland – is that Malcolm Tuttle, the one-time steward who made a meteoric rise to CEO under the Bentley-led Board, will be dumped"; and

- (3) "Malcolm Tuttle and Jeremy [sic] Orchard odds-on to be eventually dumped from their current roles as Chief Executive Officer and Director of Integrity Services."

3.12 This speculation is also reflected in recent comments made by Mark Oberhardt in the Courier Mail:

- (1) on 4 July 2011, Mark Oberhardt commented "Huge tip that a country racing legend would replace Bob Bentley as RQ Chief if the LNP wins power. And a former race club chairman is tipped as likely new chief executive"; and
- (2) on 18 July 2011, Mark Oberhardt commented "There is continuing speculation about a clean out of racing administrators after the next election."

#### ***Executive concerns***

- 3.13 As a result of the industry speculation, we are instructed that the Chairman of RQL has received a letter from the Executives dated 5 July 2011 in which the Executives raise concerns in relation to their ongoing engagement with RQL.
- 3.14 Essentially, their concerns are that they face unreasonable risks in relation to their future and are being asked to take a gamble on a reformed company or new RQL Board retaining their services beyond the State election.
- 3.15 The Executives have requested that the Chairman of RQL give urgent consideration to retaining the services of the Executives and put in place a framework that provides them with necessary security.
- 3.16 In our view, the letter from the Executives indicates a real and apparent risk to RQL that it faces early terminations from the Executives should their concerns be ignored.
- 3.17 In this context, it would be prudent of any organisation to put in place appropriate measures to ensure the retention of their senior executives, in our view.

#### **4 Legal obligations**

- 4.1 Relevantly, there are a number of legal obligations which have to be considered when determining the appropriate terms and conditions of employment and benefit structure. These are outlined in more detail below.

##### ***Common law duty to act in the best interests of RQL***

- 4.2 The Board must ensure that any agreement made with the Executives is made in the best interests of RQL.
- 4.3 Further, any agreement that amounts to unconscionable conduct against RQL by the Board carries the risk that it may be set aside by a Court.

##### ***Obligation to act in good faith – section 181 of the Act***

- 4.4 A director or other officer of a corporation must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

##### ***Use of position – Directors, other officers and employees – section 182 of the Act***

- 4.5 A director, secretary, other officer or employee of a corporation must not improperly use their position to gain an advantage for themselves or someone else or cause detriment to the corporation.
- 4.6 The directors must, of course, ensure that they are using their powers for a proper purpose. That is, a purpose that is in the best interests of RQL, when determining the appropriate level of remuneration and reward.

**Termination benefits to executives – Part 2D.2 of the Act**

- 4.7 Part 2D.2 of the Act places a restriction on the benefits that can be paid in connection with the termination of a person holding a managerial or executive office in a company.
- 4.8 Whether a person holds a managerial or executive office depends on whether the company is a disclosing entity. For disclosing entities, this includes a person whose details are included in the directors' report at any time in the 3 years preceding termination.
- 4.9 RQL is not a "disclosing entity" for the purposes of Part 2D.2 of the Act. However, if it was, it is likely that at least some, if not all, of the Executives would be named in the directors' report for the current financial year.
- 4.10 For all other corporate entities, a person holds a managerial or executive office if that person is a director (including "shadow" or "de facto" directors, ie someone with whose wishes the directors are accustomed to acting) of the corporate entity or a person that holds a position in connection with the management of RQL whilst holding an office of director of a related body corporate, at any time in the 3 years preceding the date of loss of that position. As far as we are aware, the Executives are not directors of RQL or any related body corporate.
- 4.11 Accordingly, Part 2D.2 of the Act does not apply to the Executives.

**5 Relevant current arrangements**

- 5.1 The Executive Employment Agreements all commenced on 1 July 2010 and have an expiry of 30 June 2013, unless terminated earlier in accordance with its terms.
- 5.2 Clause 15 of each Executive Employment Agreement provides for termination by RQL without cause by giving six weeks notice and paying the TRV the Executive would have received for the balance of the term.
- 5.3 Prior to 1 July 2012, RQL has an obligation to negotiate any extension to the employment contract beyond 30 June 2013.

**6 Possible options****Change to remuneration**

- 6.1 The industry speculation in relation to the ongoing engagement of the Executives would, in our view, justify an increase to the Executive's remuneration to partially address the Executive's concerns.
- 6.2 In determining what might be an appropriate increase it would be beneficial to have regard to comparable market rates to offer a package that will be attractive to the Executives while ensuring that it is reasonable having regard to each of their positions.
- 6.3 This information can be obtained by the engagement of a remuneration consultant. We can assist you in identifying an appropriate provider if you wish. We have, however, reviewed the Ernst & Young Remuneration Practices in 2010 and 2011 report which analyses the ASX 200 companies' remuneration practices (EY Report) to gauge current conditions. The key highlights of this report however are that fixed remuneration increases will be constrained in the current year with a greater focus on performance-based pay.
- 6.4 It remains to be seen whether a comparison between RQL and the information in the EY Report is appropriate, because we have not performed any comparison between RQL and ASX 200 companies to determine whether there are any common characteristics. Further, it remains to be seen whether a performance based pay is appropriate to RQL's business structure, and practically, it is a less straightforward way of addressing the retention concerns.
- 6.5 Taking into account the need to retain the Executives, we consider an increase to the Executive's remuneration of up to 30% would be reasonable, because that is the most straightforward way to

address the retention concerns and would not constitute a breach of the Board's relevant legal obligations in our view.

**Redundancy payments**

- 6.6 Currently, there is no contractual entitlement to a payment on termination of employment due to redundancy.
- 6.7 We are also not aware of any policies applicable to the Executives of other employees of RQL that contain redundancy entitlements.
- 6.8 In line with the requirements for redundancy under the *Fair Work Act 2009* (Cth) (FW Act), we consider it appropriate for RQL to implement a redundancy policy that applies to all of its employees with payments determined on the person's length of service with RQL.
- 6.9 In this context:
- (1) the reason for implementing an RQL-wide redundancy policy is to increase the defensibility of a severance payment made to the Executive on termination of employment, equivalent to redundancy, on the basis that the redundancy component is no more than what other employees would receive; and
  - (2) the introduction of a RQL-wide policy in this way reflects current employment practices.

**Material adverse change clause**

- 6.10 An option available to RQL is the inclusion of a material adverse change clause. Under a material adverse change clause the Executive will be able to terminate the employment agreement on the trigger of a material adverse change and receive a payment. Examples of material adverse changes could include a change in State Government, RQL ceasing to be a control body for the purpose of the *Racing Act 2002* (Qld), or a change in either the make up of the RQL Board, reporting lines for the Executive or an organisational restructure.
- 6.11 If there is a material adverse change, the Executive has the right to resign and if he or she does so, he or she will be entitled to payment of a sum calculated in accordance with a specified calculation. The payment would be an amount equivalent to what the Executive would have received if they had remained employed by RQL for the balance of the term of the Executive Employment Agreement, plus a severance payment equivalent to redundancy.
- 6.12 You should note that, in our view, the Australian Taxation Office (ATO) will treat an amount paid as a result of a material adverse change in these circumstances as an employment termination payment as opposed to a genuine redundancy payment. This is because there has been no "dismissal" at the initiative of RQL.
- 6.13 As an additional protection for RQL, we recommend making the payment conditional upon the execution of a deed of release.

**Extension to term**

- 6.14 Any variation to the terms of the Executive Employment Agreements will provide RQL with an opportunity to extend the term of each Executive's engagement.
- 6.15 One option would be for RQL to offer the Executives permanent employment (subject to notice). Permanent employment, combined with the 12 months notice of termination, would in our view ensure the ongoing employment of the Executives and allow for a smooth transition resulting from any change to RQL's structure.
- 6.16 However, it is more likely that the offer of permanent employment or any extension to the term would attract a higher level of public scrutiny and criticism. While we consider that your position would be

20 July 2011

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defensible from a legal perspective, you may like to consider a more conservative approach in order to minimise the possible negative publicity.

- 6.17 As an alternative and taking into account our suggestion on an increase to each Executive's TRV, maintaining the term as it currently is with an expiry of 30 June 2013 will minimise the risk of public criticism.
- 6.18 We recommend however amending the time by which RQL is required to renegotiate any extension to the contract (which is currently before 30 June 2012) to require renegotiation before 31 December 2012. Given the timing of the State election by no later than June 2012, the future of the Executives will be more certain at that time.

Please let me know if you have any queries. Alternatively, please contact Kristin Gamble on (07) 3414 2876.

Yours faithfully

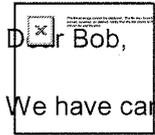


Murray Procter  
Partner  
Norton Rose Australia  
Contact: Kristin Gamble

## Fursey, Jessica

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**From:** McComber, Jennifer on behalf of Dunphy, Barry  
**Sent:** Monday, 1 August 2011 11:39 AM  
**To:** 'rbentley@queenslandracing.com.au'  
**Cc:** 'smurray@racingqueensland.com.au'  
**Subject:** Further Advice to the Board: Review of the Norton Rose Advice  
**Attachments:** 304695212\_4.pdf



We have carefully reviewed the terms of the Norton Rose Advice.

As you will see, we think that most of the suggestions that have been made would not be unreasonable to adopt. There are only three areas where we think some form of variation is needed being:

- In relation to the expanded trigger points for the right of the four senior executives to terminate their contracts (under clause 15.3) we would suggest that these all be limited to matters that significantly affect the role and duties of the relevant executives. We therefore do not think that a change in the State Government alone should be included as one of the triggers in clause 15.3 of the employment contracts;
- There is a potential complication if an early State election were to be called, say, in the next two months. In that circumstance if a trigger event happened after the election the four executives may then be entitled to twenty months pay-out (at the 30% increased level) which would be equivalent to 26 months salary at their current remuneration. All of that would occur in circumstances where their retention would have only been for a short period of, say, three months. We think that that outcome would be in the nature of a windfall and would be hard to justify and we have therefore suggested that the termination payment provided under clause 15.3 should have some form of cap to mitigate that risk. This is a matter for the Board to consider balancing all of the commercial considerations but if one is having regard to the uplifted salary level (which includes the 30% increase) then a cap of 12 - 14 months might be considered by the Board; and
- We have suggested some other minor changes to the drafting of the additional trigger factors that are suggested for inclusion in clause 15.3 of the relevant employment contracts.

As you will see from the above three points, two are drafting issues and the third point is necessary because of the possibility that a very early election might be held. I know that the Premier is on the record as saying that she intends to not have the election until early next year. However, politically things are fairly volatile at the moment and I have heard some suggestions around Government that a snap election might be called because the current Government may not wish to be holding the State election at the same time as the Local Government election. Of course, one can never be sure about the timing of election and really the election date will only be certain once it is called. However, a very early election would I think create a difficulty for the Board as under the Norton Rose formulation (with the impact of the 30% uplift) would see the four executives get a very large windfall.

Please do not hesitate to contact me once you have read the advice.

Kind regards,

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

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## Confidential

Mr Bob Bentley  
Chairman  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

1 August 2011

Our ref 12223/12955/80120739

Dear Bob

### Remuneration of Senior Executive Staff

I refer to our previous discussions and to the request that we now review the legal advice dated 20 July 2011 provided to Racing Queensland Limited (**Racing Queensland**) by Messrs Norton Rose.

We have previously in this context provided advice on the legal obligations that are owed by the Board members particularly under sections 181 and 182 of the Corporations Act. We will not for the purposes of this advice repeat those earlier observations.

For convenience, we will address the issues that arise as follows:

- 1.0 Executive Summary
- 2.0 Background
- 3.0 Proposed 30% Increase in Salary
- 4.0 Broadening of the Redundancy Triggers set out in Clause 15.3 of the Employment Contracts
- 5.0 Variation of the Employment Contract Renegotiation Date

### 1.0 Executive Summary

Our key conclusions are that:

- (a) The proposed 30% increase in salary does not appear to be unreasonable in all of the circumstances.
- (b) However, the Board needs to carefully assess whether the flow on effect of the 30% increase into the TRV for each of the four senior executives for the purposes of their relevant termination payments (under clause 15.3 of their respective employment contracts) is, in all of the circumstances, reasonable and in the best interests of Racing Queensland. We suggest that there be a form of cap (in terms of the total number of

months of TRV equivalent) on the amount that can be paid under the terms of the revised clause 15.3. The value of the capped amount is for the Board to determine but we would suggest that a range of between 12 and 14 months might be considered. Our reason for raising this point is that the timing of the next State general election is really quite flexible and uncertain. In our opinion the next State general election could be as early as September 2011 or as late as June 2012. Our concern is that if the election is held very early, e.g. October 2011 and this then led to an activation of one of the clause 15.3 triggers, that the four executives would then become entitled to a termination payment of 20 months (at the increased 30% level) which, in terms of their current salary would be the equivalent of a 26 month payment. As that trigger would occur in circumstances where the employees were only effectively retained for 3 months from the date of incentive, it is our opinion that such a windfall outcome may be difficult for the Board to justify;

- (c) The variation in the current termination payment triggers as set out in clause 15.3 of the respective employment contracts of the four senior executives appears to be reasonable. However, we recommend that all of the additional triggers ought to have a significant impact in the role or duties of each of the four senior executives. We would not recommend that one of the triggering events that activate payment be a mere change in State Government alone, as that event of itself may or may not have implications for the employment of the four senior executives; and
- (d) The change in the contract renegotiation date in the employment contracts of the four senior executives appears to be reasonable.

## 1.0 Background

Since we first considered this issue, there has been a most unfortunate escalation in the public discussion about the future of Racing Queensland and the likelihood that an incoming LNP Government will move quickly to dismiss the current Board. The public discussion has now also gone so far as to suggest that two of the senior executives of Racing Queensland will be replaced if there is a change of Government. All of this public discussion has clearly and understandably unsettled the four key senior executives of Racing Queensland who now all believe that if there is a change of Government that their employment will be terminated in very public circumstances

and that their reputations within the racing industry and within the broader business community will then be adversely affected.

So the Board now has a serious dilemma in that four of the key members of its senior management team<sup>1</sup> are now both unsettled and distracted by the recent public discussion. At the same time, Racing Queensland has a very significant workload with which to cope over the next two to three years and the Board believes that keeping the four senior executives is critical to the future success of Racing Queensland. Unless the Board now takes some clear mitigating steps, there is a risk that one or more of those executives will commence looking for alternative employment to avoid the ignominy of the termination of their employment being played out in the public arena if there is a change of Government. The only countervailing factor seems to be that under their respective employment contracts, the four senior executives are required on resignation to give either six or seven weeks notice (depending on their age and period of service) and their entitlements in the event of a voluntary resignation are minimal.

Having regard to these matters, we note that the Board, at its meeting on 20 July 2011, considered these issues and decided for each of the four executives to:

- (a) Increase the TRV of each executive by 30% as from 1 July 2011. This increase is to be payable immediately on an ongoing basis throughout the balance of the current term of their employment contracts;
- (b) That the existing redundancy triggers set out in clause 15.3 of their current employment contracts i.e. if Racing Queensland ceases to be the approved Control Body, be expanded to include other "material adverse changes" such as a change in the State Government, a significant change in the make up of the Racing Queensland Board, a significant change in the reporting line for the relevant senior executive or a significant organisational restructure; and
- (c) That the obligation on Racing Queensland to renegotiate their respective employment contracts be moved from June 2012 to December 2012.

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<sup>1</sup> The four senior executives are the Chief Executive Officer, Malcolm Tuttle, the Director Integrity Operations, Jamie Orchard, the Director Product Development, Paul Brennan and the Senior Corporate Counsel/Company Secretary, Shara Murray.

In the circumstances, it is probably best that we examine each of these proposed changes to the employment contracts of the four senior executives and that we then express our opinion on the risks that face the Board in relation to each of those changes.

## 2.0 Proposed 30% Increase in Salary

As we have previously indicated, even within Government circles, there are precedents for employees to be paid retention bonuses of between 20% and 25% to reflect either market demand for particular employment skills and specialties or when senior executives have been sought to be retained by a Government entity that is the subject of an ongoing privatisation process. In this latter instance, these retention payments have been made to keep the relevant executive management team in place until the new owners of the privatised body have taken control.

Therefore, we believe that the 30% uplift in salary as a concept is not an unreasonable approach. However, as we have previously advised, making these retention payments after certain timelines or milestones have been met by the employees would give rise in an overall sense to a lower risk profile from the Board's perspective.

One point about the proposed 30% increase is that it will apply for the remainder of the balance term of the employment contracts of the four senior executives. This increase in TRV will also then flow through into the calculation of any "redundancy payment" under the expanded version of clause 15.3 of the employment contracts.

So, our view on this aspect of the proposed employment contract variation is:

- (d) That the payment of a 30% salary retention increase conceptually is reasonable in the current circumstances; and
- (e) That the Board in the current circumstances needs to be satisfied that the overall increase in salary for each of the four senior executives together with the associated increase in the entitlements regarding relevant total termination payments under clause 15.3 of their employment contracts and under any general redundancy scheme is, when one weighs up all of the relevant factors, both reasonable and in the best interests of Racing Queensland. We would note in this regard from the spreadsheet that was included with the Board papers that if all four senior executives activated their redundancy entitlements in February 2012 that the extra termination payments

(for the four senior executives) will in total amount to an additional \$677,000 liability for the company. We presume that this figure has been calculated and reflects the flow through of both the 30% increase in their individual TRVs together with the effect of any further payments that will be made under the proposed general Racing Queensland wide redundancy scheme.

Of course, under the relevant employment contracts of each of the four senior executives the actual size of any termination payment will depend on when the material adverse change occurs and then whether the individual executives trigger their termination rights under clause 15.3 of their respective employment contract. For example, if there is a change of Government at the State Government level and Racing Queensland is restructured and/or fundamentally reformed in April 2012 by the new Government, the four executives (if they were all to terminate their employment at that time) would be entitled to approximately 14 months pay together with any additional general redundancy payments. However, if it took the new Government until December 2012 to implement any restructuring process, the payments under the expanded clause 15.3 of the respective employment contracts would then only be seven months salary plus any additional general redundancy payment.

One other area of difficulty is that we cannot be sure when the State election may be held and so there is considerable uncertainty about when a triggering event may actually occur under clause 15.3 of the relevant employment contracts. Under the constitutional and electoral framework in Queensland, the next State election can be held as late as mid June 2012. On the other hand, it is generally accepted that the Governor will grant an early State election if the request is made by the Premier within the last six months of the 3 year Parliamentary term.

On this basis the Premier could ask for a State election to be held as early as September/October 2011. Our concern is that if the election is held very early, e.g. October 2011 and this then led to an activation of one of the clause 15.3 triggers, that the four executives would then be entitled to a termination payment of 20 months (at the increased 30% level) which, in terms of their current salary would be the equivalent of a 26 month payment. As that trigger would occur in circumstances where the employees were only effectively retained for 3 months from the date of incentive, it is our opinion that such a windfall outcome may be difficult for the Board to justify.

To mitigate this risk, we suggest that there be a form of cap (in terms of the number of months) on the amount that can be paid under the revised clause 15.3. This is an amount for the Board to determine but we would suggest that a range of between 12 and 14 months might be considered.

### **3.0 Broadening of the Redundancy Triggers set out in Clause 15.3 of the Employment Contracts**

As we have already advised, we have serious reservations whether an employee triggered termination under clause 15.3 of the current employment contracts would give rise to a genuine redundancy situation. This is because the focus of the clause is on the termination of individual employment arrangements rather than the redundancy of the relevant positions i.e. on the basis that they will then not be required as part of the ongoing structure of Racing Queensland. It is incomprehensible that the current duties undertaken by the four senior executives will in any future management structure of Racing Queensland all cease to exist or, in that sense, become redundant in terms of the ongoing operation and management of Racing Queensland.

In our view, however the proposed broadening of the trigger events as set out in clause 15.3 of the relevant employment contracts would not necessarily be unreasonable. One observation would be that the trigger ought to have a significant impact in the role or duties of each of the four senior executives. We would not recommend a trigger that is activated by a change in the State Government alone as that event may or may not have implications for the employment of the four senior executives.

We also suggest that to the extent that changes in reporting lines for the relevant senior executives or operational structures are added in any trigger points, that it should be made very plain that only significant or substantial changes will operate as a relevant trigger. It would not be in the interests of Racing Queensland to allow the four senior executives to seek a termination payment for what might only be a minor change in their reporting arrangements or a minor variation in the structure of Racing Queensland. This is primarily a drafting issue which can be addressed in the new expanded clause 15.3 as it is being developed.

### **4.0 Variation of the Employment Contract Renegotiation Date**

This proposal is that the obligation on Racing Queensland to renegotiate the respective employment contracts be moved from a nominated date of June 2012 to December 2012. This suggested change is made to allow sufficient time for an assessment to be made of the potential

effect of any structural reforms of Racing Queensland both on the role and the employment terms and conditions of the four senior executives.

We do not see that this change has any financial impact on Racing Queensland and it seems to us to be a reasonable variation in all of the circumstances.

If you have any questions in relation to our advice, do not hesitate to contact us.

Yours sincerely



**Barry Dunphy, Partner**  
+61 7 3292 7020  
bdunphy@claytonutz.com

Name Dunphy Start Time 3:05 Finish Time \_\_\_\_\_ Date 3/8/11

Client Executive Corp File No \_\_\_\_\_

Re Q Lancy

Bob Bentley (3869-9717)

① Called not there

Called Share Manager 3:10

② They will take both columns on board col process

② BB wanted part to take re for the column  
JL

Bob Bentley 3/8/11

① He is going to adopt the cap memo

② The ones we normally agree to - my take on analysis of the budget changes from board changes

⑤ I said that was fine to put both columns on and understand what he would make the call that is JL or the best common column

Name \_\_\_\_\_ Start Time 12:50 Finish Time \_\_\_\_\_ Date \_\_\_/\_\_\_/\_\_\_

Client \_\_\_\_\_ File No \_\_\_\_\_

Re \_\_\_\_\_

*Left a message for G. [unclear]*

*Advised I would.*

**Marshall, Emma**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Tuesday, 5 July 2011 1:50 PM  
**To:** Dunphy, Barry  
**Subject:** RE: RQL D&O Policy

Thanks Barry.

***Shara Murray***  
Senior Corporate Counsel



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**From:** Schofield, Hayley [<mailto:hschofield@claytonutz.com>] **On Behalf Of** Dunphy, Barry  
**Sent:** Tuesday, July 05, 2011 1:43 PM  
**To:** Shara Murray  
**Subject:** RE: RQL D&O Policy

Thanks Shara. I have just briefed Mark Waller on all of the issues.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group**  
**Clayton Utz**  
Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 |  
M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

 Please consider the environment before printing this e-mail

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Tuesday, 5 July 2011 1:26 PM  
**To:** Dunphy, Barry  
**Subject:** RQL D&O Policy  
**Importance:** High

**Private & Confidential Communication**

Dear Barry

Please find **attached** Racing Queensland Limited's (RQL) D&O policy for FY1011 and the client coverage summary slip for FY1112, I do not have up to date policy wording from AON yet for FY1112.

By no later than **Thursday, 7 July 2011**, could you please review the attached policy and advise that the coverage is appropriate for RQL Directors and Officers.

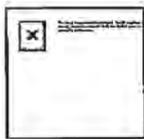
If you have queries in relation to this policy please contact Mr Robert Piunti at AON 32237455 or [rpiunti@aon.com.au](mailto:rpiunti@aon.com.au)

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
P +61 7 3869 9712  
F +61 7 3269 9043  
M 0407 156 539  
E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

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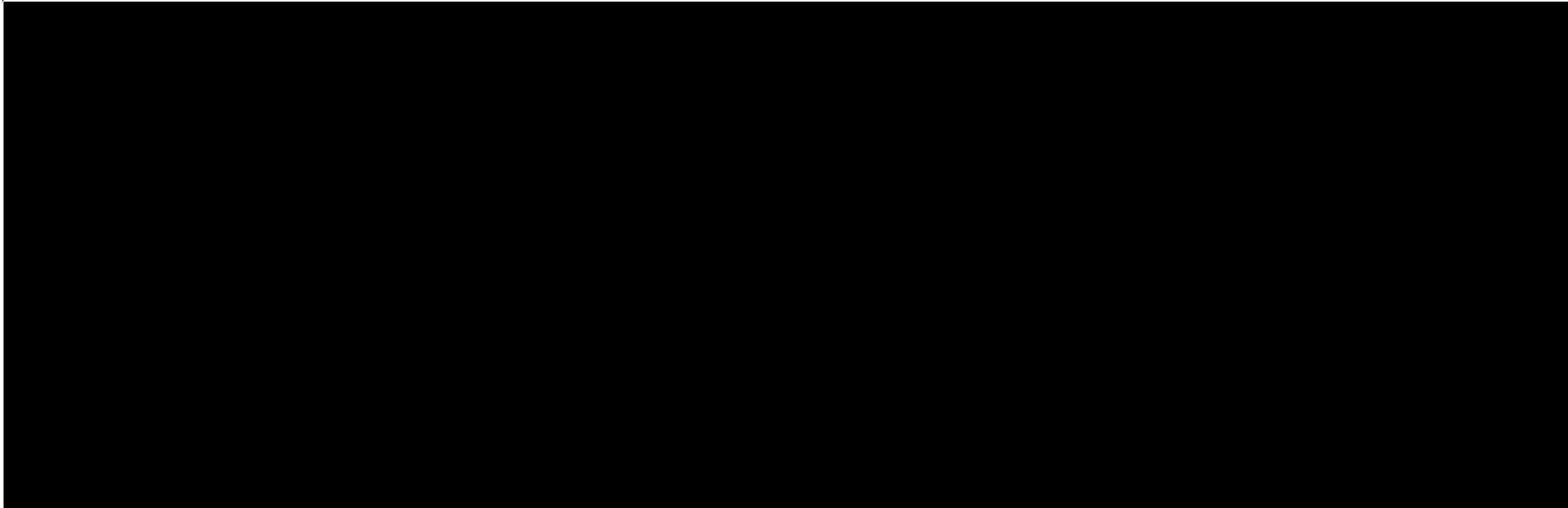
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It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defect or interference by third parties or replication problems (including incompatibility with your computer system).

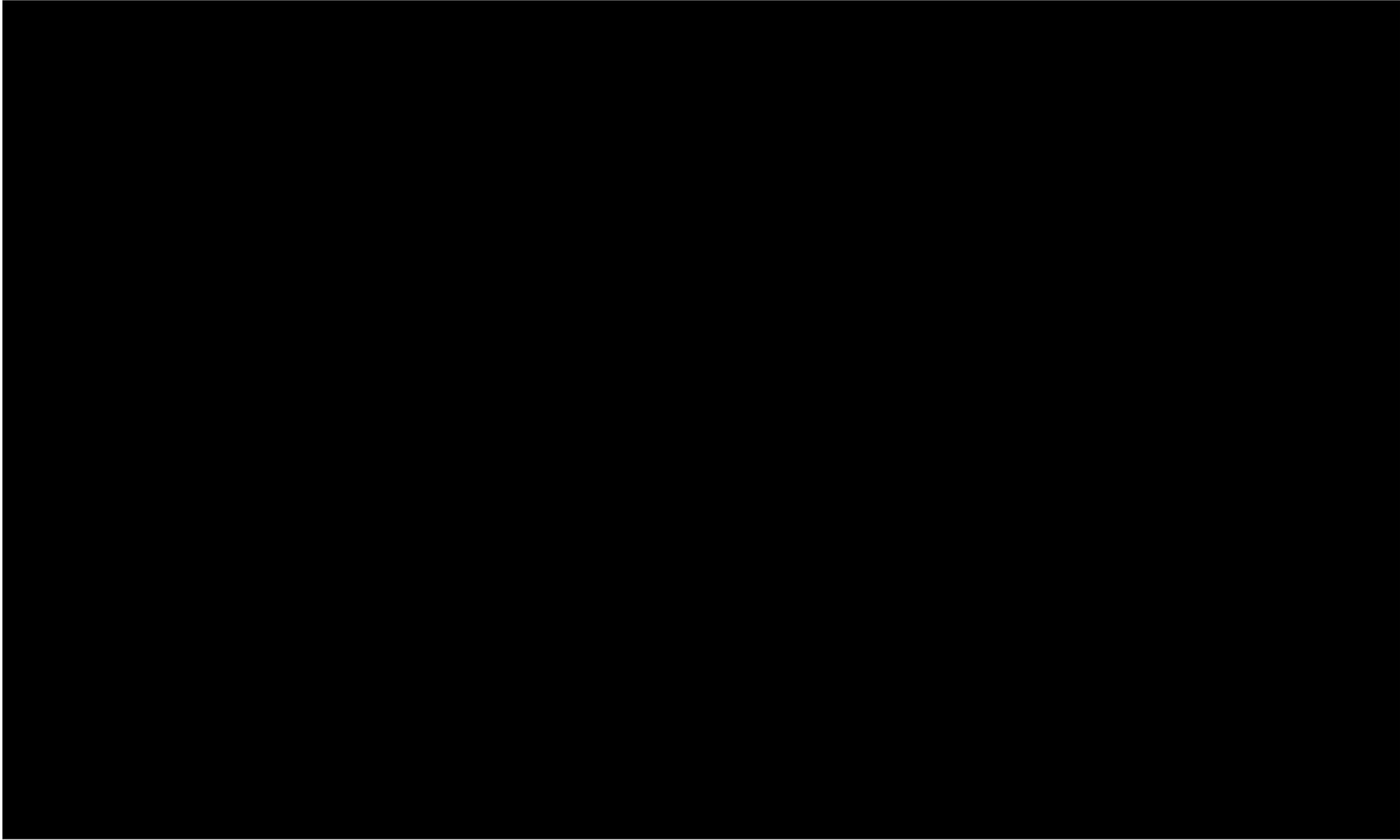
Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

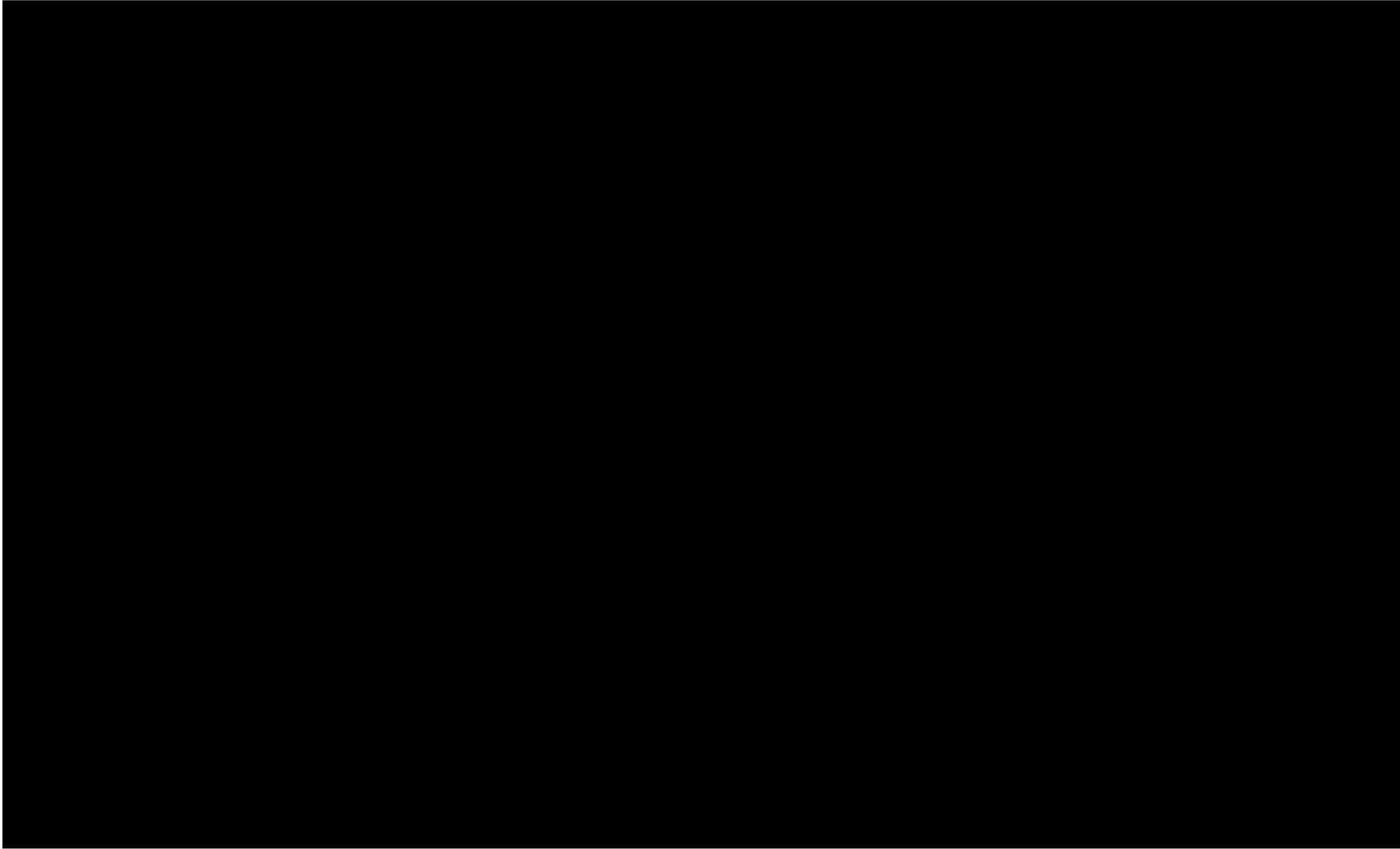
**Item 15 - 80122323 Racing Qld Ltd: D&O Insurance Review FY1**

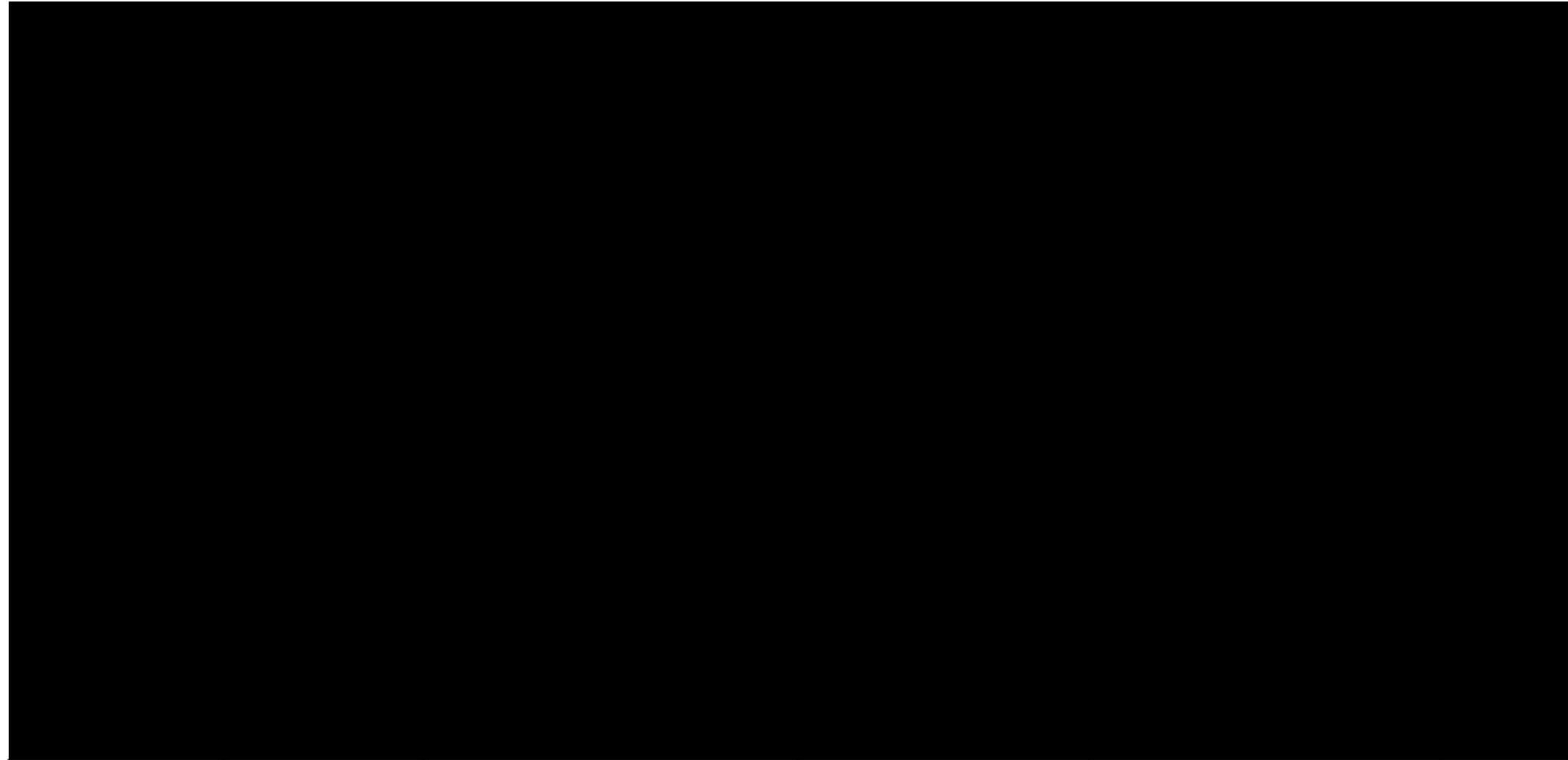


<a href="#">RQL.128.010.0014</a>	Invoice	Racing Qld Ltd: D&O Insurance Review FY11/12 - invoice no 3713504			30-May-12
<a href="#">RQL.128.010.0018</a>	Invoice	Racing Qld Ltd: D&O Insurance Review FY11/12 - invoice no 3688068			30-Nov-11
<a href="#">RQL.128.010.0022</a>	Invoice	Racing Qld Ltd: D&O Insurance Review FY11/12 - invoice no 3682138			28-Oct-11

<a href="#">RQL.128.010.0026</a>	Invoice	Racing Qld Ltd: D&O Insurance Review FY11/12 - invoice no 3678851			30-Sep-11
<a href="#">RQL.128.010.0030</a>	Invoice	Racing Qld Ltd: D&O Insurance Review FY11/12 - invoice no 3673938			31-Aug-11
<a href="#">RQL.128.010.0034</a>	Invoice	Racing Qld Ltd : D&O Insurance Review FY11/12 - invoice no 3670008			29-Jul-11







<a href="#">RQL.128.010.0251</a>	Email	RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access	Hutchinson, M (Racing Queensland Ltd)	Waller, M (Clayton Utz)	26-Apr-12
<a href="#">RQL.128.010.0254</a>	Email	Private and Confidential - Review of Deed of Indemnity, Insurance and	Waller, M (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	26-Apr-12

		Access			
<a href="#">RQL.128.010.0256</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0272</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0287</a>	Email	RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access	Waller, M (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	26-Apr-12
<a href="#">RQL.128.010.0290</a>	Email	Private and Confidential - Review of Deed of Indemnity, Insurance and Access	Waller, M (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	26-Apr-12
<a href="#">RQL.128.010.0292</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0307</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0323</a>	Email	RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access	Waller, M (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	24-Apr-12
<a href="#">RQL.128.010.0325</a>	Email	RE: Private and Confidential - Review of Deed of indemnity, Insurance and Access	Miller, P (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	24-Apr-12
<a href="#">RQL.128.010.0327</a>	Email	Private and Confidential - Review of Deed of Indemnity, insurance and Access	Hutchinson, M (Racing Queensland Ltd)	Miller, P (Clayton Utz)	24-Apr-12
<a href="#">RQL.128.010.0328</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0343</a>	Email	Re: RQL matter	Dunphy, B (Clayton Utz)	Hutchinson, M (Racing Queensland Ltd)	24-Apr-12

				Ltd)	
<a href="#">RQL.128.010.0344</a>	Email	RQL and QHRL - ACE Insurance	Perrett, R (Clayton Utz)	Carter, A (Queensland Racing Ltd); Hutchinson, M (Racing Queensland Ltd);	18-Apr-12
<a href="#">RQL.128.010.0345</a>	Letter	Racing Queensland Limited (RQL) and Bentley at Queensland Harness Limited (QHFL) and ors - Your client; ACE Insurance Ltd (ACE)	Perrett, R (Clayton Utz)	McIver, C (Cooper Grace Ward)	18-Apr-12
<a href="#">RQL.128.010.0346</a>	Letter		Davies, E (ACE Insurance Limited)	Dimitrijevic, A (Aon Risk Services Australia Ltd)	26-Mar-12
<a href="#">RQL.128.010.0348</a>	Letter	D&O Insurance Review	Miller, P (Clayton Utz); Waller, M (Clayton Utz);	Reid, S (Racing Queensland Ltd)	8-Feb-12
<a href="#">RQL.128.010.0349</a>	Email	FW: Deeds of Access and Indemnity	Miller, P (Clayton Utz)	Marshall, E (Clayton Utz)	8-Feb-12
<a href="#">RQL.128.010.0351</a>	Email	RE: Executive Deeds of Access and Indemnity	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	17-Nov-11
<a href="#">RQL.128.010.0357</a>	Email	Executive Deeds of Access and Indemnity	Miller, P (Clayton Utz)	Marshall, E (Clayton Utz)	17-Nov-11
<a href="#">RQL.128.010.0363</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0378</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0393</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0408</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0424</a>	Agreement/	Deed of indemnity, insurance and			Undated

	Contract/ Deed	access			
<a href="#">RQL.128.010.0439</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0454</a>	Email	RE: Deeds of Access and Indemnity	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	17-Nov-11
<a href="#">RQL.128.010.0459</a>	Email	RE: Racing Queensland Monthly Report - October 2011.XLS	Murray, S (Queensland Racing Ltd)	Dunphy, B (Clayton Utz)	31-Oct-11
<a href="#">RQL.128.010.0463</a>	Email	FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	18-Oct-11
<a href="#">RQL.128.010.0471</a>	Email	Racing Queensland Limited: Run- Off Directors' & Officers' Liability insurance	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	8-Sep-11
<a href="#">RQL.128.010.0473</a>	Email	FW: Racing Queensland Limited: Directors" & Officers' Liability Insurance (D&O)	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	30-Aug-11
<a href="#">RQL.128.010.0481</a>	Email	RQL Run Off Policy	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	25-Aug-11
<a href="#">RQL.128.010.0482</a>	Email	RE: AON response - Clayton Utz D&O Insurance policy wording review	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	4-Aug-11
<a href="#">RQL.128.010.0486</a>	Email	RE: AON response - Clayton Utz D&O Insurance policy wording review	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	4-Aug-11
<a href="#">RQL.128.010.0489</a>	Email	RE: AON response - Clayton Utz D&O Insurance policy wording review	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	4-Aug-11
<a href="#">RQL.128.010.0491</a>	Email	RE: Deeds of Access and indemnity	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	3-Aug-11
<a href="#">RQL.128.010.0495</a>	Agreement/	Deed of indemnity, insurance and			Undated

	Contract/ Deed	access			
<a href="#">RQL.128.010.0510</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0525</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0540</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0555</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0570</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0586</a>	Email	RE: Deeds of Access and Indemnity	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	2-Aug-11
<a href="#">RQL.128.010.0590</a>	Email	AON response - Clayton Utz D&O Insurance policy wording review	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	2-Aug-11
<a href="#">RQL.128.010.0592</a>	Email	FW: Deeds of Access and Indemnity	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	2-Aug-11
<a href="#">RQL.128.010.0595</a>	Agreement/ Contract/ Deed	Deed of indemnity, insurance and access			Undated
<a href="#">RQL.128.010.0614</a>	Email	RE: Deeds of Access and Indemnity	Murray, S (Queensland Racing Ltd)	Dunphy, B (Clayton Utz)	22-Jul-11
<a href="#">RQL.128.010.0616</a>	Email	D&O Insurance - Review Report	Waller, M (Clayton Utz)	Murray, S (Queensland Racing Ltd)	8-Jul-11
<a href="#">RQL.128.010.0619</a>	Report	Racing Queensland Limited - High Level Legal Review - D&O Insurance - Review Report			7-Jul-11
<a href="#">RQL.128.010.0624</a>	Email	RE: D&O Insurance - Review Report	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	8-Jul-11

<a href="#">RQL.128.010.0626</a>	Email	RE: D&O Insurance - Review Report	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	8-Jul-11
<a href="#">RQL.128.010.0629</a>	Email	Re: D&O Insurance - Review Report	Murray, S (Queensland Racing Ltd)	Miller, P (Clayton Utz)	7-Jul-11
<a href="#">RQL.128.010.0630</a>	Email	D&O Insurance - Review Report	Miller, P (Clayton Utz)	Murray, S (Queensland Racing Ltd)	7-Jul-11
<a href="#">RQL.128.010.0631</a>	Report	Racing Queensland Limited - High Level Legal Review - D&O Insurance - Review Report			7-Jul-11
<a href="#">RQL.128.010.0636</a>	Email	RE: RQL D&O Policy	Waller, M (Clayton Utz)	Dunphy, B (Clayton Utz)	6-Jul-11
<a href="#">RQL.128.010.0642</a>	Email	RE: Racing Queensland Limited	Murray, S (Queensland Racing Ltd)	Dunphy, B (Clayton Utz)	5-Jun-11
<a href="#">RQL.128.010.0644</a>	Email	RE: RQL D&O Policy	Murray, S (Queensland Racing Ltd)	Dunphy, B (Clayton Utz)	5-Jul-11
<a href="#">RQL.128.010.0647</a>	Email	RE: RQL D&O Policy	Dunphy, B (Clayton Utz); Schofield, H (Clayton Utz);	Murray, S (Queensland Racing Ltd)	5-Jul-11
<a href="#">RQL.128.010.0649</a>	Email	FW: Urgent Advice - Racing Queensland	Waller, M (Clayton Utz)	Miller, P (Clayton Utz)	6-Jul-11
<a href="#">RQL.128.010.0651</a>	Letter	Amended Executive Employment Arrangements	Dunphy, B (Clayton Utz)	Reid, S (Racing Queensland Ltd)	2-Jun-11
<a href="#">RQL.128.010.0658</a>	Company Record	CONSTITUTION OF RACING QUEENSLAND LIMITED ACN 142 786 874			Undated
<a href="#">RQL.128.010.0676</a>	Agreement/ Contract/ Deed	DEED OF ACCESS AND INDEMNITY			4-Mar-10
<a href="#">RQL.128.010.0683</a>	Agreement/ Contract/ Deed	DEED OF ACCESS AND INDEMNITY			4-Mar-10

<a href="#">RQL.128.010.0690</a>	Minutes of Meeting	Queensland Racing Limited meeting Tuesday 24 April 2012			24-Apr-12
<a href="#">RQL.128.010.0715</a>	Other	Client Coverage Summary			30-Jun-11
<a href="#">RQL.128.010.0718</a>	Policy	ELITE II DIRECTORS & OFFICERS LIABILITY INSURANCE POLICY SCHEDULE AND WORDING			30-Jun-12
<a href="#">RQL.128.010.0785</a>	Company Record	ASIC & Business Names - ORGANISATIONAL SEARCH ON RACING QUEENSLAND LIMITED			7-Jul-11
<a href="#">RQL.128.010.0788</a>	Company Record	ASIC & Business Names - ORGANISATIONAL SEARCH ON RACING QUEENSLAND LIMITED			7-Jul-11
<a href="#">RQL.128.018.0235</a>	Email	FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)	Murray, S (Racing Queensland Ltd)	Miller, P (Clayton Utz)	27-Jul-11
<a href="#">RQL.128.018.0249</a>	Email	FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)	Murray, S (Racing Queensland Ltd)	Miller, P (Clayton Utz)	2-Aug-11

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

30 May 2012

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

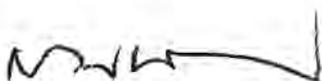
Your Reference: Shara Reid, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3713504

**Racing Qld Ltd: D&O Insurance Review FY11/12**

For our professional services (see attached)	\$2,340.45
GST	\$234.05
Total amount payable for our professional services (including GST)	<u>\$2,574.50</u>
<b>Total Amount Due</b>	<b>\$2,574.50</b>



With compliments  
CLAYTON UTZ

If this bill shows a proposed transfer from Trust to Office, the transfer will be made after the expiration of 7 days from the date you are given the bill unless in the meantime you have objected to the transfer.  
Where we receive funds to meet an obligation incurred on your behalf to a third party we will deposit those funds into our office account, and pay the third party as soon as practicable after receipt.  
If you dispute our legal costs and we cannot satisfactorily resolve your concern with you, you may apply to have our costs assessed under Part 3.4 Division 7 of the Legal Profession Act, 2007 (Qld) ('the Act'). The application is required to be made within 12 months of the earliest of the following - after we give you this bill or we make a request for payment of costs or you pay the costs in full. You may seek a costs review outside that time limit if the costs assessor or court is satisfied as to the reasons for the delay. You have a right to apply to set aside our costs agreement or a provision of it within 6 years or such other time as the law permits.  
The current interest rate charged in accordance with our costs agreement on unpaid bills is the lesser of 9% per annum and the rate that is equal to the Cash Rate Target as defined by the Regulations to the Act, plus 2 percentage points as at the date of this bill.

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## Details of Professional Services

Our reference: 12415/16267/80122323

Invoice: 3713504

Date	Name	Hours	Details
24/04/12	Miller, Paul	0.10	Telephone from RQL
24/04/12	Miller, Paul	3.40	Peruse email and attachments; consider RQL Deed of Indemnity, Insurance and Access and draft advice
26/04/12	Waller, Mark	1.10	Attend advice on Deeds

Name	Position	Hours	Standard Rate	Standard Value	Discounted Rate	Amount Billed
Waller, Mark	Partner	1.10	\$630.00	\$693.00	\$567.00	\$623.70
Miller, Paul	Special Counsel	3.50	\$545.00	\$1,907.50	\$490.50	\$1,716.75
<b>Total</b>		<b>4.60</b>		<b>\$2,600.50</b>		<b>\$2,340.45</b>

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## ☒ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Reid, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3713504  
**Payor No:** 223304  
**Total Amount Due:** \$2,574.50  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:  
Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:  
 Mastercard Card Holders Name: \_\_\_\_\_  
 Visa Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.  
Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

When funds have been deposited please send confirmation to  
e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.  
Shara Reid, Senior Corporate Counsel/Company Secretary My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

NAT08/3967983

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

30 November 2011

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

Your Reference: Shara Reid, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3688068

**Racing Qld Ltd: D&O Insurance Review FY11/12**

For our professional services (see attached)	\$2,060.10
GST	\$206.01
Total amount payable for our professional services (including GST)	<u>\$2,266.11</u>
<b>Total Amount Due</b>	<b>\$2,266.11</b>



With compliments  
CLAYTON UTZ

If this bill shows a proposed transfer from Trust to Office, the transfer will be made after the expiration of 7 days from the date you are given the bill unless in the meantime you have objected to the transfer.  
Where we receive funds to meet an obligation incurred on your behalf to a third party we will deposit those funds into our office account, and pay the third party as soon as practicable after receipt.  
If you dispute our legal costs and we cannot satisfactorily resolve your concern with you, you may apply to have our costs assessed under Part 3-4 Division 7 of the Legal Profession Act, 2007 (Qld) (the Act). The application is required to be made within 12 months of the earliest of the following - after we give you this bill or we make a request for payment of costs or you pay the costs in full. You may seek a costs review outside that time limit if the costs assessor or court is satisfied as to the reasons for the delay. You have a right to apply to set aside our costs agreement or a provision of it within 6 years or such other time as the law permits.  
The current interest rate charged in accordance with our costs agreement on unpaid bills is the lesser of 9% per annum and the rate that is equal to the Cash Rate Target as defined by the Regulations to the Act, plus 2 percentage points as at the date of this bill.

# CLAYTON UTZ

Sydney    Melbourne    Brisbane    Perth    Canberra    Darwin    Hong Kong

## Details of Professional Services

Our reference:                    12415/16267/80122323  
Invoice:                            3688068

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Date	Name	Hours	Details
17/11/11	Miller, Paul	4.20	Attend confer with RQL; peruse email from RQL and draft Executive Deeds

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Name	Position	Hours	Standard Rate	Standard Value	Discounted Rate	Amount Billed
Miller, Paul	Special Counsel	4.20	\$545.00	\$2,289.00	\$490.50	\$2,060.10
<b>Total</b>		<b>4.20</b>		<b>\$2,289.00</b>		<b>\$2,060.10</b>

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# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## ✉ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Reid, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3688068  
**Payor No:** 223304  
**Total Amount Due:** \$2,266.11  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:

Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:

Mastercard Card Holders Name: \_\_\_\_\_  
 Visa Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_ / \_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.

Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

**When funds have been deposited please send confirmation to**

e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.

Shara Reid, Senior Corporate Counsel/Company Secretary My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

28 October 2011

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

Your Reference: Shara Murray, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3682138

**Racing Qld Ltd: D&O Insurance Review FY11/12**

For our professional services (see attached)	\$686.70
GST	\$68.67
Total amount payable for our professional services (including GST)	<u>\$755.37</u>
<b>Total Amount Due</b>	<b>\$755.37</b>



With compliments  
CLAYTON UTZ

If this bill shows a proposed transfer from Trust to Office, the transfer will be made after the expiration of 7 days from the date you are given the bill unless in the meantime you have objected to the transfer.  
Where we receive funds to meet an obligation incurred on your behalf to a third party we will deposit those funds into our office account, and pay the third party as soon as practicable after receipt.  
If you dispute our legal costs and we cannot satisfactorily resolve your concern with you, you may apply to have our costs assessed under Part 3.4 Division 7 of the Legal Profession Act, 2007 (Qld) (the Act). The application is required to be made within 12 months of the earliest of the following - after we give you this bill or we make a request for payment of costs or you pay the costs in full. You may seek a costs review outside that time limit if the costs assessor or court is satisfied as to the reasons for the delay. You have a right to apply to set aside our costs agreement or a provision of it within 6 years or such other time as the law permits.  
The current interest rate charged in accordance with our costs agreement on unpaid bills is the lesser of 9% per annum and the rate that is equal to the Cash Rate Target as defined by the Regulations to the Act, plus 2 percentage points as at the date of this bill.

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## Details of Professional Services

Our reference: 12415/16267/80122323

Invoice: 3682138

Date	Name	Hours	Details
18/10/11	Miller, Paul	1.10	Peruse email from Racing Queensland and considering issues raised by Aon
19/10/11	Miller, Paul	0.30	Attend conferring with Racing Queensland re run-off D&O policy timing issues

Name	Position	Hours	Standard Rate	Standard Value	Discounted Rate	Amount Billed
Miller, Paul	Special Counsel	1.40	\$545.00	\$763.00	\$490.50	\$686.70
<b>Total</b>		<b>1.40</b>		<b>\$763.00</b>		<b>\$686.70</b>

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## ✉ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Murray, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3682138  
**Payor No:** 223304  
**Total Amount Due:** \$755.37  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:  
Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:  
 Mastercard Card Holders Name: \_\_\_\_\_  
 Visa Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_/\_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.  
Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

**When funds have been deposited please send confirmation to**  
e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.

Shara Murray, Senior Corporate Counsel/Company Secretary My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

30 September 2011

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

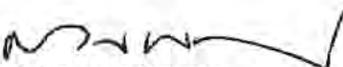
Your Reference: Shara Murray, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3678851

Racing Qld Ltd: D&O Insurance Review FY11/12

For our professional services (see attached)	\$1,471.50
GST	\$147.15
Total amount payable for our professional services (including GST)	<u>\$1,618.65</u>
<b>Total Amount Due</b>	<b>\$1,618.65</b>

  
With compliments

CLAYTON UTZ

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If you dispute our legal costs and we cannot satisfactorily resolve your concern with you, you may apply to have our costs assessed under Part 5.4 Division 7 of the Legal Profession Act 2007 (Qld) ('the Act'). The application is required to be made within 12 months of the earliest of the following - after we give you this bill or we make a request for payment of costs or you pay the costs in full. You may seek a costs review outside that time limit if the costs assessor or court is satisfied as to the reasons for the delay. You have a right to apply to set aside our costs agreement or a provision of it within 6 years or such other time as the law permits.  
The current interest rate charged in accordance with our costs agreement on unpaid bills is the lesser of 9% per annum and the rate that is equal to the Cash Rate Target as defined by the Regulations to the Act, plus 2 percentage points as at the date of this bill.

# CLAYTON UTZ

Sydney   Melbourne   Brisbane   Perth   Canberra   Darwin   Hong Kong

## Details of Professional Services

Our reference: 12415/16267/80122323

Invoice: 3678851

Date	Name	Hours	Details
08/09/11	Miller, Paul	3.00	Attend reviewing run-off policy and drafting advice to client

Name	Position	Hours	Standard Rate	Standard Value	Discounted Rate	Amount Billed
Miller, Paul	Special Counsel	3.00	\$545.00	\$1,635.00	\$490.50	\$1,471.50
<b>Total</b>		<b>3.00</b>		<b>\$1,635.00</b>		<b>\$1,471.50</b>

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## ☒ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Murray, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3678851  
**Payor No:** 223304  
**Total Amount Due:** \$1,618.65  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:  
Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:  
 Mastercard Card Holders Name: \_\_\_\_\_  
 Visa Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_/\_\_\_\_/\_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.  
Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

**When funds have been deposited please send confirmation to**

e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.

Shara Murray, Senior Corporate Counsel/Company Secretary My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

31 August 2011

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

Your Reference: Shara Murray, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3673938

Racing Qld Ltd: D&O Insurance Review FY11/12

For our professional services (see attached)

\$8,984.70

GST

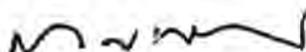
\$898.47

Total amount payable for our professional services (including GST)

\$9,883.17

**Total Amount Due**

**\$9,883.17**



With compliments  
CLAYTON UTZ

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# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## Details of Professional Services

Our reference: 12415/16267/80122323

Invoice: 3673938

Date	Name	Hours	Details
07/07/11	Davis, Juliet	0.30	Peruse and proof advice for P Miller
15/07/11	Dunphy, Barry	0.30	Attend to email and call with S Murray
22/07/11	Dunphy, Barry	0.30	Attend to emails with S Murray
28/07/11	Miller, Paul	0.20	Telephone from RQL
28/07/11	Miller, Paul	2.00	Settle draft deed of indemnity, insurance and access and preparing draft email to RQL
03/08/11	Miller, Paul	2.50	Settle draft deeds of indemnity, insurance and access for Board Directors
04/08/11	Miller, Paul	3.90	Review Ace response to D&O policy enhancement requests and drafting further response to Ace
25/08/11	Miller, Paul	3.10	Peruse draft Side A D&O policy
26/08/11	Miller, Paul	2.00	Peruse draft Ace Side A D&O Policy
29/08/11	Miller, Paul	3.80	Review Side A D&O policy

Name	Position	Hours	Standard Rate	Standard Value	Discounted Rate	Amount Billed
Dunphy, Barry	Partner	0.60	\$630.00	\$378.00	\$567.00	\$340.20
Miller, Paul	Special Counsel	17.50	\$545.00	\$9,537.50	\$490.50	\$8,583.75
Davis, Juliet	Trainee Lawyer	0.30	\$225.00	\$67.50	\$202.50	\$60.75
<b>Total</b>		<b>18.40</b>		<b>\$9,983.00</b>		<b>\$8,984.70</b>

# CLAYTON UTZ

Sydney    Melbourne    Brisbane    Perth    Canberra    Darwin    Hong Kong

## ✉ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Murray, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3673938  
**Payor No:** 223304  
**Total Amount Due:** \$9,883.17  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:

Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:

- Mastercard  
 Visa

Card Holders Name: \_\_\_\_\_  
Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_/\_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.

Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

**When funds have been deposited please send confirmation to**

e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.

Shara Murray, Senior Corporate Counsel/Company Secretary    My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Clayton Utz  
Lawyers  
Level 28  
Riparian Plaza  
71 Eagle Street  
Brisbane QLD 4000  
Australia

## Tax Invoice

29 July 2011

Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

GPO Box 55  
Brisbane QLD 4001

T +61 7 3292 7000  
F +61 7 3221 9669

www.claytonutz.com  
ABN 35 740 217 343

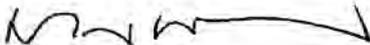
Your Reference: Shara Murray, Senior Corporate Counsel/Company Secretary

Our Reference: 12415/16267/80122323

Invoice: 3670008

**Racing Qld Ltd: D&O Insurance Review FY11/12**

For our professional services (see attached)	\$11,535.30
Disbursements (net of GST) (see attached)	\$37.56
	<hr/>
	\$11,572.86
GST	\$1,157.29
	<hr/>
Total amount payable for our professional services (including GST)	\$12,730.15
<b>Total Amount Due</b>	<b>\$12,730.15</b>



With compliments  
CLAYTON UTZ

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# CLAYTON UTZ

Sydney    Melbourne    Brisbane    Perth    Canberra    Darwin    Hong Kong

## Details of Professional Services

Our reference: 12415/16267/80122323  
Invoice 3670008

Date	Name	Hours	Hourly Rate	Amount Billed	Details
06/07/11	Waller, Mark	1.40	\$567.00	\$793.80	Review D&O and relevant background material
06/07/11	Miller, Paul	4.50	\$490.50	\$2,207.25	Review Ace Elite II D&O policy, endorsements and Aon coverage summary
07/07/11	Waller, Mark	2.80	\$567.00	\$1,587.60	Attend report on D&O review
07/07/11	Miller, Paul	7.20	\$490.50	\$3,531.60	Attend reviewing Ace Elite II D&O policy, company constitution and drafting advice
08/07/11	Waller, Mark	0.40	\$567.00	\$226.80	Finalise D&O Review Report
08/07/11	Miller, Paul	1.20	\$490.50	\$588.60	Settle advice
22/07/11	Miller, Paul	5.10	\$490.50	\$2,501.55	Draft company deeds of indemnity, insurance and access
27/07/11	Miller, Paul	0.10	\$490.50	\$49.05	Telephone from RQL
27/07/11	Miller, Paul	0.10	\$490.50	\$49.05	Peruse email from RQL

Name	Position	Hours	Hourly Rate	Amount Billed
Waller, Mark	Partner	4.60	\$567.00	\$2,608.20
Miller, Paul	Special Counsel	18.20	\$490.50	\$8,927.10
<b>Total</b>		<b>22.80</b>		<b>\$11,535.30</b>

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## Details of Disbursements

Our reference: 12415/16267/80122323

Invoice: 3670008

---

### Disbursements

Note: Clayton Utz has acquired these items in the course of providing services to you. Amounts are shown net of GST.

Search Fees

\$37.56

\$37.56

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

## ✉ Remittance Advice - Please fill in and return with Payment

**Your Reference:** Shara Murray, Senior Corporate Counsel/Company Secretary  
**Our Reference:** 12415/16267/80122323  
**Invoice:** 3670008  
**Payor No:** 223304  
**Total Amount Due:** \$12,730.15  
**Description:** Racing Qld Ltd: D&O Insurance Review FY11/12

**Mailing your payment** Please attach your payment to this schedule or complete the Credit Card Authority and post by return mail to:

Clayton Utz  
GPO Box 55  
Brisbane Qld 4001

**Credit Card Authority** Please charge my:

- Mastercard  
 Visa

Card Holders Name: \_\_\_\_\_  
Card Number: \_\_\_\_\_  
Expiry Date: \_\_\_\_/\_\_\_\_  
Payment amount: \_\_\_\_\_ Signature: \_\_\_\_\_

**Direct Deposits** EFT's, T/T's or Wire Transfers can be deposited directly into our account.

Name of Bank Westpac Banking Corporation  
Address of Bank 341 George Street, Sydney, NSW, 2000  
Name of Account Clayton Utz (Brisbane)  
BSB Number 032-000  
Account Number 404933

**When funds have been deposited please send confirmation to**  
e-mail: arbrisbane@claytonutz.com

Quoting Date of Payment, Our Reference, Invoice and Amount Paid.

**Change of Address:** Please advise any change to the address details in the space provided.

Shara Murray, Senior Corporate Counsel/Company Secretary My new details are:  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

## Marshall, Emma

---

**From:** Michelle Hutchinson <mhutchinson@racingqueensland.com.au>  
**Sent:** Thursday, 26 April 2012 8:39 PM  
**To:** Waller, Mark  
**Cc:** Dunphy, Barry; Adam Carter; Miller, Paul  
**Subject:** RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Thanks Mark/Paul.

Regards  
Michelle

---

**From:** Waller, Mark [mwaller@claytonutz.com]  
**Sent:** Thursday, 26 April 2012 6:52 PM  
**To:** Michelle Hutchinson  
**Cc:** Dunphy, Barry; Adam Carter; Miller, Paul  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Hi Michelle,

We refer to our discussions and your email of 24 April 2012.

We have reviewed the template company deed of indemnity, insurance and access (Director Deed) provided and it is in the form prepared by Clayton Utz in 2011. We advise that the indemnity, insurance and access arrangements provided in that Director Deed remain reasonable and, in our experience, are commensurate with company deeds offered by other companies in the market. The Director Deed is in a form which Racing Queensland Limited (RQL) may adopt for new Board members moving forward.

However, one area where we have seen increased attention in company deeds relates to terms providing the ability to directors to obtain independent professional advice. Such a provision provides that during their tenure as a member of the Board, the director is entitled to seek independent professional advice (including legal, accounting and financial advice) at the company's cost on any matter connected with the discharge of the director's responsibilities as a member of the Board. The right to seek independent professional advice is usually tempered by a requirement that the advice be obtained in accordance with company policy or that the Board approves the director obtaining the independent professional advice. If RQL considers it beneficial and appropriate to incorporate an independent professional advice provision, we have included such a provision at clause 2.2 in the attached Director Deed in mark up for your ease of reference.

We had also previously prepared for RQL an Executive Deed in favour of executive officers. For completeness we attach a copy of the Executive Deed, marked up to highlight the differences between the Executive Deed and the Director Deed template. The main difference is that the Executive Deed has a more restrictive access to company records regime.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

Mark Waller | Partner  
Clayton Utz

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | mwaller@claytonutz.com<mailto:mwaller@claytonutz.com>

Paul Miller | Special Counsel  
Clayton Utz

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)<http://www.claytonutz.com/>

P Please consider the environment before printing this e-mail

From: Michelle Hutchinson [mailto:mhutchinson@racingqueensland.com.au]  
Sent: Tuesday, 24 April 2012 1:56 PM  
To: Miller, Paul  
Cc: Waller, Mark; Dunphy, Barry; Adam Carter  
Subject: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Dear Paul and Mark,

I refer to my telephone conversation earlier today with Paul in relation to the template Deed of Indemnity, Insurance and Access for RQL Board Members.

As background, RQL has recently appointed a new director and there are some further changes to the Board due to occur on 1 May 2012. Accordingly RQL is seeking to enter into Deeds of Indemnity, Insurance and Access with the 4 new Board Members.

Attached is a copy of the current template Deed that we are proposing to use which I understand was prepared by your team for RQL last year. Im not sure whether there have been any amendments to the document since it was prepared by Clayton Utz of what the scope of the instructions were when you prepared the template.

Could you please review the attached Deed and advise us if you have any recommended amendments/changes. In terms of timing, RQL would like to have the new directors all execute the Deed on 1 May 2012. Accordingly, if possible, we would appreciate any comments/amendments by 5pm on Monday 30 April 2012.

Please feel free to call me on 3869 9712 if you have any questions. I will be in the Clayton Utz office later in the week so if you need to contact me on Thursday or Friday, my extension is 7209.

Kind regards,

Michelle Hutchinson

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This email is confidential. If received in error, please delete it from your system.

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authorised by the sender acting with the Authority of or on behalf of Racing Queensland Limited.

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It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defect or interference by third parties or replication problems (including incompatibility with your computer system).

Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

**Marshall, Emma**

---

**From:** Waller, Mark  
**Sent:** Thursday, 26 April 2012 6:52 PM  
**To:** 'mhutchinson@racingqueensland.com.au'  
**Cc:** Dunphy, Barry; 'acarter@racingqueensland.com.au'; Miller, Paul  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access  
**Attachments:** RQL - Director Deed of Indemnity Insurance and Access - Template.DOC; RQL - Executive Deed of Indemnity Insurance and Access - Template.DOC

Hi Michelle,

We refer to our discussions and your email of 24 April 2012.

We have reviewed the template company deed of indemnity, insurance and access (**Director Deed**) provided and it is in the form prepared by Clayton Utz in 2011. We advise that the indemnity, insurance and access arrangements provided in that Director Deed remain reasonable and, in our experience, are commensurate with company deeds offered by other companies in the market. The Director Deed is in a form which Racing Queensland Limited (**RQL**) may adopt for new Board members moving forward.

However, one area where we have seen increased attention in company deeds relates to terms providing the ability to directors to obtain independent professional advice. Such a provision provides that during their tenure as a member of the Board, the director is entitled to seek independent professional advice (including legal, accounting and financial advice) at the company's cost on any matter connected with the discharge of the director's responsibilities as a member of the Board. The right to seek independent professional advice is usually tempered by a requirement that the advice be obtained in accordance with company policy or that the Board approves the director obtaining the independent professional advice. If RQL considers it beneficial and appropriate to incorporate an independent professional advice provision, we have included such a provision at clause 2.2 in the **attached** Director Deed in mark up for your ease of reference.

We had also previously prepared for RQL an Executive Deed in favour of executive officers. For completeness we **attach** a copy of the Executive Deed, marked up to highlight the differences between the Executive Deed and the Director Deed template. The main difference is that the Executive Deed has a more restrictive access to company records regime.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

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**From:** Michelle Hutchinson [mailto:[mhutchinson@racingqueensland.com.au](mailto:mhutchinson@racingqueensland.com.au)]  
**Sent:** Tuesday, 24 April 2012 1:56 PM  
**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter

2/05/2012

RQL.128.010.0254

**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Dear Paul and Mark,

I refer to my telephone conversation earlier today with Paul in relation to the template Deed of Indemnity, Insurance and Access for RQL Board Members.

As background, RQL has recently appointed a new director and there are some further changes to the Board due to occur on 1 May 2012. Accordingly RQL is seeking to enter into Deeds of Indemnity, Insurance and Access with the 4 new Board Members.

**Attached** is a copy of the current template Deed that we are proposing to use which I understand was prepared by your team for RQL last year. Im not sure whether there have been any amendments to the document since it was prepared by Clayton Utz of what the scope of the instructions were when you prepared the template.

Could you please review the attached Deed and advise us if you have any recommended amendments/changes. In terms of timing, RQL would like to have the new directors all execute the Deed on 1 May 2012. Accordingly, if possible, we would appreciate any comments/amendments by 5pm on Monday 30 April 2012.

Please feel free to call me on 3869 9712 if you have any questions. I will be in the Clayton Utz office later in the week so if you need to contact me on Thursday or Friday, my extension is 7209.

Kind regards,

Michelle Hutchinson

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

2/05/2012

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

[Insert Name]

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
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[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties** Racing Queensland Limited ACN 142 786 874 of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

**[Insert Name]** of [insert address] in the State of Queensland.

("Director~~Executive~~")

## RECITALS

- A. The ~~Director~~Executive is an Officer~~director~~ of the Company.
- B. The Company agrees to indemnify the ~~Director~~Executive in respect of certain liabilities incurred by the ~~Director~~Executive while acting as an Officer~~director~~ of the Company and while acting as an Officer~~director~~ of any Subsidiaries.
- C. The Company has agreed to use its reasonable endeavours to arrange insurance for the ~~Director~~Executive against certain risks the ~~Director~~Executive is exposed to as an Officer~~director~~ of the Company and the Subsidiaries.
- D. The Company and the ~~Director~~Executive have agreed to regulate in certain respects the right of access the ~~Director~~Executive has to Company Records.

This deed provides:

---

## 1. Indemnity

### 1.1 Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the ~~Director~~Executive against:

- (a) all liabilities incurred by the ~~Director~~Executive as an Officer of the Company and each Subsidiary; and
- (b) without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the ~~Director~~Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2 Other indemnities and insurance

If the ~~Director~~Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the ~~Director~~Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the ~~Director~~Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an ~~Director~~Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the ~~Director~~Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the ~~Director~~Executive is an ~~Officer~~director of the Company or a Subsidiary and even if the ~~Director~~Executive has ceased to be an ~~Officer~~director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the ~~Director~~Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The ~~Director~~Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the ~~Director~~Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the ~~Director~~Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the ~~Director~~Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the ~~Director~~Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the ~~Director~~Executive; and
  - (ii) the ~~Director~~Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the ~~Director~~Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the ~~Director~~Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the ~~Director~~Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the ~~Director~~Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the ~~Director~~Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the ~~Director~~Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the ~~Director~~Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the ~~Director~~Executive considers that the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the ~~Director~~Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the ~~Director~~Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the ~~Director~~Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the ~~Director~~Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any

Insurance Cover held by the Company and the ~~Director~~Executive in respect of the Indemnified Proceedings and the Company's and ~~Director~~Executive's obligations under such insurance and the principle that the reputations of the ~~Director~~Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the ~~Director~~Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the ~~Director~~Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the ~~Director~~Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
- (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## 1.6 Liability not affected

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## 1.7 Termination

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the ~~Director~~Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the ~~Director~~Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the ~~Director~~Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

---

## 2. Advances of legal costs

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the ~~Director~~Executive or lend to the ~~Director~~Executive the amount necessary to pay the legal costs incurred by the ~~Director~~Executive in defending an action for a liability incurred as an ~~Officer~~director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The ~~Director~~Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the

~~Director~~Executive under clause 2(a).

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the ~~Director~~Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the ~~Director~~Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the ~~Director~~Executive to do so, provide the ~~Director~~Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the ~~Director~~Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the ~~Director~~Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 ~~Director~~Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the ~~Director~~Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the ~~Director~~Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### 3.3 Full disclosure and compliance with Policies

Each party will disclose to the other party (and in the case of the ~~Director~~Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## 4. Ownership of and access to company records

### 4.1 Ownership

The ~~Director~~Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the ~~Director~~Executive while an Officer ~~director~~ of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the ~~Director~~Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the ~~Director~~Executive ceasing to be an Officer ~~director~~ of the Company.

### 4.2 Definition of Permitted Purpose

In this clause 4 "Permitted Purpose" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation:

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### 4.3 Procedures for obtaining access to Company Records

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("Access Request"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### 4.4 Access request

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.24.5 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the ~~Director~~Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.34.6 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### ~~4.4~~Procedures for obtaining access to Company Records

~~Subject to clause 4.5, at all times during the Relevant Period the Company must:~~

- ~~(a) allow the Director to inspect the Company Records;~~
- ~~(b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and~~
- ~~(c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense;~~

~~at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").~~

#### 4.54.7 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.64.8 Confidential information

- (a) If in response to an Access Request, the ~~Director~~Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the ~~Director~~Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the ~~Director~~Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.8(a), the ~~Director~~Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the ~~Director~~Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the ~~Director~~Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the ~~Director~~Executive has first obtained

undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;

- (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
- (iii) if the ~~Director~~Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
  - A. is, or prior to any disclosure by the ~~Director~~Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the ~~Director~~Executive under this clause 4.8 by the ~~Director~~Executive or any person associated with the ~~Director~~Executive); or
  - B. is or prior to any disclosure by the ~~Director~~Executive, was made known to the ~~Director~~Executive by a person other than the Company or a Subsidiary, provided that the ~~Director~~Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the ~~Director~~Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the ~~Director~~Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the ~~Director~~Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation. Retainers
- (c) ~~By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:~~
- (d) ~~any Proceedings or Investigation which may be relevant to the Director; or~~
- (e) ~~subject to paragraph (a), any matter which may be relevant to the Director or the Director's~~

~~interests under this Deed,~~

- (b) ~~is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.~~

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:
- (i) **Company**
- |            |   |
|------------|---|
| Address:   | Lot 2, Racecourse Road, Deagon QLD 4017 |
| Facsimile: | 07 3269 9043                            |
| Attention: | The Company Secretary                   |
- (ii) **~~Director~~Executive**
- |            |          |
|------------|----------|
| Address:   | [Insert] |
| Facsimile: | [Insert] |
- (or as otherwise notified by that party to the other party from time to time);
- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
- (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
- (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
- (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next

business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other

right, power or remedy provided by law or under this Deed.

- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## 6.10 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## 6.11 Approvals

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the ~~Director~~Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the ~~Director~~Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

# 7. Interpretation

## 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the ~~Director~~Executive or other ~~Officers of the Company~~ for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the ~~Director~~Executive is an Officer ~~director~~ of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the ~~Director~~Executive in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the ~~Director~~Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the ~~Director~~Executive being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the ~~Director~~Executive at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission) involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Permitted Purpose**" has the meaning given in clause 4.2.

"**Proceedings**" means any proceedings in which it is alleged that the ~~Director~~Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the ~~Director~~Executive holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the ~~Director~~Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the ~~Director~~Executive ceases to hold office as an Officer ~~director~~ of the Company or the Subsidiary (as the case requires), ~~except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).~~

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

## 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*.

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by [Insert Name]**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

[Insert Name]

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse  
Road Deagon in the State of Queensland;  
  
("Company")  
  
**[Insert Name]** of [insert address] in the State of Queensland.  
  
("Director")

## RECITALS

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

This deed provides:

---

## 1.        Indemnity

### 1.1        Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2        Other indemnities and insurance

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

### **2.1 Advances for Legal Costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2.12(a).

## **2.2 Costs of other independent professional advice**

Without limiting any other provision of this Deed, if the Director obtains independent professional advice in performing his or her duties to the Company, the Company must meet the reasonable costs of the advice if:

- (a) the advice is obtained in accordance with any Company policy regarding obtaining that advice; or
- (b) the Board of the Company approves the Director obtaining that advice.

---

## **3. Insurance cover**

### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
    - Facsimile: 07 3269 9043
    - Attention: The Company Secretary

- (ii) **Director**

- Address: [Insert]
    - Facsimile: [insert]

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
  - (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries" or "Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

(a) In this Deed:

(b) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;

(d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;

(e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);

(f) a reference to a clause is a reference to a clause of this Deed;

(g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by [insert  
name]**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

**Marshall, Emma**

---

**From:** Waller, Mark  
**Sent:** Thursday, 26 April 2012 6:44 PM  
**To:** Hutchinson, Michelle  
**Subject:** RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

a pleasure Michelle - we will send to your RQL email. Mark

---

**From:** Hutchinson, Michelle  
**Sent:** Thursday, 26 April 2012 6:03 PM  
**To:** Waller, Mark  
**Subject:** RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Hi Mark

Sorry I missed your call earlier today. The below looks great – thank you to both you and Paul for doing this so quickly.

Regards

**Michelle Hutchinson | Senior Associate  
Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7209 | F +61 7 3221 9669 | [mhutchinson@claytonutz.com](mailto:mhutchinson@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Waller, Mark  
**Sent:** Thursday, 26 April 2012 11:13 AM  
**To:** Hutchinson, Michelle  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Dear Michelle - please see below and attached. Once you have reviewed our response, we will send to your RQL address. Please call if you have any queries.

Kind regards

**Mark Waller | Partner  
Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

Hi Michelle,

We refer to our discussions and your email of 24 April 2012.

We have reviewed the template company deed of indemnity, insurance and access (**Director Deed**) provided and it is in the form prepared by Clayton Utz in 2011. We advise that the indemnity, insurance and access arrangements provided in that Director Deed remain reasonable and, in our experience, are commensurate with company deeds offered by other companies in the market. The Director Deed is in a form which Racing Queensland Limited (**RQL**) may adopt for new Board members moving forward.

However, one area where we have seen increased attention in company deeds relates to terms providing the ability to directors to obtain independent professional advice. Such a provision provides that during their tenure as a member of the Board, the director is entitled to seek independent professional advice (including legal, accounting and financial advice) at the company's cost on any matter connected with the discharge of the director's responsibilities as a member of the Board. The right to seek independent professional advice is usually tempered by a requirement that the advice be obtained in accordance with company policy or that the Board approves the director obtaining the independent professional advice. If RQL considers it beneficial and appropriate to incorporate an independent professional advice provision, we have included such a provision at clause 2.2 in the **attached** Director Deed in mark up for your ease of reference.

We had also previously prepared for RQL an Executive Deed in favour of executive officers. For completeness we **attach** a copy of the Executive Deed, marked up to highlight the differences between the Executive Deed and the Director Deed template. The main difference is that the Executive Deed has a more restrictive access to company records regime.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Michelle Hutchinson [mailto:[mhutchinson@racingqueensland.com.au](mailto:mhutchinson@racingqueensland.com.au)]  
**Sent:** Tuesday, 24 April 2012 1:56 PM  
**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Dear Paul and Mark,

I refer to my telephone conversation earlier today with Paul in relation to the template Deed of Indemnity, Insurance and Access for RQL Board Members.

As background, RQL has recently appointed a new director and there are some further changes to the Board due to occur on 1 May 2012. Accordingly RQL is seeking to enter into Deeds of Indemnity, Insurance and Access with the 4 new Board Members.

**Attached** is a copy of the current template Deed that we are proposing to use which I understand was prepared by your team for RQL last year. Im not sure whether there have been any amendments to the document since it was prepared by Clayton Utz of what the scope of the instructions were when you prepared the template.

Could you please review the attached Deed and advise us if you have any recommended amendments/changes. In terms of timing, RQL would like to have the new directors all execute the Deed on 1 May 2012. Accordingly, if possible, we would appreciate any comments/amendments by 5pm on Monday 30 April 2012.

Please feel free to call me on 3869 9712 if you have any questions. I will be in the Clayton Utz office later in the week so if you need to contact me on Thursday or Friday, my extension is 7209.

Kind regards,

Michelle Hutchinson

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

## **Marshall, Emma**

---

**From:** Waller, Mark  
**Sent:** Thursday, 26 April 2012 11:13 AM  
**To:** Hutchinson, Michelle  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access  
**Attachments:** RQL - Director Deed of Indemnity Insurance and Access - Template.DOC; RQL - Executive Deed of Indemnity Insurance and Access - Template.DOC

Dear Michelle - please see below and attached. Once you have reviewed our response, we will send to your RQL address. Please call if you have any queries.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

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**Mark Waller | Partner**  
**Clayton Utz**

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**Paul Miller | Special Counsel**  
**Clayton Utz**

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Michelle Hutchinson [mailto:mhutchinson@racingqueensland.com.au]  
**Sent:** Tuesday, 24 April 2012 1:56 PM  
**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

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Please feel free to call me on 3869 9712 if you have any questions. I will be in the Clayton Utz office later in the week so if you need to contact me on Thursday or Friday, my extension is 7209.

Kind regards,

Michelle Hutchinson

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It is your responsibility to ensure that this email does not contain and is not affected by computer viruses, defect or interference by third parties or replication problems (including incompatibility with your computer system).

Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

[Insert Name]

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties** Racing Queensland Limited ACN 142 786 874 of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

[Insert Name] of [insert address] in the State of Queensland.

("Director")

## RECITALS

- A. The Director is a director of the Company.
- B. The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- ~~C. The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.~~
- D. The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

### This deed provides:

---

## 1. Indemnity

### 1.1 Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a) all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b) without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2 Other indemnities and insurance

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

---

## **2. Advances of legal costs**

### **2.1 Advances for Legal Costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2.12(a).

## **2.2 Costs of other independent professional advice**

Without limiting any other provision of this Deed, if the Director obtains independent professional advice in performing his or her duties to the Company, the Company must meet the reasonable costs of the advice if:

- (a) the advice is obtained in accordance with any Company policy regarding obtaining that advice; or
- (b) the Board of the Company approves the Director obtaining that advice.

---

## **3. Insurance cover**

### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary

- (ii) **Director**

Address:	[Insert]
Facsimile:	[insert]

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made ~~on a non~~ business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## 6.2 Governing Law

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## 6.3 Jurisdiction

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## 6.4 Counterparts

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## 6.5 Amendments

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Proceedings**" means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
  - (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by [insert  
name]**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited

ACN 142 786 874

[Insert Name]

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties** Racing Queensland Limited ACN 142 786 874 of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

**[Insert Name]** of [insert address] in the State of Queensland.

("Director~~Executive~~")

## RECITALS

- A. The ~~Director-Executive~~ is an ~~Officer-director~~ of the Company.
- B. The Company agrees to indemnify the ~~Director-Executive~~ in respect of certain liabilities incurred by the ~~Director-Executive~~ while acting as an ~~Officer-director~~ of the Company and while acting as an ~~Officer-director~~ of any Subsidiaries.
- C. The Company has agreed to use its reasonable endeavours to arrange insurance for the ~~Director-Executive~~ against certain risks the ~~Director-Executive~~ is exposed to as an ~~Officer-director~~ of the Company and the Subsidiaries.
- D. The Company and the ~~Director-Executive~~ have agreed to regulate in certain respects the right of access the ~~Director-Executive~~ has to Company Records.

This deed provides:

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## 1. Indemnity

### 1.1 Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the ~~Director-Executive~~ against:

- (a) all liabilities incurred by the ~~Director-Executive~~ as an Officer of the Company and each Subsidiary; and
- (b) without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the ~~Director-Executive~~ as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2 Other indemnities and insurance

If the ~~Director-Executive~~ is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the ~~Director-Executive~~ must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the ~~Director-Executive~~ must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an ~~Director-Executive~~ who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the ~~Director-Executive~~ receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the ~~Director~~Executive is an ~~Officer~~director of the Company or a Subsidiary and even if the ~~Director~~Executive has ceased to be an ~~Officer~~director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the ~~Director~~Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The ~~Director~~Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the ~~Director~~Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the ~~Director~~Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the ~~Director~~Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the ~~Director~~Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the ~~Director~~Executive; and
  - (ii) the ~~Director~~Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the ~~Director~~Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the ~~Director~~Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the ~~Director~~Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the ~~Director~~Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the ~~Director~~Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the ~~Director~~Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the ~~Director~~Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the ~~Director~~Executive considers that the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the ~~Director~~Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the ~~Director~~Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the ~~Director~~Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the ~~Director~~Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any

Insurance Cover held by the Company and the ~~Director~~Executive in respect of the Indemnified Proceedings and the Company's and ~~Director~~Executive's obligations under such insurance and the principle that the reputations of the ~~Director~~Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the ~~Director~~Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the ~~Director~~Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the ~~Director~~Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## 1.6 Liability not affected

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## 1.7 Termination

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the ~~Director~~Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the ~~Director~~Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the ~~Director~~Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## 2. Advances of legal costs

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the ~~Director~~Executive or lend to the ~~Director~~Executive the amount necessary to pay the legal costs incurred by the ~~Director~~Executive in defending an action for a liability incurred as an ~~Officer~~~~director~~ of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The ~~Director~~Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the

~~Director~~Executive under clause 2(a).

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the ~~Director~~Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the ~~Director~~Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
- (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the ~~Director~~Executive to do so, provide the ~~Director~~Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the ~~Director~~Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the ~~Director~~Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 ~~Director~~Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the ~~Director~~Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the ~~Director~~Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### 3.3 Full disclosure and compliance with Policies

Each party will disclose to the other party (and in the case of the ~~Director~~Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## 4. Ownership of and access to company records

### 4.1 Ownership

The ~~Director~~Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the ~~Director~~Executive while an Officer ~~director~~ of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the ~~Director~~Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the ~~Director~~Executive ceasing to be an Officer ~~director~~ of the Company.

### 4.2 Definition of Permitted Purpose

In this clause 4 "Permitted Purpose" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation:

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### 4.3 Procedures for obtaining access to Company Records

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("Access Request"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### 4.4 Access request

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.24.5 **Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the ~~Director~~Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.34.6 **Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### ~~4.4~~**Procedures for obtaining access to Company Records**

~~Subject to clause 4.5, at all times during the Relevant Period the Company must:~~

~~(a) allow the Director to inspect the Company Records;~~

~~(b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and~~

~~(c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,~~

~~at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").~~

#### 4.54.7 **Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.64.8 **Confidential information**

(a) If in response to an Access Request, the ~~Director~~Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the ~~Director~~Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the ~~Director~~Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.

(b) Notwithstanding clause 4.8(a), the ~~Director~~Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:

(i) to:

A. the ~~Director~~Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or

B. the ~~Director~~Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the ~~Director~~Executive has first obtained

undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;

- (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
- (iii) if the ~~Director~~Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
  - A. is, or prior to any disclosure by the ~~Director~~Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the ~~Director~~Executive under this clause 4.8 by the ~~Director~~Executive or any person associated with the ~~Director~~Executive); or
  - B. is or prior to any disclosure by the ~~Director~~Executive, was made known to the ~~Director~~Executive by a person other than the Company or a Subsidiary, provided that the ~~Director~~Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the ~~Director~~Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the ~~Director~~Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;

5.3 provided always that the Company may not refuse consent where the ~~Director~~Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation. ~~Retainers~~

- (e) ~~By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:~~

~~(a) any Proceedings or Investigation which may be relevant to the Director; or~~

~~(b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's~~

interests under this Deed;

~~(f)(b) is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.~~

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:
  - (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary
  - (ii) **~~Director~~Executive**

Address:	[Insert]
Facsimile:	[Insert]
- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next

business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other

right, power or remedy provided by law or under this Deed.

- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## 6.10 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## 6.11 Approvals

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent of approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the ~~Director~~Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the ~~Director~~Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

# 7. Interpretation

## 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the ~~Director~~Executive or other ~~Officers of the Company~~ for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the ~~Director~~Executive is an Officer ~~director~~ of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Deed" and "this Deed" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"Indemnity" means the indemnity granted by the Company in favour of the ~~Director~~Executive in clause 1.1.

"Insurance Cover" means insurance against liability incurred by the ~~Director~~Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the ~~Director~~Executive being an Officer of the Company or a Subsidiary.

"Insurance Terms" means the terms of the directors' and officers' insurance policy applicable to the ~~Director~~Executive at the date of this document.

"Investigation" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission) involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"Legal Costs" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"Officer" means an officer of a company as defined in section 9 of the Corporations Act.

"Permitted Purpose" has the meaning given in clause 4.2.

"Proceedings" means any proceedings in which it is alleged that the ~~Director~~Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the ~~Director~~Executive holding office as an Officer of the Company or a Subsidiary.

"Relevant Period" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the ~~Director~~Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"Retirement Date" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the ~~Director~~Executive ceases to hold office as an Officer ~~director~~ of the Company or the Subsidiary (as the case requires), ~~except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).~~

"Subsidiaries" or "Subsidiary" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

## 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*;

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by [Insert Name]**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

**Marshall, Emma**

---

**From:** Waller, Mark  
**Sent:** Tuesday, 24 April 2012 3:30 PM  
**To:** 'Michelle Hutchinson'  
**Subject:** RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Thanks for the instructions Michelle. Hope all is well for you.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

---

**From:** Michelle Hutchinson [<mailto:mhutchinson@racingqueensland.com.au>]  
**Sent:** Tuesday, 24 April 2012 1:56 PM  
**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Dear Paul and Mark,

I refer to my telephone conversation earlier today with Paul in relation to the template Deed of Indemnity, Insurance and Access for RQL Board Members.

As background, RQL has recently appointed a new director and there are some further changes to the Board due to occur on 1 May 2012. Accordingly RQL is seeking to enter into Deeds of Indemnity, Insurance and Access with the 4 new Board Members.

**Attached** is a copy of the current template Deed that we are proposing to use which I understand was prepared by your team for RQL last year. Im not sure whether there have been any amendments to the document since it was prepared by Clayton Utz of what the scope of the instructions were when you prepared the template.

Could you please review the attached Deed and advise us if you have any recommended amendments/changes. In terms of timing, RQL would like to have the new directors all execute the Deed on 1 May 2012. Accordingly, if possible, we would appreciate any comments/amendments by 5pm on Monday 30 April 2012.

Please feel free to call me on 3869 9712 if you have any questions. I will be in the Clayton Utz office later in the week so if you need to contact me on Thursday or Friday, my extension is 7209.

Kind regards,

Michelle Hutchinson

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## Schofield, Hayley

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**From:** Miller, Paul  
**Sent:** Tuesday, 24 April 2012 2:48 PM  
**To:** Michelle Hutchinson  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
**Subject:** RE: Private and Confidential - Review of Deed of Indemnity, Insurance and Access

Thanks Michelle,

We will review and come back to you.

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 |  
pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)

 Please consider the environment before printing this e-mail

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**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
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30/04/2012

RQL.128.010.0325

Michelle Hutchinson

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**Marshall, Emma**

**From:** Michelle Hutchinson [mhutchinson@racingqueensland.com.au]  
**Sent:** Tuesday, 24 April 2012 1:56 PM  
**To:** Miller, Paul  
**Cc:** Waller, Mark; Dunphy, Barry; Adam Carter  
**Subject:** Private and Confidential - Review of Deed of Indemnity, Insurance and Access  
**Attachments:** RQL - Deed of Indemnity Insurance and Access - Template.doc

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Michelle Hutchinson

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

[Insert Name]

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse  
Road Deagon in the State of Queensland;  
  
("Company")  
  
[Insert Name] of [insert address] in the State of Queensland.  
  
("Director")

**RECITALS**

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

**This deed provides:**

---

**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

---

## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

---

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary

- (ii) **Director**

Address:	[Insert]
Facsimile:	[insert]

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

(a) In this Deed:

(b) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;

(d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;

(e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);

(f) a reference to a clause is a reference to a clause of this Deed;

(g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by [insert  
name]**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

## Schofield, Hayley

---

**From:** Dunphy, Barry  
**Sent:** Tuesday, 24 April 2012 12:01 AM  
**To:** Hutchinson, Michelle  
**Subject:** Re: RQL matter

Hi I also got a call to phone Bob Bentley this afternoon. Maybe that was about the Shara issue.

A couple of things does RQL have a written staff indemnity policy?  
Also does Shara's employment contract say anything about the indemnity issue?

Were the staff covered by insurance cover for administrative investigations as officers? Mark Waller's team may have advised on this issue.

Has Shara got lawyers lined up? We clearly couldn't act for her.

Regards

Barry

Barry Dunphy | Partner | Government Services Group Clayton Utz

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----- Original Message -----

**From:** Hutchinson, Michelle  
**Sent:** Monday, April 23, 2012 08:51 PM  
**To:** Dunphy, Barry  
**Subject:** RQL matter

Hi Barry

Can you give me a call tomorrow on a matter to do with the audit office.  
The QAO has asked to speak to Shara. Shara has asked if RQL will pay for her to get legal advice/representation. Adam came to ask me what was normal/appropriate,

I said I would have a chat to you.

Regards  
Michelle

## Schofield, Hayley

---

**From:** Perrett, Ross  
**Sent:** Wednesday, 18 April 2012 3:54 PM  
**To:** Adam Carter; 'Michelle Hutchinson'  
**Cc:** Dunphy, Barry  
**Subject:** RQL and QHRL - ACE Insurance

**Attachments:** SCN\_20120418112154\_001.pdf

Dear Adam and Michelle,

Attached for your records is a copy of a letter that I have sent to the solicitors for ACE Insurance today so as to keep the insurer updated on developments.

Regards,  
Ross

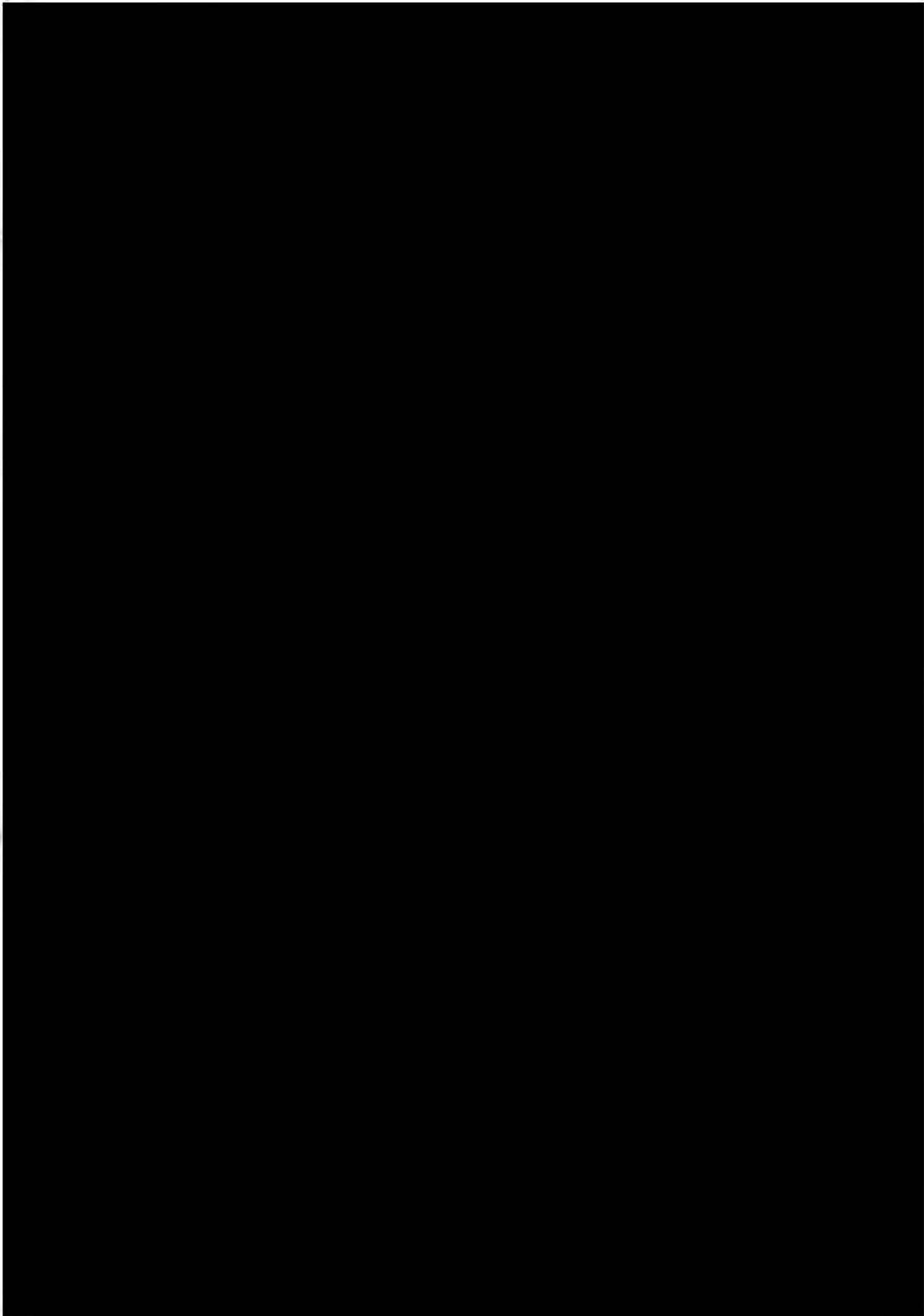
Ross Perrett | Partner | Litigation/Dispute Resolution  
Clayton Utz

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**ace insurance**

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**Emma Davies**  
*Financial Lines Claims*

26 March 2012

Aon Risk Services Australia Limited  
Attn: Alex Dimitrijevic  
Level 6, 175 Eagle Street  
Brisbane, QLD 4000

Only by E-mail: [alex.dimitrijevic@aon.com](mailto:alex.dimitrijevic@aon.com)

Dear Alex

**Insured:** Racing Queensland Limited in respect of Robert Bentley,  
Anthony Hanmer, William Ludwig, Wayne Milner, and Bradley  
Ryan  
**Matter:** Claim by Kerry Watson  
**ACE Ref:** 502 154 7150

I refer to previous correspondence.

Racing Queensland Limited (**RQL**) has sought indemnity from ACE Insurance Limited (**ACE**) in respect of the claims made on the above named Insured Directors pursuant to its Elite II Directors and Officers Liability Insurance Policy with policy number 04CH008050 and Policy Period 30 June 2010 to 30 June 2011 (the **Policy**).

I confirm receipt of a letter from Ms Shara Reid of RQL dated 1 March 2012 (received 5 March 2012) enclosing documents requested in my email to you dated 8 February 2012.

### **The Claim**

Proceedings are on foot in the Queensland Civil and Administrative Appeals Tribunal (**QCAT**) concerning the circumstances of Ms Watson's dismissal as a Director of RQL. Ms Watson was removed as a Director of RQL on 6 December 2010. The matter had been referred to QCAT by the Anti-Discrimination Commission Queensland (**ADCQ**). Ms Watson alleges that she was dismissed because she copied to the Minister for Racing and the Director General of the Office of Racing a letter she sent to Mr Bentley, Chairman of the RQL board, in which she criticised the board's Strategic Asset Plan. The Insured Directors are said to have engaged in discrimination under the *Anti-Discrimination Act 1991* (Qld) on the grounds of political belief or activity.

### **Indemnity**

ACE is pleased to advise that on the facts and circumstances currently known, policy indemnity is available to the Insured in respect of the claims made on the Insured Directors, subject always to all the terms and conditions of the Policy. ACE reserves its right to review this grant of indemnity if further information becomes available to ACE which it was not aware of at this time, and which entitles ACE to modify or revoke the grant.

### **Next steps**

1. Ms Reid has provided us with a copy of the Global Client Agreement with Clayton Utz Lawyers for the current financial year. Please provide a copy of the "Fees & Other

Charges schedule and Business Terms" for the current financial year, and the previous financial year.

2. ACE invokes its right to associate with the Insured in respect of the claims made on the Insured Directors. Please provide ACE with copies of all advices received by the Insured from Clayton Utz and Counsel concerning this matter.
3. Please advise the estimated future defence costs including disbursements, at each state of the proceedings (i.e. until mediation, pre-hearing, full hearing).
4. Please ensure that the Insured is aware of Policy Conditions 5.4 (Conduct of Proceedings) and 5.5 (Advancement of Defence Costs and Allocation of Loss).

I look forward to hearing from you in due course.

Yours faithfully,



**Emma Davies**  
**Financial Lines Claims**  
**ACE Insurance Limited**

# CLAYTON UTZ

Sydney

Melbourne

Brisbane

Perth

Canberra

Darwin

Hong Kong

Ms Shara Reid  
Senior Corporate Counsel  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

8 February 2012

Our ref 12415/16267/80122323

Dear Shara

## **D&O Insurance Review**

Further to your recent email, we confirm that we will now archive our work papers, correspondence and other documents relevant to the matter for a period of 12 years. After the expiration of that period, those files may be destroyed without further reference to you. At any time prior to the expiration of the nominated period, you may, by written direction, instruct us to:

- deliver any documents which belong to you, either to you or to such other person you may nominate (in which case we may retain copies of those documents); or
- extend the file retention period beyond the nominated period.

Thank you for instructing us in this matter. If we can assist you with any future matters, please do not hesitate to contact us.

Yours sincerely



Mark Waller, Partner  
+61 7 3292 7005  
mwaller@claytonutz.com

Paul Miller, Special Counsel  
+61 7 3292 7607  
pmiller@claytonutz.com

**Marshall, Emma**

---

**From:** Miller, Paul  
**Sent:** Wednesday, 8 February 2012 11:16 AM  
**To:** Marshall, Emma  
**Subject:** FW: Deeds of Access and Indemnity  
**Attachments:** image001.png

fyi

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Reid [mailto:sreid@racingqueensland.com.au]  
**Sent:** Wednesday, 8 February 2012 11:15 AM  
**To:** Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Hi Paul

Thank you for your below e-mail.

I confirm that RQL requires no further action in relation to the company deeds of indemnity, insurance and access.

Thank you for all your assistance in relation to this matter.

Kind Regards

Shara

***Shara Reid***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [sreid@racingqueensland.com.au](mailto:sreid@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Wednesday, February 08, 2012 10:05 AM  
**To:** Shara Reid  
**Subject:** Deeds of Access and Indemnity

Hi Shara,

8/02/2012

RQL.128.010.0349

Just a quick note to see if there is anything further you require in relation to the company deeds of indemnity, insurance and access. If not, we will proceed to close our file.

Kind regards

Paul

**Paul Miller | Special Counsel**

**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

8/02/2012

RQL.128.010.0350

## Miller, Paul

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 17 November 2011 3:56 PM  
**To:** Miller, Paul  
**Subject:** RE: Executive Deeds of Access and Indemnity

Hi Paul

Thank you for your assistance on this, I greatly appreciate it.

Kind Regards

Shara

### ***Shara Reid (nee Murray)***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Thursday, November 17, 2011 3:48 PM  
**To:** Shara Murray  
**Subject:** Executive Deeds of Access and Indemnity

Hi Shara,

As discussed, please find **attached** Executive Deeds.

In relation to your Deed as company secretary, it is on the same terms as the Director Deed (with some minor amendments). We have attached both marked up and clean copy versions of your deed for your ease of reference.

In relation to the other Executive Deeds, we have restricted the access to Company Records provisions for a "Permitted Purpose" which in effect is when access to Company Records are required to defend proceedings or attend an investigation. Again, we have attached one marked up version of this deed for your ease of reference.

If you wish to discuss the Deeds please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

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[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 17 November 2011 10:54 AM  
**To:** Miller, Paul

**Subject:** RE: Deeds of Access and Indemnity  
**Importance:** High

Hi Paul

As per our telephone discussion, could you please draft a Deed of Access and Indemnity for each Senior Executive listed below:

- (a) Malcolm Nicholas Tuttle  
Chief Executive Officer  
78 Gerler Road  
Hendra Qld 4011
- (b) Shara Louise Reid (nee Murray)  
Senior Corporate Counsel / Company Secretary  
23 Ridgegarden Drive  
Morayfield Qld 4506
- (c) Paul John Brennan  
Director of Product Development  
20 Hamilton Close  
Mooloolah Qld 4553
- (d) Alfred Jamie Orchard  
91 Delaney Circuit  
Carindale Qld 4152

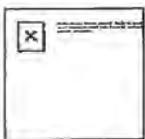
Thank you for your assistance.

Kind Regards

Shara

***Shara Reid (nee Murray)***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]

**Sent:** Wednesday, August 03, 2011 3:26 PM

**To:** Shara Murray

**Cc:** Waller, Mark

**Subject:** RE: Deeds of Access and Indemnity

Hi Shara,

Please find **attached** director deeds for:

1. Mr Bentley;
2. Mr Hanmer;
3. Mr Milner;
4. Mr Ryan;

5. Mr Ludwig; and
6. Mr Lette.

While each of the deeds are in final form ready for execution, if any of the directors have a personal facsimile number you may wish to insert this in the notice provision in clause 6.1.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel  
Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Tuesday, 2 August 2011 9:56 AM  
**To:** Miller, Paul  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity

Hi Paul

Thank you for your below e-mail of even date at 8:22am.

I confirm that I am happy with the draft deed of indemnity, insurance and access (**deed**), which you have prepared for Mr Bentley.

Could you please finalise the other director deeds.

I confirm that I will take these deeds to the Board meeting on Friday, 5 August 2011 for execution.

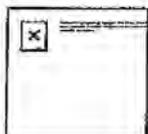
As discussed this morning, I have requested a copy of the proposed wording of the run-off policy in order for you to review. I will send through once received.

I look forward to your response.

Kind Regards

Shara

***Shara Murray***  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Tuesday, August 02, 2011 8:22 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** FW: Deeds of Access and Indemnity

Hi Shara,

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required, prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate **as** intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

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---

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner
- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

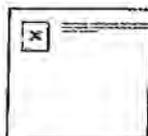
Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]

**Sent:** Friday, July 22, 2011 8:56 AM

**To:** Shara Murray

**Cc:** Waller, Mark; Miller, Paul

**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

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**Marshall, Emma**

---

**From:** Miller, Paul  
**Sent:** Thursday, 17 November 2011 3:49 PM  
**To:** Marshall, Emma  
**Subject:** Executive Deeds of Access and Indemnity  
**Attachments:** RQL - Executive Deed of Indemnity Insurance and Access - Mr Brennan.DOC; RQL - Executive Deed of Indemnity Insurance and Access - Mr Orchard.DOC; RQL - Executive Deed of Indemnity Insurance and Access - Mr Tuttle.DOC; RQL - Executive Deed of Indemnity Insurance and Access - Mr Tuttle.DOC; RQL - Executive Deed of Indemnity Insurance and Access - S Reid.DOC; RQL - Executive Deed of Indemnity Insurance and Access - S Reid.DOC

---

**From:** Miller, Paul  
**Sent:** Thursday, 17 November 2011 3:48 PM  
**To:** Shara Murray  
**Subject:** Executive Deeds of Access and Indemnity

Hi Shara,

As discussed, please find **attached** Executive Deeds.

In relation to your Deed as company secretary, it is on the same terms as the Director Deed (with some minor amendments). We have attached both marked up and clean copy versions of your deed for your ease of reference.

In relation to the other Executive Deeds, we have restricted the access to Company Records provisions for a "Permitted Purpose" which in effect is when access to Company Records are required to defend proceedings or attend an investigation. Again, we have attached one marked up version of this deed for your ease of reference.

If you wish to discuss the Deeds please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 17 November 2011 10:54 AM  
**To:** Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity  
**Importance:** High

Hi Paul

As per our telephone discussion, could you please draft a Deed of Access and Indemnity for each Senior Executive listed below:

17/11/2011

RQL.128.010.0357

- (a) Malcolm Nicholas Tuttle  
Chief Executive Officer  
78 Gerler Road  
Hendra Qld 4011
- (b) Shara Louise Reid (nee Murray)  
Senior Corporate Counsel / Company Secretary  
23 Ridgegarden Drive  
Morayfield Qld 4506
- (c) Paul John Brennan  
Director of Product Development  
20 Hamilton Close  
Mooloolah Qld 4553
- (d) Alfred Jamie Orchard  
91 Delaney Circuit  
Carindale Qld 4152

Thank you for your assistance.

Kind Regards

Shara

***Shara Reid (nee Murray)***  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
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F +61 7 3269 9043  
M 0407 156 539  
F +61 7 3269 9043 [queensland.com.au](http://queensland.com.au)  
M 0407 156 539 [queensland.com.au](http://queensland.com.au)

---

**From:** Miller, Paul [mailto:[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)]  
**Sent:** Wednesday, August 03, 2011 3:26 PM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity

Hi Shara,

Please find **attached** director deeds for:

1. Mr Bentley;
2. Mr Hanmer;
3. Mr Milner;
4. Mr Ryan;
5. Mr Ludwig; and
6. Mr Lette.

While each of the deeds are in final form ready for execution, if any of the directors have a personal facsimile number you may wish to insert this in the notice provision in clause 6.1.

If you wish to discuss any matters raised please do not hesitate to contact us.

17/11/2011

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [mailto:[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)]

**Sent:** Tuesday, 2 August 2011 9:56 AM

**To:** Miller, Paul

**Cc:** Waller, Mark

**Subject:** RE: Deeds of Access and Indemnity

Hi Paul

Thank you for your below e-mail of even date at 8:22am.

I confirm that I am happy with the draft deed of indemnity, insurance and access (**deed**), which you have prepared for Mr Bentley.

Could you please finalise the other director deeds.

I confirm that I will take these deeds to the Board meeting on Friday, 5 August 2011 for execution.

As discussed this morning, I have requested a copy of the proposed wording of the run-off policy in order for you to review. I will send through once received.

I look forward to your response.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)]

**Sent:** Tuesday, August 02, 2011 8:22 AM

**To:** Shara Murray

**Cc:** Waller, Mark

**Subject:** FW: Deeds of Access and Indemnity

Hi Shara,

17/11/2011

RQL.128.010.0359

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required, prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate as intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Shara Murray [mailto:[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner
- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

17/11/2011

***Shara Murray***  
Senior Corporate Counsel



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**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

[Learn more about our new Sydney home](#)

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CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Paul John Brennan

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
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Our reference 12415/16267/80122323

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**Parties**                    **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

**Paul John Brennan** of 20 Hamilton Close, Mooloolah in the State of Queensland.

("Executive")

## RECITALS

- A.        The Executive is an Officer of the Company.
- B.        The Company agrees to indemnify the Executive in respect of certain liabilities incurred by the Executive while acting as an Officer of the Company and while acting as an Officer of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Executive against certain risks the Executive is exposed to as an Officer of the Company and the Subsidiaries.
- D.        The Company and the Executive have agreed to regulate in certain respects the right of access the Executive has to Company Records.

## This deed provides:

---

### 1.        Indemnity

#### 1.1      Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Executive against:

- (a)       all liabilities incurred by the Executive as an Officer of the Company and each Subsidiary; and
- (b)       without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

#### 1.2      Other indemnities and insurance

If the Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Executive is an Officer of the Company or a Subsidiary and even if the Executive has ceased to be an Officer of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Executive; and
  - (ii) the Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Executive considers that the interests of the Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Executive and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Executive in respect of the Indemnified Proceedings and the Company's and Executive's obligations under such insurance and the

principle that the reputations of the Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Executive or lend to the Executive the amount necessary to pay the legal costs incurred by the Executive in defending an action for a liability incurred as an Officer of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Executive under clause 2(a).

---

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Executive to do so, provide the Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the Executive while an Officer of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Executive ceasing to be an Officer of the Company.

### **4.2 Definition of Permitted Purpose**

In this clause 4 "**Permitted Purpose**" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation:

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### **4.3 Procedures for obtaining access to Company Records**

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("**Access Request**"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### **4.4 Access request**

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.5 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.6 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### 4.7 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.8 Confidential information

- (a) If in response to an Access Request, the Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.8(a), the Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Executive has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the Executive under this clause 4.8 by the Executive or any person associated with the Executive); or

- B. is or prior to any disclosure by the Executive, was made known to the Executive by a person other than the Company or a Subsidiary, provided that the Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

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## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address: Lot 2, Racecourse Road, Deagon QLD 4017  
Facsimile: 07 3269 9043  
Attention: The Company Secretary

- (ii) **Executive**

Address: 20 Hamilton Close, Mooloolah QLD 4553  
Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## 6.2 Governing Law

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## 6.3 Jurisdiction

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

#### **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

#### **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

#### **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

#### **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

#### **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

#### **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

#### **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

#### **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Executive for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Executive is an Officer of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Executive in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Executive being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Executive at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Permitted Purpose**" has the meaning given in clause 4.2.

"**Proceedings**" means any proceedings in which it is alleged that the Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Executive holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Executive ceases to hold office as an Officer of the Company or the Subsidiary (as the case requires).

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

(a) In this Deed:

(b) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;

(d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;

(e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);

(f) a reference to a clause is a reference to a clause of this Deed;

(g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(h) reference to currency are references to Australian currency unless otherwise specifically provided; and

- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Paul John  
Brennan**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Alfred Jamie Orchard

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

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Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Alfred Jamie Orchard** of 91 Delaney Circuit, Carindale in the State of Queensland.  
("Executive")

**RECITALS**

- A.        The Executive is an Officer of the Company.
- B.        The Company agrees to indemnify the Executive in respect of certain liabilities incurred by the Executive while acting as an Officer of the Company and while acting as an Officer of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Executive against certain risks the Executive is exposed to as an Officer of the Company and the Subsidiaries.
- D.        The Company and the Executive have agreed to regulate in certain respects the right of access the Executive has to Company Records.

**This deed provides:**

---

**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Executive against:

- (a)        all liabilities incurred by the Executive as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Executive is an Officer of the Company or a Subsidiary and even if the Executive has ceased to be an Officer of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Executive; and
  - (ii) the Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Executive considers that the interests of the Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Executive in respect of the Indemnified Proceedings and the Company's and Executive's obligations under such insurance and the

principle that the reputations of the Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Executive or lend to the Executive the amount necessary to pay the legal costs incurred by the Executive in defending an action for a liability incurred as an Officer of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Executive under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Executive to do so, provide the Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the Executive while an Officer of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Executive ceasing to be an Officer of the Company.

### **4.2 Definition of Permitted Purpose**

In this clause 4 "**Permitted Purpose**" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation:

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### **4.3 Procedures for obtaining access to Company Records**

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("**Access Request**"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### **4.4 Access request**

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.5 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.6 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### 4.7 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.8 Confidential information

- (a) If in response to an Access Request, the Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.8(a), the Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Executive has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the Executive under this clause 4.8 by the Executive or any person associated with the Executive); or

- B. is or prior to any disclosure by the Executive, was made known to the Executive by a person other than the Company or a Subsidiary, provided that the Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Executive**

- Address: 91 Delaney Circuit, Carindale QLD 4152
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## 6.2 Governing Law

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## 6.3 Jurisdiction

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

#### **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

#### **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

#### **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

#### **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

#### **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

#### **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

#### **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

#### **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Executive for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Executive is an Officer of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Executive in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Executive being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Executive at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Permitted Purpose"** has the meaning given in clause 4.2.

**"Proceedings"** means any proceedings in which it is alleged that the Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Executive holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Executive ceases to hold office as an Officer of the Company or the Subsidiary (as the case requires).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

(a) In this Deed:

(b) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;

(d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;

(e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);

(f) a reference to a clause is a reference to a clause of this Deed;

(g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(h) reference to currency are references to Australian currency unless otherwise specifically provided; and

- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

EXECUTED as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Alfred**  
**Jamie Orchard**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Malcolm Nicholas Tuttle

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

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Our reference 12415/16267/80122323

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**Parties**            **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Malcolm Nicholas Tuttle** of 78 Gerler Road, Hendra in the State of Queensland.  
("Executive")

## RECITALS

- A.        The Executive is an Officer of the Company.
- B.        The Company agrees to indemnify the Executive in respect of certain liabilities incurred by the Executive while acting as an Officer of the Company and while acting as an Officer of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Executive against certain risks the Executive is exposed to as an Officer of the Company and the Subsidiaries.
- D.        The Company and the Executive have agreed to regulate in certain respects the right of access the Executive has to Company Records.

### This deed provides:

---

## 1.        Indemnity

### 1.1        Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Executive against:

- (a)        all liabilities incurred by the Executive as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2        Other indemnities and insurance

If the Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Executive is an Officer of the Company or a Subsidiary and even if the Executive has ceased to be an Officer of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Executive; and
  - (ii) the Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (c) The Company will:
- (i) immediately notify the Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Executive considers that the interests of the Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Executive and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Executive in respect of the Indemnified Proceedings and the Company's and Executive's obligations under such insurance and the

principle that the reputations of the Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Executive or lend to the Executive the amount necessary to pay the legal costs incurred by the Executive in defending an action for a liability incurred as an Officer of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Executive under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Executive to do so, provide the Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the Executive while an Officer of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Executive ceasing to be an Officer of the Company.

### **4.2 Definition of Permitted Purpose**

In this clause 4 "**Permitted Purpose**" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation:

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### **4.3 Procedures for obtaining access to Company Records**

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("**Access Request**"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### **4.4 Access request**

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.5 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.6 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### 4.7 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.8 Confidential information

- (a) If in response to an Access Request, the Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.8(a), the Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Executive has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the Executive under this clause 4.8 by the Executive or any person associated with the Executive); or

- B. is or prior to any disclosure by the Executive, was made known to the Executive by a person other than the Company or a Subsidiary, provided that the Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

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## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary

- (ii) **Executive**

Address:	78 Gerler Road, Hendra QLD 4011
Facsimile:	

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

#### **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

#### **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

#### **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

#### **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

#### **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

#### **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

#### **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

#### **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

**"Board"** means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

**"Business Day"** means a day on which banks are open for general banking business in the State of Queensland

**"Company Records"** means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Executive for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Executive is an Officer of the Company.

**"Corporations Act"** means the Corporations Act 2001 (Cth).

**"Deed"** and **"this Deed"** means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

**"Indemnity"** means the indemnity granted by the Company in favour of the Executive in clause 1.1.

**"Insurance Cover"** means insurance against liability incurred by the Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Executive being an Officer of the Company or a Subsidiary.

**"Insurance Terms"** means the terms of the directors' and officers' insurance policy applicable to the Executive at the date of this document.

**"Investigation"** means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Permitted Purpose"** has the meaning given in clause 4.2.

**"Proceedings"** means any proceedings in which it is alleged that the Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Executive holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Executive ceases to hold office as an Officer of the Company or the Subsidiary (as the case requires).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
  - (b) headings are for convenience only and do not affect interpretation,
- and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
  - (h) reference to currency are references to Australian currency unless otherwise specifically provided; and

- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Malcolm  
Nicholas Tuttle**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Malcolm Nicholas Tuttle

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

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**Parties**                    **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

**Malcolm Nicholas Tuttle** of 78 Gerler Road, Hendra in the State of Queensland.

("Director~~Executive~~")

## RECITALS

- A.        The ~~Director-Executive~~ is an Officer-~~director~~ of the Company.
- B.        The Company agrees to indemnify the Director-Executive in respect of certain liabilities incurred by the Director-Executive while acting as an Officer-~~director~~ of the Company and while acting as an Officer-~~director~~ of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director-Executive against certain risks the Director-Executive is exposed to as an Officer-~~director~~ of the Company and the Subsidiaries.
- D.        The Company and the Director-Executive have agreed to regulate in certain respects the right of access the Director-Executive has to Company Records.

This deed provides:

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## 1.        Indemnity

### 1.1        Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director-Executive against:

- (a)        all liabilities incurred by the Director-Executive as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director-Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2        Other indemnities and insurance

If the Director-Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director-Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director-Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Director-Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan,

repayable to the Company when and to the extent that the ~~Director~~Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the ~~Director~~Executive is an ~~Officer~~director of the Company or a Subsidiary and even if the ~~Director~~Executive has ceased to be an ~~Officer~~director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the ~~Director~~Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The ~~Director~~Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the ~~Director~~Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the ~~Director~~Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the ~~Director~~Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the ~~Director~~Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the ~~Director~~Executive; and
  - (ii) the ~~Director~~Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the ~~Director~~Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the ~~Director~~Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing

all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the ~~Director~~Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the ~~Director~~Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the ~~Director~~Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the ~~Director~~Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the ~~Director~~Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the ~~Director~~Executive considers that the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the ~~Director~~Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the ~~Director~~Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the ~~Director~~Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar, and
  - (iii) has company law expertise.

- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will

act as an expert and not as an arbitrator and his or her written determination will be final and binding on the ~~Director~~Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the ~~Director~~Executive in respect of the Indemnified Proceedings and the Company's and ~~Director~~Executive's obligations under such insurance and the principle that the reputations of the ~~Director~~Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the ~~Director~~Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the ~~Director~~Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the ~~Director~~Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## 1.6 Liability not affected

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## 1.7 Termination

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the ~~Director~~Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the ~~Director~~Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the ~~Director~~Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## 2. Advances of legal costs

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the ~~Director~~Executive or lend to the ~~Director~~Executive the amount necessary to pay the legal costs incurred by the ~~Director~~Executive in defending an action for a liability incurred as an Officer-~~director~~ of the Company or a Subsidiary on such terms as the

Company reasonably determines.

- (b) The ~~Director~~Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the ~~Director~~Executive under clause 2(a).

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### 3. Insurance cover

#### 3.1 The Company's obligation to maintain Insurance Cover

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the ~~Director~~Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the ~~Director~~Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the ~~Director~~Executive to do so, provide the ~~Director~~Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the ~~Director~~Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the ~~Director~~Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### 3.2 ~~Director~~Executive's obligations in relation to Insurance Cover

If the Company obtains Insurance Cover as contemplated by clause 3.1, the ~~Director~~Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the ~~Director~~Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### 3.3 Full disclosure and compliance with Policies

Each party will disclose to the other party (and in the case of the ~~Director~~Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## 4. Ownership of and access to company records

### 4.1 Ownership

The ~~Director~~Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the ~~Director~~Executive while an Officer ~~director~~ of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the ~~Director~~Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the ~~Director~~Executive ceasing to be an Officer ~~director~~ of the Company.

### 4.2 Definition of Permitted Purpose

In this clause 4 "Permitted Purpose" means access to Company Records during the Relevant Period of the Company or any Subsidiary of which the Executive is or was an Officer, for the purposes of a Proceeding or Investigation;

- (a) to which the Executive is a party; or
- (b) that the Executive has reason to believe will be brought against or involve the Executive.

### 4.3 Procedures for obtaining access to Company Records

The Executive may at any time during the Relevant Period seek access to the Company Records for a Permitted Purpose by forwarding a written request to the Company ("Access Request"). The Company will procure access to Company Records of any Subsidiary on the same terms as clause 4 of this Deed and, where appropriate, replacing any reference to the Company with a reference to the Subsidiary.

### 4.4 Access request

The Company must approve an Access Request unless:

- (c) it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Company Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company or the Subsidiary as the case may be; or
- (d) the Company considers that the interests of the Company or the Subsidiary as the case may be, and the Executive conflict in respect of the Proceedings or Investigation.

#### 4.24.5 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the ~~Director~~Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

#### 4.34.6 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

#### ~~4.4~~ Procedures for obtaining access to Company Records

~~Subject to clause 4.5, at all times during the Relevant Period the Company must:~~

- ~~(a) allow the Director to inspect the Company Records;~~
- ~~(b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and~~
- ~~(c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense;~~

~~at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").~~

#### 4.54.7 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

#### 4.64.8 Confidential information

- (a) If in response to an Access Request, the ~~Director~~Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the ~~Director~~Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the ~~Director~~Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.8(a), the ~~Director~~Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the ~~Director~~Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the ~~Director~~Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the ~~Director~~Executive has first obtained

undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;

- (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
- (iii) if the ~~Director~~Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
  - A. is, or prior to any disclosure by the ~~Director~~Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the ~~Director~~Executive under this clause 4.8 by the ~~Director~~Executive or any person associated with the ~~Director~~Executive); or
  - B. is or prior to any disclosure by the ~~Director~~Executive, was made known to the ~~Director~~Executive by a person other than the Company or a Subsidiary, provided that the ~~Director~~Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

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## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the ~~Director~~Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and
- (b) where persons other than the Company or the ~~Director~~Executive also have the benefit of that privilege, without the written consent of those persons.

### 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the ~~Director~~Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

### 5.3 Retainers

~~By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:~~

- ~~(a) any Proceedings or Investigation which may be relevant to the Director; or~~

~~(b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed;~~

~~is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.~~

## **6. General**

### **6.1 Notices**

Any communication under or in connection with this Deed:

- (a) must be in writing;
  - (b) must be addressed as shown below:
    - (i) **Company**
      - Address: Lot 2, Racecourse Road, Deagon QLD 4017
      - Facsimile: 07 3269 9043
      - Attention: The Company Secretary
    - (ii) **~~Director~~ Executive**
      - Address: 78 Gerler Road, Hendra QLD 4011
      - Facsimile:
- (or as otherwise notified by that party to the other party from time to time);
- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
  - (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
  - (e) will be deemed to be received by the addressee:
    - (i) (in the case of prepaid post) on the second business day after the date of posting;
    - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
    - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
    - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next

business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other

right, power or remedy provided by law or under this Deed.

- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## 6.10 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## 6.11 Approvals

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the ~~Director~~Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the ~~Director~~Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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# 7. Interpretation

## 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the ~~Director~~Executive or other ~~Officers of the Company~~ for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the ~~Director~~Executive is an ~~Officer~~ director of the Company.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Deed" and "this Deed" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"Indemnity" means the indemnity granted by the Company in favour of the ~~Director~~Executive in clause 1.1.

"Insurance Cover" means insurance against liability incurred by the ~~Director~~Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the ~~Director~~Executive being an Officer of the Company or a Subsidiary.

"Insurance Terms" means the terms of the directors' and officers' insurance policy applicable to the ~~Director~~Executive at the date of this document.

"Investigation" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission) involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"Legal Costs" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"Officer" means an officer of a company as defined in section 9 of the Corporations Act.

"Permitted Purpose" has the meaning given in clause 4.2.

"Proceedings" means any proceedings in which it is alleged that the ~~Director~~Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the ~~Director~~Executive holding office as an Officer of the Company or a Subsidiary.

"Relevant Period" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the ~~Director~~Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"Retirement Date" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the ~~Director~~Executive ceases to hold office as an ~~Officer~~ director of the Company or the Subsidiary (as the case requires), ~~except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).~~

"Subsidiaries" or "Subsidiary" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed;
- (b) headings are for convenience only and do not affect interpretation, and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

## 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Malcolm  
Nicholas Tuttle**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Shara Louise Reid

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
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Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Shara Louise Reid** of 23 Ridgegarden Drive, Morayfield in the State of Queensland.  
("Executive")

**RECITALS**

- A.        The Executive is an Officer of the Company.
- B.        The Company agrees to indemnify the Executive in respect of certain liabilities incurred by the Executive while acting as an Officer of the Company and while acting as an Officer of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Executive against certain risks the Executive is exposed to as an Officer of the Company and the Subsidiaries.
- D.        The Company and the Executive have agreed to regulate in certain respects the right of access the Executive has to Company Records.

**This deed provides:**

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**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Executive against:

- (a)       all liabilities incurred by the Executive as an Officer of the Company and each Subsidiary; and
- (b)       without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Executive as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Executive is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Executive must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Executive must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Executive who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Executive is an Officer of the Company or a Subsidiary and even if the Executive has ceased to be an Officer of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Executive; and
  - (ii) the Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

(f) If:

- (i) the Company or the Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
- (ii) the Company or the Executive considers that the interests of the Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
- (iii) the Company or the Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

(g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

(h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Executive in respect of the Indemnified Proceedings and the Company's and Executive's obligations under such insurance and the

principle that the reputations of the Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Executive or lend to the Executive the amount necessary to pay the legal costs incurred by the Executive in defending an action for a liability incurred as an Officer of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Executive under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Executive to do so, provide the Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Executive's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the Executive while an Officer of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Executive ceasing to be an Officer of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Executive to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Executive which have been circulated to the Executive for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Executive to take copies of such other Company Records as the Executive requests at the Executive's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Executive ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Executive has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the Executive under this clause 4.6 by the Executive or any person associated with the Executive); or
    - B. is or prior to any disclosure by the Executive, was made known to the Executive by a person other than the Company or a Subsidiary, provided that the Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably

withheld; and

- (b) where persons other than the Company or the Executive also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Executive; or
- (b) subject to paragraph (a), any matter which may be relevant to the Executive or the Executive's interests under this Deed,

is also to be provided for the Executive's benefit, so that the Executive has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Executive conflict.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Executive**

- Address: 23 Ridgeward Drive, Morayfield QLD 4506
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;

- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Executive for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Executive is an Officer of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Executive in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Executive being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Executive at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Executive holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Executive ceases to hold office as an Officer of the Company or the Subsidiary (as the case requires).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

(a) In this Deed:

(b) headings are for convenience only and do not affect interpretation,

and unless the context indicates a contrary intention:

(c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;

(d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;

(e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);

(f) a reference to a clause is a reference to a clause of this Deed;

(g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(h) reference to currency are references to Australian currency unless otherwise specifically provided; and

(i) reference to any legislation or to any section or provision thereof includes any

statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Shara  
Louise Reid**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Shara Louise Reid

Clayton Utz  
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Our reference 12415/16267/80122323

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**Parties**            **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;

("Company")

**Shara Louise Reid** of 23 Ridgegarden Drive, Morayfield in the State of Queensland.

("Director~~Executive~~")

## RECITALS

- A.        The Director~~Executive~~ is an Officer~~director~~ of the Company.
- B.        The Company agrees to indemnify the Director~~Executive~~ in respect of certain liabilities incurred by the Director~~Executive~~ while acting as an Officer~~director~~ of the Company and while acting as an Officer~~director~~ of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director~~Executive~~ against certain risks the Director~~Executive~~ is exposed to as an Officer~~director~~ of the Company and the Subsidiaries.
- D.        The Company and the Director~~Executive~~ have agreed to regulate in certain respects the right of access the Director~~Executive~~ has to Company Records.

**This deed provides:**

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## 1.        Indemnity

### 1.1      Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director~~Executive~~ against:

- (a)       all liabilities incurred by the Director~~Executive~~ as an Officer of the Company and each Subsidiary; and
- (b)       without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director~~Executive~~ as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### 1.2      Other indemnities and insurance

If the Director~~Executive~~ is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director~~Executive~~ must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director~~Executive~~ must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of an Director~~Executive~~ who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan,

repayable to the Company when and to the extent that the ~~Director~~Executive receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the ~~Director~~Executive is an ~~Officer~~director of the Company or a Subsidiary and even if the ~~Director~~Executive has ceased to be an ~~Officer~~director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the ~~Director~~Executive to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The ~~Director~~Executive must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the ~~Director~~Executive (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the ~~Director~~Executive has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the ~~Director~~Executive and the Company in relation to Indemnified Proceedings, then unless the Company and the ~~Director~~Executive agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the ~~Director~~Executive; and
  - (ii) the ~~Director~~Executive is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the ~~Director~~Executive must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the ~~Director~~Executive's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing

all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the ~~Director~~Executive if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the ~~Director~~Executive
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the ~~Director~~Executive, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the ~~Director~~Executive with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the ~~Director~~Executive, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the ~~Director~~Executive considers that the interests of the ~~Director~~Executive and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the ~~Director~~Executive and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the ~~Director~~Executive refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the ~~Director~~Executive and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will

act as an expert and not as an arbitrator and his or her written determination will be final and binding on the ~~Director~~Executive and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the ~~Director~~Executive in respect of the Indemnified Proceedings and the Company's and ~~Director~~Executive's obligations under such insurance and the principle that the reputations of the ~~Director~~Executive and Company respectively should be protected and not unnecessarily injured when considering the respective interests of the Company and the ~~Director~~Executive. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the ~~Director~~Executive or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the ~~Director~~Executive for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## 1.6 Liability not affected

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## 1.7 Termination

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the ~~Director~~Executive specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the ~~Director~~Executive's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the ~~Director~~Executive or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## 2. Advances of legal costs

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the ~~Director~~Executive or lend to the ~~Director~~Executive the amount necessary to pay the legal costs incurred by the ~~Director~~Executive in defending an action for a liability incurred as an Officer-~~director~~ of the Company or a Subsidiary on such terms as the

Company reasonably determines.

- (b) The ~~Director~~Executive must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the ~~Director~~Executive under clause 2(a).

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### 3. Insurance cover

#### 3.1 The Company's obligation to maintain Insurance Cover

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the ~~Director~~Executive as an Officer of the Company and any Subsidiary on terms not materially less favorable to the ~~Director~~Executive than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the ~~Director~~Executive to do so, provide the ~~Director~~Executive with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the ~~Director~~Executive for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the ~~Director~~Executive immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### 3.2 ~~Director~~Executive's obligations in relation to Insurance Cover

If the Company obtains Insurance Cover as contemplated by clause 3.1, the ~~Director~~Executive:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the ~~Director~~Executive's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### 3.3 Full disclosure and compliance with Policies

Each party will disclose to the other party (and in the case of the ~~Director~~Executive to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## 4. Ownership of and access to company records

### 4.1 Ownership

The ~~Director~~Executive acknowledges that the Company retains ownership of copies of all Company Records provided to the ~~Director~~Executive while an Officer ~~director~~ of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the ~~Director~~Executive has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the ~~Director~~Executive ceasing to be an Officer ~~director~~ of the Company.

### 4.2 Right of Inspection and Copying of Records

Nothing in this Deed purports to limit or restrict any right of access the ~~Director~~Executive may have independently of this Deed, whether under the Corporations Act or otherwise.

### 4.3 Obligation to retain copies of Company Records

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### 4.4 Procedures for obtaining access to Company Records

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the ~~Director~~Executive to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the ~~Director~~Executive which have been circulated to the ~~Director~~Executive for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the ~~Director~~Executive to take copies of such other Company Records as the ~~Director~~Executive requests at the ~~Director~~Executive's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the ~~Director~~Executive ("Access Request").

### 4.5 Legal Professional Privilege

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the ~~Director~~Executive is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the ~~Director~~Executive must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the ~~Director~~Executive was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the ~~Director~~Executive may disclose the Confidential Papers, or any information concerning the Confidential Papers:
- (i) to:
    - A. the ~~Director~~Executive's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the ~~Director~~Executive's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the ~~Director~~Executive has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the ~~Director~~Executive can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the ~~Director~~Executive, becomes information in the public domain (other than as a result of a breach of the obligations of the ~~Director~~Executive under this clause 4.6 by the ~~Director~~Executive or any person associated with the ~~Director~~Executive); or
    - B. is or prior to any disclosure by the ~~Director~~Executive, was made known to the ~~Director~~Executive by a person other than the Company or a Subsidiary, provided that the ~~Director~~Executive reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

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## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the ~~Director~~Executive both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably

withheld; and

- (b) where persons other than the Company or the ~~Director~~Executive also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the ~~Director~~Executive reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the ~~Director~~Executive;  
or
- (b) subject to paragraph (a), any matter which may be relevant to the ~~Director~~Executive or the ~~Director~~Executive's interests under this Deed,

is also to be provided for the ~~Director~~Executive's benefit, so that the ~~Director~~Executive has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the ~~Director~~Executive conflict.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address: Lot 2, Racecourse Road, Deagon QLD 4017  
Facsimile: 07 3269 9043  
Attention: The Company Secretary

- (ii) **Director~~Executive~~**

Address: 23 Ridgeward Drive, Morayfield QLD 4506  
Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the

solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;

- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the ~~Director~~Executive and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the ~~Director~~Executive and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the ~~Director~~Executive or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the ~~Director~~Executive is an Officer director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the ~~Director~~Executive in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the ~~Director~~Executive as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the ~~Director~~Executive being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the ~~Director~~Executive at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Proceedings**" means any proceedings in which it is alleged that the ~~Director~~Executive has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the ~~Director~~Executive holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the ~~Director~~Executive could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the ~~Director~~Executive ceases to hold office as an ~~Officer~~ director of the Company or the Subsidiary (as the case requires), ~~except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).~~

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
  - (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or

grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*;

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Shara  
Louise Reid**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

## Marshall, Emma

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 17 November 2011 10:54 AM  
**To:** Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

**Importance:** High

Hi Paul

As per our telephone discussion, could you please draft a Deed of Access and Indemnity for each Senior Executive listed below:

- (a) Malcolm Nicholas Tuttle  
Chief Executive Officer  
78 Gerler Road  
Hendra Qld 4011
- (b) Shara Louise Reid (nee Murray)  
Senior Corporate Counsel / Company Secretary  
23 Ridgegarden Drive  
Morayfield Qld 4506
- (c) Paul John Brennan  
Director of Product Development  
20 Hamilton Close  
Mooloolah Qld 4553
- (d) Alfred Jamie Orchard  
91 Delaney Circuit  
Carindale Qld 4152

Thank you for your assistance.

Kind Regards

Shara

***Shara Reid (nee Murray)***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Wednesday, August 03, 2011 3:26 PM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity

Hi Shara,

Please find **attached** director deeds for:

1. Mr Bentley;
2. Mr Hanmer;
3. Mr Milner;
4. Mr Ryan;
5. Mr Ludwig; and
6. Mr Lette.

While each of the deeds are in final form ready for execution, if any of the directors have a personal facsimile number you may wish to insert this in the notice provision in clause 6.1.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel  
Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 |  
[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [mailto:[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)]  
**Sent:** Tuesday, 2 August 2011 9:56 AM  
**To:** Miller, Paul  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity

Hi Paul

Thank you for your below e-mail of even date at 8:22am.

I confirm that I am happy with the draft deed of indemnity, insurance and access (**deed**), which you have prepared for Mr Bentley.

Could you please finalise the other director deeds.

I confirm that I will take these deeds to the Board meeting on Friday, 5 August 2011 for execution.

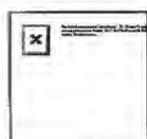
As discussed this morning, I have requested a copy of the proposed wording of the run-off policy in order for you to review. I will send through once received.

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
P +61 7 3869 9712

**F** +61 7 3269 9043  
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**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [<mailto:pmiller@claytonutz.com>]  
**Sent:** Tuesday, August 02, 2011 8:22 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** FW: Deeds of Access and Indemnity

Hi Shara,

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required, prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate as intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner

- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

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**Marshall, Emma**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Monday, 31 October 2011 3:20 PM  
**To:** Dunphy, Barry  
**Subject:** RE: Racing Queensland Monthly Report - October 2011.XLS

Thanks Barry

The report was of great assistance – thank you.

**Shara Reid (nee Murray)**  
Senior Corporate  
P +61 7 3869 9712  
F +61 7 3269 9043



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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [<mailto:bdunphy@claytonutz.com>]  
**Sent:** Monday, October 31, 2011 3:17 PM  
**To:** Shara Murray  
**Subject:** Racing Queensland Monthly Report - October 2011.XLS

Hi Shara,

In the Report that was prepared this morning we didn't note that the D&O Review had been completed. I have also moved the earlier entry on the insurance issues to the litigation file that Ross is running.

There are no changes to the figures etc just the small status update.

Regards,

Barry

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 | M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

<<Racing Queensland Monthly Report - October 2011.XLS>>

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**Miller, Paul**

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 18 October 2011 3:22 PM  
**To:** Miller, Paul  
**Subject:** FW: Racing Queensland Limited: Directors" & Officers' Liability Insurance (D&O)  
**Importance:** High  
**Attachments:** image001.png

Hi Paul

Hope you are well.

Please see below e-mail from Aon – could you please provide you advice as to how RQL should proceed.

I look forward to hearing from you soon.

Kind Regards

Shara

***Shara Reid (nee Murray)***  
Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Thursday, October 06, 2011 4:42 PM  
**To:** Shara Murray  
**Cc:** Adam Carter; Alex Dimitrijevic; Robert Piunti  
**Subject:** RE: Racing Queensland Limited: Directors" & Officers' Liability Insurance (D&O)

Hi Shara,

Ace has now confirmed that they will be able to incorporate the non-cancellable Endorsement as requested by Clayton Utz. This is the final point that needed to be agreed.

*"Notwithstanding any other provision of this Policy, the Insured or the Company may not cancel this policy under any circumstances. The Insurer may not cancel this policy except for non-payment of the Premium."*

As previously discussed, and as confirmed by Clayton Utz, the timing of incepting this policy is critical. The policy period for a run off policy is normally 7 years (to mirror a statute of limitation). Ideally, RQ would need the policy to be incepted just prior to the change of control (for example a change of Govt). However RQ do not want to leave the inception too late in case there is any impediment to the process.

Please let me know how you wish to proceed, and from what date you would like to start cover.

27/10/2011

RQL.128.010.0463

In the meantime, I am happy to talk this through with you again if you wish.

Regards

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Monday, 26 September 2011 10:12 AM  
**To:** Mark L'Enfant  
**Cc:** Adam Carter; Alex Dimitrijevic; Robert Piunti  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Wonderful, thanks Mark.

I look forward to hearing from you soon in relation to this matter.

Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [<mailto:mark.lenfant@aon.com>]  
**Sent:** Monday, September 26, 2011 10:01 AM  
**To:** Shara Murray  
**Cc:** Adam Carter; Alex Dimitrijevic; Robert Piunti  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Thank you for the email Shara,

We agree with all of the comments made below by Clayton Utz. Please refer to my comments in red below.

We have approached Ace with the proposed changes. Once Ace confirm their position on item 4, we will be back in touch with you.

Regards,

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Thursday, 22 September 2011 9:18 AM

27/10/2011

RQL.128.010.0464

**To:** Mark L'Enfant  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Dear Mark

I confirm that the D&O run off policy is required by the RQL Directors.

I provided the policy to RQL's external legal advisors, Clayton Utz for review. Please find below their comments:

It is our understanding that the directors of RQL seek to obtain a D&O policy which will provide cover where they are not indemnified by RQL and in circumstances where the current D&O policy may be cancelled or not renewed. It is proposed that the policy be for a period of 7 years.

We have reviewed the proposed Side A Directors D&O insurance policy (**Directors' Policy**) offered by Ace and make the following comments:

1. We refer to our review of the Ace Elite II D&O policy and our comments to that policy (set out at paragraphs 4.3, 4.4. 4.5 of the report) equally apply to the Directors' Policy.

Ace have agreed to the additional changes. Please refer to my email dated 30th August regarding additional premium.

2. Endorsement 1 - Non-accumulation - The effect of this endorsement is that any amounts paid or payable to an insured in respect to a claim or investigation under the Directors' Policy or the current RQL D&O policy (or any renewal or replacement of that policy) will reduce the limit of liability under the Director's Policy. This endorsement in effect replaces condition 5.6 of the Directors' Policy which provided that the Directors' Policy acts as an excess policy to the current D&O policy. In other words, the current directors and officers of RQL have a limit of indemnity of \$20 million under the current D&O policy and the \$20 million limit of indemnity under the proposed Directors' Policy is not in addition to the limit in the current policy and can only be called upon in circumstances where they are not indemnified by RQL and the current D&O policy does not respond other than by exhaustion (noting both policies have similar terms) or has been cancelled or not renewed. The Director's Policy does not provide additional or excess cover but is a safeguard, subject to the terms and conditions of the Director's Policy, where a director is not indemnified by RQL and RQL D&O policy is cancelled or not renewed.

Aon agree with these comments, and indeed the comments reflect the purpose of the proposed cover. No action required

3. Endorsement 2 - Run-Off Cover

In relation to the endorsement the reference to "*Item 2*" should be "*Item 3*". Ace has confirmed that they will amend the endorsement in this regard.

We understand that the Policy Period will be a seven year period commencing when the policy is taken out. The reference to "Run-Off Date in point 3 of the endorsement currently reads TBC (To be confirmed). This will need to be completed and agreed at the time the Directors' Policy is taken out. This Run-Off date is important as the Directors' Policy will only provide cover for Losses which arise from wrongful acts which occur prior to the Run-Off Date. It is important to carefully consider the date which will be the Run-Off date or the trigger which will be the Run-Off date. We understand that it is proposed that the Run-Off date will be the date of the next State Government election. Accordingly, if the current directors retain their position as officers of RQL after the election date/Run-Off date, then the Directors' Policy will not provide cover for wrongful acts occurring after the election date.

Aon strongly agree with these comments, the effective date of the proposed cover is very important. This is something that Racing Queensland need to consider. No action required by Aon or Ace.

Another consideration in taking out the run-off policy now is that there will remain some exposure after the

expiry of the Directors' Policy for a short period of time. The way a normal run-off policy operates is that on the run-off date or trigger, the directors are provided with an 84 month run-off period. This 84 month/7 year run-off period is designed to coincide with the time limitations an action may be brought against a director which is usually 7 years. The way the Directors' Policy is structured is that the 84 months/7 year period starts to run immediately. If, for example, the State election is next February and the Run-Off date is triggered then, the policy will have 6 years and 6 month (78 months) remaining at that time rather than the usual run-off period of 7 years from the run-off date/trigger. In this example there will be approximately 6 months of exposure from the end of the Directors' Policy where a claim may be brought against a director. If the directors wish to eliminate this gap then the Directors' Policy will need to be restructured so that the 84 month run-off period commences on the Run-Off Date rather than from the commencement of the policy. Agreed. See Aon's comments above

4. While the Directors' Policy contains a condition (Condition 7) which provides that the Insurer cannot cancel the policy for non-disclosure or misrepresentation, the Directors' Policy is otherwise silent in respect of the ability of a party to cancel the policy. Given that it is important that this policy cannot be cancelled by the Insurer or RQL, we recommend that a broad non-cancellation provision be inserted by endorsement as follows:

*"Notwithstanding any other provision of this Policy, the Insured or the Company may not cancel this policy under any circumstances. The Insurer may not cancel this policy except for non-payment of the Premium."*

This request has been put to Ace for consideration.

In relation to above, could you please provide your comments.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:[mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)]  
**Sent:** Thursday, September 22, 2011 8:26 AM  
**To:** Shara Murray  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Hi Shara,

Would you please advise whether or not the D&O run off policy is required by the RQL Directors.

Regards

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

27/10/2011

RQL.128.010.0466

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**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 8 September 2011 1:08 PM  
**To:** Mark L'Enfant  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Great, thanks Mark

**Shara Murray**  
Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Thursday, September 08, 2011 12:00 PM  
**To:** Shara Murray  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Thanks Shara,

The annual D&O policy that fell due for renewal in June has already been paid.

I look forward to your advices in relation to the Run Off policy.

Regards

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 8 September 2011 12:00 PM  
**To:** Mark L'Enfant  
**Cc:** Adam Carter  
**Subject:** Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)  
**Importance:** High

Dear Mark

In relation to RQL's Directors' & Officers' Liability Insurance (D&O), could you please proceed – please send Adam Carter of RQL the relevant invoice.

In relation to the RQL 'Run-Off' Cover – I will advise you shortly.

Kind Regards

Shara

27/10/2011

RQL.128.010.0467

**Shara Murray**  
Senior Corporate Counsel



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## Miller, Paul

---

**From:** Miller, Paul  
**Sent:** Thursday, 8 September 2011 3:41 PM  
**To:** 'Shara Murray'  
**Subject:** Racing Queensland Limited; Run- Off Directors' & Officers' Liability Insurance

Hi Shara,

It is our understanding that the directors of RQL seek to obtain a D&O policy which will provide cover where they are not indemnified by RQL and in circumstances where the current D&O policy may be cancelled or not renewed. It is proposed that the policy be for a period of 7 years.

We have reviewed the proposed Side A Directors D&O insurance policy (**Directors' Policy**) offered by Ace and make the following comments:

1. We refer to our review of the Ace Elite II D&O policy (copy attached) and our comments to that policy (set out at paragraphs 4.3, 4.4, 4.5 of the report) equally apply to the Directors' Policy.
2. Endorsement 1 - Non-accumulation - The effect of this endorsement is that any amounts paid or payable to an Insured in respect to a claim or investigation under the Directors' Policy or the current RQL D&O policy (or any renewal or replacement of that policy) will reduce the limit of liability under the Director's Policy. This endorsement in effect replaces condition 5.6 of the Directors' Policy which provided that the Directors' Policy acts as an excess policy to the current D&O policy. In other words, the current directors and officers of RQL have a limit of indemnity of \$20 million under the current D&O policy and the \$20 million limit of indemnity under the proposed Directors' Policy is not in addition to the limit in the current policy and can only be called upon in circumstances where they are not indemnified by RQL and the current D&O policy does not respond other than by exhaustion (noting both policies have similar terms) or has been cancelled or not renewed. The Director's Policy does not provide additional or excess cover but is a safeguard, subject to the terms and conditions of the Director's Policy, where a director is not indemnified by RQL and RQL D&O policy is cancelled or not renewed.
3. Endorsement 2 - Run-Off Cover

In relation to the endorsement the reference to "Item 2" should be "Item 3".

We understand that the Policy Period will be a seven year period commencing when the policy is taken out. The reference to "Run-Off Date in point 3 of the endorsement currently reads TBC (To be confirmed). This will need to be completed and agreed at the time the Directors' Policy is taken out. This Run-Off date is important as the Directors' Policy will only provide cover for Losses which arise from wrongful acts which occur prior to the Run-Off Date. It is important to carefully consider the date which will be the Run-Off date or the trigger which will be the Run-Off date. We understand that it is proposed that the Run-Off date will be the date of the next State Government election. Accordingly, if the current directors retain their position as officers of RQL after the election date/Run-Off date, then the Directors' Policy will not provide cover for wrongful acts occurring after the election date.

Another consideration in taking out the run-off policy now is that there will remain some exposure after the expiry of the Directors' Policy for a short period of time. The way a normal run-off policy operates is that on the run-off date or trigger, the directors are provided with an 84 month run-off period. This 84 month/7 year run-off period is designed to coincide with the time limitations an action may be brought against a director which is usually 7 years. The way the Directors' Policy is structured is that the 84 months/7 year period starts to run immediately. If, for example, the State election is next February and the Run-Off date is triggered then, the policy will have 6 years and 6 month (78 months) remaining at that time rather than the usual run-off period of 7 years from the run-off date/trigger. In this example there will be approximately 6 months of exposure from the end of the Directors' Policy where a claim may be brought against a director. If the directors wish to eliminate this gap then the Directors' Policy will need to be restructured so that the 84 month run-off period commences on the Run-Off Date rather than from the commencement of the policy.

4. While the Directors' Policy contains a condition (Condition 7) which provides that the Insurer cannot cancel the policy for non-disclosure or misrepresentation, the Directors' Policy is otherwise silent in respect of the ability of a party to cancel the policy. Given that it is important that this policy cannot be cancelled by the Insurer or RQL, we recommend that a broad non-cancellation provision be inserted by endorsement as follows:

*"Notwithstanding any other provision of this Policy, the Insured or the Company may not cancel this policy under any circumstances. The Insurer may not cancel this policy except for non-payment of the Premium."*

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D+61 17329276077 | F+61 173221 196699 | M0434 41567455 |  
pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)

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**Miller, Paul**

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 30 August 2011 10:45 AM  
**To:** Miller, Paul  
**Subject:** FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)  
**Attachments:** image001.png

Dear Paul  
Please see below.  
Regards  
Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Tuesday, August 30, 2011 10:28 AM  
**To:** Shara Murray; Robert Piunti  
**Cc:** Adam Carter; Alex Dimitrijevic  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Thanks Shara,

I have confirmed with Ace that cover is not to be bound at present and that we are waiting for your final instructions before we proceed.

I have now also had a response in respect of the cover and benefits afforded in the proposed Policy wording. When I spoke with Paul Miller he enquired as to whether the new Side A Run off policy would have the same increased benefits as the current D&O policy following the wording review conducted by Clayton Utz.

Ace has advised that they are prepared to increase the benefits and cover under this pending policy up to the same level as previously agreed, however whilst previously Ace were prepared to provide this additional cover as a gesture of good faith and without any additional premium, there would be an additional charge of \$5,000 for these coverage extensions, if required for the new policy.

Please let me have your advices in due course.

Regards,

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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27/10/2011

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 25 August 2011 4:21 PM  
**To:** Mark L'Enfant; Robert Piunti  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Mark

I understand that you have had a conversation with Paul Miller of Clayton Utz.

Based on his advice -- could you please hold off for a couple of days.

We will contact you as soon as possible.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Thursday, August 25, 2011 1:50 PM  
**To:** Shara Murray; Robert Piunti  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Shara, thanks for the email.

Can you please clarify. Do you

- a) just want Ace to hold off from issuing the policy document, but still hold cover from yesterday; or
- b) Do you want to cancel you hold cover advices and come back to us at a later date when you want cover to start?

Please confirm.

Regards

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 25 August 2011 1:47 PM  
**To:** Robert Piunti; Mark L'Enfant

27/10/2011

**Cc:** Adam Carter

**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Dear Robert & Mark

In relation to my below e-mail, I note that Clayton intend to have a final review of the final policy wording.

Could you please hold off on issuing this policy until I have received final advice from Clayton Utz.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Shara Murray

**Sent:** Wednesday, August 24, 2011 2:23 PM

**To:** 'Robert Piunti'; Mark L'Enfant

**Cc:** Adam Carter

**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

**Importance:** High

Dear Robert and Mark

Please find **attached**:

- (a) Completed No Claims Declaration, and
- (b) Copies of Director Deeds of Indemnity.

Accordingly, RQL would like to proceed with the 'Run Off' Cover for RQL Directors and Officers.

Could you please forward the invoice directly to Adam Carter of this office.

Furthermore, could you please confirm once the cover is effective.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel



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27/10/2011

RQL.128.010.0475

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[W www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Robert Piunti [mailto:robert.piunti@aon.com]  
**Sent:** Tuesday, August 02, 2011 9:57 AM  
**To:** Shara Murray; Mark L'Enfant  
**Cc:** Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Hi Shara, wording attached.

Regards

Robert

Robert Piunti | Aon Risk Services Australia Limited  
 Corporate Risk Services | Divisional Manager  
 175 Eagle Street Brisbane QLD 4000  
 t: 61732237455 | f: 61732237529 | m: 414578658  
 e: [robert.piunti@aon.com](mailto:robert.piunti@aon.com)

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**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 2 August 2011 9:13 AM  
**To:** Mark L'Enfant  
**Cc:** Robert Piunti; Adam Carter  
**Subject:** RE: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)  
**Importance:** High

Dear Mark

I refer to your below e-mail of 20 July 2011 at 11:11am.

In relation to the "Run Off" cover for Directors and Officers, could you please send me a copy of the proposed wording of the run-off policy (as referred to in the quotation).

I look forward to your response.

Kind Regards

Shara

***Shara Murray***  
 Senior Corporate Counsel



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 M 0407 156 539 [racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Wednesday, July 20, 2011 11:11 AM  
**To:** Shara Murray  
**Cc:** Robert Piunti; Adam Carter  
**Subject:** Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Dear Shara,

27/10/2011

I refer to the above and to your recent telephone conversation with Robert Piunti regarding Racing Queensland's D&O insurance policy, and in particular to the policy wording review conducted by Clayton Utz and to the potential run off cover for the Directors and Officers.

#### Policy Wording review by Clayton Utz

We have reviewed the High Level report conducted by Clayton Utz and don't see too many issues, mostly as a result of the Policy wording being one of the leading policies available in the market. In response to Clayton's recommendations we have approached your D&O insurers (Ace) in order to seek some minor improvements as outlined in Section 4 of the report as follows;

- 4.2 - Racing Qld has confirmed to Aon that the limit of indemnity is sufficient at this point in time
- 4.3 - Aon has asked Ace to attend to this request
- 4.4 - Aon has asked Ace to attend to this request
- 4.5 - 4.7 - Aon has asked Ace to increase these sublimits as much as possible without any increase in premium
- 4.8 - Aon/RQ feel that this is not needed
- 4.9 & 4.10 - Aon has asked Ace to attend to these requests
- 4.11 - Aon/RQ feel that this is not needed due to the fact that Racing Queensland does not have any USA exposure.

#### "Run Off" cover for Directors and Officers

This issue is complex in that a traditional "Run-Off" D & O coverage effectively "triggers" when an entity significantly changes its operations (e.g. as per the recent change to Racing Queensland Limited) or control of the entity changes (e.g. a takeover). In the absence of this "trigger" we needed to provide an innovative solution to address your needs. We are pleased to advise that we have been able to convince Ace insurance to provide a quotation to provide a separate "Side A" (cover for individual Directors & Officers) policy that can be taken out now without the "trigger" discussed above.

This policy will provide reassurance to the Directors and Officers of Racing Queensland that even in the event of amendment or cancellation of the current Racing Queensland D&O, there is a secondary policy that runs for 7 years (in line with most statutes of limitation) which is non-cancellable. The policy is subject to a one off premium, and only responds to claims or alleged claim against individual Directors or Officers. This is a separate policy to any Racing Queensland arranged D & O policy.

Based on a limit of \$20,000,000 in the aggregate for all loss, the one off premium for the 7 year period of cover including GST and Stamp Duty has been quoted at \$76,862.50. The insurance company would be Ace Insurance Limited, who is the incumbent insurer for Racing Queensland. It is important to retain Ace as the preferred carrier so that a significant retroactive date can be obtained. The policy is not be subject to any deductibles, and, very importantly, would only be called upon if Racing Queensland's annual D&O policy did not respond to a claim.

Cover is subject to the completion of the attached No Claims Declaration and provision of details surrounding any indemnities current Directors and Officers of Racing Queensland Limited are provided by the entity or Government. Aon will take traditional market commission on the premium if cover is taken out in consideration for servicing the policy for a 7 year period.

A copy of the quotation and a brochure is also attached for your perusal. Please let Robert or I know if we can be of any further assistance.

Regards,

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000  
t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@aon.com](mailto:mark.lenfant@aon.com)

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**Miller, Paul**

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Thursday, 25 August 2011 1:59 PM  
**To:** Miller, Paul  
**Subject:** RQL Run Off Policy  
**Importance:** High  
**Attachments:** image001.png

Dear Paul

As per our telephone discussion today, I advised AON that Clayton Utz was reviewing the final wording of the Run Off Policy.

AON have sought clarification - Do you

- a) just want Ace to hold off from issuing the policy document, but still hold cover from yesterday; or
- b) Do you want to cancel you hold cover advices and come back to us at a later date when you want cover to start?

Could you please advise.

Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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27/10/2011

**Miller, Paul**


---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Thursday, 4 August 2011 12:42 PM  
**To:** Miller, Paul  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review  
**Attachments:** image001.png

Thanks Paul, I appreciate your assistance.

I have provided your comments to AON.

Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Thursday, August 04, 2011 12:26 PM  
**To:** Shara Murray  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review

Hi Shara,

We note Ace has agreed and addressed most of the concerns raised in our Review Report. These policy enhancements are beneficial to RQL. We make the following comments to the other issues identified below for RQL to consider:

#### **Investigation Cover and Innocent Director Cover**

The purpose of our request was to clarify the investigation cover and the innocent directors/officers cover for the misconduct of others. Ace's response suggests that it is Ace's intention to cover parliamentary inquiries, commissions and royal commissions under the Investigation Coverage and it is not Ace's intention to deny innocent directors/officers cover for the misconduct of others. We assume that Ace has confirmed this in writing and if so these issue are resolved.

#### **Pending and Prior Litigation**

Noted.

#### **Percentage Shareholder Exclusion**

While we have not viewed the wording of this exclusion, it remains our recommendation that this exclusion be removed. We cannot see any good reason for this exclusion. Typically, D&O insurance extends cover to an Insured for claims against them by shareholders. The D&O policy, in its current form, covers claims by the company (which is brought in the interests of all shareholders) yet restricts claims by a Major Shareholder. We expect that the exclusion does not take into account the type of claim or the Major Shareholder's control or

4/08/2011

RQL.128.010.0482

involvement in the decision making process that led to the claim.

We note that Ace has increased the shareholder percentage to 20% (from 15%) which we understand on the current share structure would mean that the the exclusion would not apply as there is no shareholder with a percentage shareholding over 20% (provided no two directors/shareholder represent the same organisation in which case it may be argued that there is a Major Shareholder ) and of course provided the number of directors/shareholders does not change.

Given Ace is prepared to increase the threshold to, on paper, make the exclusion ineffective, we again **recommend** that Ace be requested to simply remove the exclusion.

#### North American Exclusion

We note the comment that RQL does not have any USA exposure. We simply query whether there could be some exposure for US claims, for example by visiting USA horses which may be injured whilst at a RQL event.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Thursday, 4 August 2011 10:27 AM  
**To:** Miller, Paul  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High

Dear Paul

I refer to my below e-mail. Could you please confirm that you are satisfied with the below response from AON.

Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Shara Murray  
**Sent:** Tuesday, August 02, 2011 9:36 AM

4/08/2011

**To:** Miller, Paul (pmiller@claytonutz.com)  
**Subject:** AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High

Dear Paul

In light of your high level review of RQL's D&O Insurance Policy, please find below response received from AON:

*Ace has now provided us with their response to the High Level review carried out by Clayton Utz:*

- *4.2 – Limit of Indemnity: RQL has confirmed that to AON that the limit of indemnity is sufficient at this point of time - \$20M.*
- *4.3/4.4 - Investigation Costs: Ace state that their definition of investigation is already broad and see no reason to amend the definition. The term "Investigation" is currently defined as any formal or official investigation, examination or enquiry. Ace feels that any commission (including a Royal Commission) is an enquiry, and as such is covered. Furthermore Ace has commented that any clarification would give the impression that the definition is restrictive. Ace has advised that there is no ambiguity on their part about this issue and that the final sentence in Exclusion 4.1 is clear in that one Director's misconduct will not impact any cover for any other Director or Officer.*
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- *4.6 - The sub limit for Foreign Corrupt Practices has been removed. Cover is now provided for under the Civil Fines extension, up to the full policy limit.*
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- *4.8 – AON/RQL feel that this is not needed.*
- *4.9 - This requested has been taken on board and Ace will agree to a Pre- agreed Legal Panel by way of Endorsement. Please provide us with a list (no more than 4) of your preferred legal firms / contacts.*
- *4.10 - Ace agree to a threshold limit of 20% instead of 15%.*
- *4.11 – AON/RQL feel that this is not needed due to the fact that RQL does not have any USA exposure.*

Could you please confirm if you are satisfied with the above? If so, I will request AON to provide RQL with a D&O Policy reflecting the above.

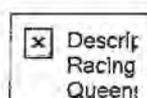
I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel

PO Box 63, Sandgate QLD 4017  
 P +61 7 3869 9712



4/08/2011

Logo\_C

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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

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**Miller, Paul**

---

**From:** Miller, Paul  
**Sent:** Thursday, 4 August 2011 12:26 PM  
**To:** Shara Murray  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review

Hi Shara,

We note Ace has agreed and addressed most of the concerns raised in our Review Report. These policy enhancements are beneficial to RQL. We make the following comments to the other issues identified below for RQL to consider:

**Investigation Cover and Innocent Director Cover**

The purpose of our request was to clarify the investigation cover and the innocent directors/officers cover for the misconduct of others. Ace's response suggests that it is Ace's intention to cover parliamentary inquiries, commissions and royal commissions under the Investigation Coverage and it is not Ace's intention to deny innocent directors/officers cover for the misconduct of others. We assume that Ace has confirmed this in writing and if so these issue are resolved.

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We note the comment that RQL does not have any USA exposure. We simply query whether there could be some exposure for US claims, for example by visiting USA horses which may be injured whilst at a RQL event.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel****Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | pmiller@claytonutz.com

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4/08/2011

RQL.128.010.0486

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Thursday, 4 August 2011 10:27 AM  
**To:** Miller, Paul  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High

Dear Paul

I refer to my below e-mail. Could you please confirm that you are satisfied with the below response from AON.

Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Shara Murray  
**Sent:** Tuesday, August 02, 2011 9:36 AM  
**To:** Miller, Paul (pmiller@claytonutz.com)  
**Subject:** AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High

Dear Paul

In light of your high level review of RQL's D&O Insurance Policy, please find below response received from AON:

*Ace has now provided us with their response to the High Level review carried out by Clayton Utz:*

- *4.2 – Limit of Indemnity: RQL has confirmed that to AON that the limit of indemnity is sufficient at this point of time - \$20M.*
- *4.3/4.4 - Investigation Costs: Ace state that their definition of investigation is already broad and see no reason to amend the definition. The term "Investigation" is currently defined as any formal or official investigation, examination or enquiry. Ace feels that any commission (including a Royal Commission) is an enquiry, and as such is covered. Furthermore Ace has commented that any clarification would give the impression that the definition is restrictive. Ace has advised that there is no ambiguity on their part about this issue and that the final sentence in Exclusion 4.1 is clear in that one Director's misconduct will not impact any cover for any other Director or Officer.*
- *4.5 - The sub limit for Civil Fines and Penalties has been removed. Cover is now to the full policy limit.*
- *4.6 - The sub limit for Foreign Corrupt Practices has been removed. Cover is now provided for under*

4/08/2011

RQL.128.010.0487

the Civil Fines extension, up to the full policy limit.

- 4.7 - The sub limit for pollution Defence costs has been removed. Cover is now to the full policy limit. Clean up costs will be excluded.
- 4.8 – AON/RQL feel that this is not needed.
- 4.9 - This requested has been taken on board and Ace will agree to a Pre- agreed Legal Panel by way of Endorsement. Please provide us with a list (no more than 4) of your preferred legal firms / contacts.
- 4.10 - Ace agree to a threshold limit of 20% instead of 15%.
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Could you please confirm if you are satisfied with the above? If so, I will request AON to provide RQL with a D&O Policy reflecting the above.

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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**Miller, Paul**

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Thursday, 4 August 2011 10:27 AM  
**To:** Miller, Paul  
**Subject:** RE: AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High  
**Attachments:** image002.png

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Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

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- *4.5 - The sub limit for Civil Fines and Penalties has been removed. Cover is now to the full policy limit.*

4/08/2011

RQL.128.010.0489

- 4.6 - The sub limit for Foreign Corrupt Practices has been removed. Cover is now provided for under the Civil Fines extension, up to the full policy limit.
- 4.7 - The sub limit for pollution Defence costs has been removed. Cover is now to the full policy limit. Clean up costs will be excluded.
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Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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4/08/2011

**Marshall, Emma**

---

**From:** Miller, Paul  
**Sent:** Wednesday, 3 August 2011 3:26 PM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity  
**Attachments:** RQL - Deed of Indemnity Insurance and Access - Mr Bentley.DOC; RQL - Deed of Indemnity Insurance and Access - Mr Hanmer.DOC; RQL - Deed of Indemnity Insurance and Access - Mr Milner.DOC; RQL - Deed of Indemnity Insurance and Access - Mr Ryan.DOC; RQL - Deed of Indemnity Insurance and Access - Mr Ludwig.DOC; RQL - Deed of Indemnity Insurance and Access - Mr Lette.DOC

Hi Shara,

Please find **attached** director deeds for:

1. Mr Bentley;
2. Mr Hanmer;
3. Mr Milner;
4. Mr Ryan;
5. Mr Ludwig; and
6. Mr Lette.

While each of the deeds are in final form ready for execution, if any of the directors have a personal facsimile number you may wish to insert this in the notice provision in clause 6.1.

If you wish to discuss any matters raised please do not hesitate to contact us.

Kind regards

**Paul Miller | Special Counsel**

**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | pmiller@claytonutz.com

[www.claytonutz.com](http://www.claytonutz.com)

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---

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]

**Sent:** Tuesday, 2 August 2011 9:56 AM

**To:** Miller, Paul

**Cc:** Waller, Mark

**Subject:** RE: Deeds of Access and Indemnity

Hi Paul

Thank you for your below e-mail of even date at 8:22am.

I confirm that I am happy with the draft deed of indemnity, insurance and access (**deed**), which you have prepared for Mr Bentley.

Could you please finalise the other director deeds.

I confirm that I will take these deeds to the Board meeting on Friday, 5 August 2011 for execution.

4/08/2011

RQL.128.010.0491

As discussed this morning, I have requested a copy of the proposed wording of the run-off policy in order for you to review. I will send through once received.

I look forward to your response.

Kind Regards

Shara

**Shara Murray**

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

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M 0407 156 539

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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)]

**Sent:** Tuesday, August 02, 2011 8:22 AM

**To:** Shara Murray

**Cc:** Waller, Mark

**Subject:** FW: Deeds of Access and Indemnity

Hi Shara,

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required, prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate as intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

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RQL.128.010.0492

---

**From:** Shara Murray [mailto:smurray@racingqueensland.com.au]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner
- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

***Shara Murray***  
Senior Corporate Counsel



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**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

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CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Robert Geoffrey Bentley

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
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[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

Legal\304665407.1

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Robert Geoffrey Bentley** of 1503 Rosebank Way, Hope Island in the State of Queensland.  
("Director")

**RECITALS**

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

**This deed provides:**

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**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("**Access Request**").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary

- (ii) **Director**

Address:	1503 Rosebank Way, Hope Island Qld 4212
Facsimile:	

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Robert**  
**Geoffrey Bentley**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Anthony John Hanmer

Clayton Utz  
Lawyers  
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Our reference 12415/16267/80122323

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**Parties**            **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
  
                              ("Company")  
  
                              **Anthony John Hanmer** of 23 Boardrider Crescent, The Boardwalk, Coolum Beach in the State of Queensland.  
  
                              ("Director")

## RECITALS

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

### **This deed provides:**

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## **1. Indemnity**

### **1.1 Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

### **1.2 Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (c) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

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## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

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## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	07 3269 9043
Attention:	The Company Secretary

- (ii) **Director**

Address:	23 Boardrider Crescent, The Boardwalk, Coolum Beach Qld 4573
Facsimile:	

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;

- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
  - (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Proceedings**" means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
  - (b) headings are for convenience only and do not affect interpretation,
- and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

### 7.3 Business Day

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Anthony  
John Hanmer**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Wayne Norman Milner

Clayton Utz  
Lawyers  
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Our reference 12415/16267/80122323

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**Parties**                    **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Wayne Norman Milner** of 59 Bendena Terrace, Carina Heights in the State of Queensland.  
("Director")

## RECITALS

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

## This deed provides:

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### 1.        Indemnity

#### 1.1       Liabilities and legal costs

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)       all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)       without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

#### 1.2       Other indemnities and insurance

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("**Access Request**").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Director**

- Address: 59 Bendena Terrace, Carina Heights Qld 4152
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
  - (b) headings are for convenience only and do not affect interpretation,
- and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited**  
**ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Wayne**  
**Norman Milner**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Bradley John Ryan

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
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Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
("Company")  
**Bradley John Ryan** of 29 Derby Street, Hendra in the State of Queensland.  
("Director")

**RECITALS**

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

**This deed provides:**

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**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Director**

- Address: 29 Derby Street, Hendra Qld 4011
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Bradley  
John Ryan**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

William Patrick Ludwig

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
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Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse Road Deagon in the State of Queensland;  
  
                                  ("Company")  
  
                                  **William Patrick Ludwig** of 8/9 Vincent Street, Indooroopilly in the State of Queensland.  
  
                                  ("Director")

**RECITALS**

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

**This deed provides:**

---

**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "Matter for Determination") then either party may refer to a Queen's Counsel or Senior Counsel ("Counsel") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.

- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

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## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

---

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

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## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("Access Request").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Director**

- Address: 8/9 Vincent Street, Indooroopilly Qld 4068
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

- number, of the addressee, in accordance with 6.1(b); and
- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

**"Legal Costs"** means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

**"Officer"** means an officer of a company as defined in section 9 of the Corporations Act.

**"Proceedings"** means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

**"Relevant Period"** means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

**"Retirement Date"** means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

**"Subsidiaries"** or **"Subsidiary"** has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
  - (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by William  
Patrick Ludwig**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Robert James Lette

Clayton Utz  
Lawyers  
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Our reference 12415/16267/80122323

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**Parties**                **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse  
Road Deagon in the State of Queensland;  
  
("Company")  
  
**Robert James Lette** of 4 Sulo Court, Mudgimba in the State of Queensland.  
  
("Director")

**RECITALS**

- A.        The Director is a director of the Company.
- B.        The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.        The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.        The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

**This deed provides:**

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**1.        Indemnity**

**1.1      Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)        all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)        without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

**1.2      Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.

(f) If:

- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
- (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
- (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);

(each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.

(g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:

- (i) is a Senior Counsel or Queen's Counsel;
- (ii) practises at the Queensland Bar; and
- (iii) has company law expertise.

(h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

---

## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

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### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

---

## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("**Access Request**").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

- Address: Lot 2, Racecourse Road, Deagon QLD 4017
  - Facsimile: 07 3269 9043
  - Attention: The Company Secretary

- (ii) **Director**

- Address: 4 Sulo Court, Mudgimba Qld 4564
  - Facsimile:

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("the Previous Deed") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

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## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Proceedings**" means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed;
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
- (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
- (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
- (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
- (f) a reference to a clause is a reference to a clause of this Deed;
- (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Robert  
James Lette**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

**Miller, Paul**

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 2 August 2011 9:56 AM  
**To:** Miller, Paul  
**Cc:** Waller, Mark  
**Subject:** RE: Deeds of Access and Indemnity  
**Attachments:** image001.png

Hi Paul

Thank you for your below e-mail of even date at 8:22am.

I confirm that I am happy with the draft deed of indemnity, insurance and access (**deed**), which you have prepared for Mr Bentley.

Could you please finalise the other director deeds.

I confirm that I will take these deeds to the Board meeting on Friday, 5 August 2011 for execution.

As discussed this morning, I have requested a copy of the proposed wording of the run-off policy in order for you to review. I will send through once received.

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Miller, Paul [mailto:pmiller@claytonutz.com]  
**Sent:** Tuesday, August 02, 2011 8:22 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** FW: Deeds of Access and Indemnity

Hi Shara,

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required,

3/08/2011

RQL.128.010.0586

prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate as intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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**From:** Shara Murray [mailto:[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner
- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

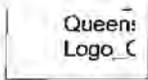
***Shara Murray***  
Senior Corporate Counsel



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3/08/2011

RQL.128.010.0587



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W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

[Learn more about our new Sydney home](#)

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.

**Miller, Paul**

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 2 August 2011 9:36 AM  
**To:** Miller, Paul  
**Subject:** AON response - Clayton Utz D&O Insurance policy wording review  
**Importance:** High  
**Attachments:** image002.png

Dear Paul

In light of your high level review of RQL's D&O Insurance Policy, please find below response received from AON:

*Ace has now provided us with their response to the High Level review carried out by Clayton Utz:*

- ✓ • *4.2 – Limit of Indemnity: RQL has confirmed that to AON that the limit of indemnity is sufficient at this point of time - \$20M.*
- ✗ • *4.3/4.4 - Investigation Costs: Ace state that their definition of investigation is already broad and see no reason to amend the definition. The term "Investigation" is currently defined as any formal or official investigation, examination or enquiry. Ace feels that any commission (including a Royal Commission) is an enquiry, and as such is covered. Furthermore Ace has commented that any clarification would give the impression that the definition is restrictive. Ace has advised that there is no ambiguity on their part about this issue and that the final sentence in Exclusion 4.1 is clear in that one Director's misconduct will not impact any cover for any other Director or Officer.*
- ✓ • *4.5 - The sub limit for Civil Fines and Penalties has been removed. Cover is now to the full policy limit.*
- ✓ • *4.6 - The sub limit for Foreign Corrupt Practices has been removed. Cover is now provided for under the Civil Fines extension, up to the full policy limit.*
- ✓ • *4.7 - The sub limit for pollution Defence costs has been removed. Cover is now to the full policy limit. Clean up costs will be excluded.*
- *4.8 – AON/RQL feel that this is not needed.*
- ✓ • *4.9 - This requested has been taken on board and Ace will agree to a Pre- agreed Legal Panel by way of Endorsement. Please provide us with a list (no more than 4) of your preferred legal firms / contacts.*
- ✗ • *4.10 - Ace agree to a threshold limit of 20% instead of 15%.*
- ✗ • *4.11 – AON/RQL feel that this is not needed due to the fact that RQL does not have any USA exposure.*

Could you please confirm if you are satisfied with the above? If so, I will request AON to provide RQL with a D&O Policy reflecting the above.

I look forward to your response.

Kind Regards

3/08/2011

RQL.128.010.0590

Shara

**Shara Murray**

Senior Corporate Counsel



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**Marshall, Emma**

---

**From:** Miller, Paul  
**Sent:** Tuesday, 2 August 2011 8:22 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark  
**Subject:** FW: Deeds of Access and Indemnity  
**Attachments:** Deed of Indemnity Insurance and Access.DOC

Hi Shara,

Thank you for forwarding the director details.

Please find **attached** draft deed of indemnity, insurance and access (**deed**) which we have prepared for Mr Bentley for your review.

Once you have had the opportunity to review the deed, let us know if it is in order and we can, if required, prepare the other director deeds.

We confirm that RQL is considering purchasing run-off D&O insurance. **We recommend** that you obtain a copy of the proposed wording of the run-off policy so we can review to ensure that it will operate as intended, given the previous restructuring of RQL.

If you wish to discuss the matter further please do not hesitate to contact us.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner

2/08/2011

RQL.128.010.0592

- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

**Shara Murray**  
 Senior Corporate Counsel



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 W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Dunphy, Barry [<mailto:bdunphy@claytonutz.com>]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

[Learn more about our new Sydney home](#)

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CLAYTON UTZ

## Deed of indemnity, insurance and access

Racing Queensland Limited  
ACN 142 786 874

Robert Geoffrey Bentley

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

Legal\304665407.1

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**Parties**                 **Racing Queensland Limited ACN 142 786 874** of Lot 2 Racecourse  
Road Deagon in the State of Queensland;

("Company")

**Robert Geoffrey Bentley** of 1503 Rosebank Way, Hope Island in the State of  
Queensland.

("Director")

## RECITALS

- A.         The Director is a director of the Company.
- B.         The Company agrees to indemnify the Director in respect of certain liabilities incurred by the Director while acting as a director of the Company and while acting as a director of any Subsidiaries.
- C.         The Company has agreed to use its reasonable endeavours to arrange insurance for the Director against certain risks the Director is exposed to as a director of the Company and the Subsidiaries.
- D.         The Company and the Director have agreed to regulate in certain respects the right of access the Director has to Company Records.

## This deed provides:

---

### 1.         **Indemnity**

#### 1.1       **Liabilities and legal costs**

To the maximum extent permitted by law, the Company agrees to indemnify and keep indemnified the Director against:

- (a)       all liabilities incurred by the Director as an Officer of the Company and each Subsidiary; and
- (b)       without limiting sub-paragraph (a), all Legal Costs and other costs and expenses arising from Proceedings or an Investigation, incurred by the Director as an Officer or as a consequence of having been an Officer of the Company or a Subsidiary.

#### 1.2       **Other indemnities and insurance**

If the Director is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies, the Director must take all reasonable steps to pursue recovery under that other insurance or indemnity and if the Company has already made a payment pursuant to the Indemnity in respect of such claim the Director must pay or direct payment to the Company of the proceeds of that other insurance or indemnity.

Any payment made by the Company under this Deed to or for the benefit of a Director who is otherwise insured or entitled to the benefit of any contract of insurance or indemnity in respect of any claim to which the Indemnity applies is a loan, repayable to the Company when and to the extent that the Director receives the proceeds of that other insurance or indemnity.

### 1.3 Continuation of Indemnity

The Indemnity continues in full force and effect without limit in point of time in relation to any act, omission, matter or event occurring while the Director is a director of the Company or a Subsidiary and even if the Director has ceased to be a director of the Company or a Subsidiary before any claim is made under the Indemnity.

### 1.4 Payment under the Indemnity

It is not necessary for the Director to incur expense or make payment before enforcing the Indemnity.

### 1.5 Notification and conduct of defence

- (a) The Director must notify the Company promptly on becoming aware of any facts, matters or circumstances which involve or may involve a claim under the Indemnity.
- (b) Provided the Proceedings or Investigation is conducted under the management and control of the Company or its insurers, the Company is entitled to assume in the name of the Director (but at the expense of the Company) the conduct, negotiation or defence of any Proceedings or Investigation in respect of which the Director has made a claim under the Indemnity ("**Indemnified Proceedings**").
- (c) If the interests of the Director and of the Company would conflict if the same legal representatives were to act, or continue to act, on behalf of both the Director and the Company in relation to Indemnified Proceedings, then unless the Company and the Director agree otherwise:
  - (i) the Company must withdraw from the conduct, negotiation or defence of any Indemnified Proceedings on behalf of the Director; and
  - (ii) the Director is entitled to engage separate legal representation in respect of the conduct, negotiation or defence of any Indemnified Proceedings.
- (d) If the Company assumes under clause 1.5(b) the conduct, negotiation or defence of any Indemnified Proceedings, the Director must:
  - (i) take such reasonable action as the Company requests to avoid, dispute, mediate, resist, appeal, compromise or defend such Indemnified Proceedings or any adjudication in respect of it;
  - (ii) not settle or compromise any claim made in the Indemnified Proceedings or make any admission or payment in relation to such a claim without the prior written consent of the Company or the Subsidiary as the case may be; and
  - (iii) render all reasonable assistance and co-operation to the Company in the conduct of the Indemnified Proceedings including, without limitation, providing the Company with any relevant documents in the Director's possession (including taking reasonable steps to obtain possession of documents as directed by the Company) and signing all relevant documents, authorities and directions which the Company reasonably may require in the conduct of the Indemnified Proceedings.

- (e) The Company will:
- (i) immediately notify the Director if:
    - A. Proceedings or an Investigation is anticipated, threatened or commenced against it; and
    - B. the Proceedings or the Investigation or the facts giving rise to them may involve or result in a claim against the Director
  - (ii) not settle, compromise or make any admission of liability or payment in relation to any Indemnified Proceedings subject of clause 1.5(b) without the prior written consent of the Director, such consent not to be unreasonably withheld or delayed; and
  - (iii) provide the Director with a copy of any originating proceedings or other materials served on, supplied to, or otherwise within the possession of, the Company in connection with those proceedings unless the Company receives legal advice that to do so may cause substantial or material prejudice to the interests of the Company.
- (f) If:
- (i) the Company or the Director, as the case may be, does not provide the consent referred to in either clause 1.5(d)(ii) or 1.5(e)(ii); or
  - (ii) the Company or the Director considers that the interests of the Director and of the Company would conflict if the same legal representatives were to act or continue to act on behalf of both the Director and the Company and the parties cannot agree on that issue pursuant to clause 1.5(c); or
  - (iii) the Company or the Director refuses to provide assistance or co-operation in respect of a matter referred to in clauses 1.5(d)(iii) or 1.5(e)(iii);
- (each a "**Matter for Determination**") then either party may refer to a Queen's Counsel or Senior Counsel ("**Counsel**") (to be mutually agreed upon by the Director and the Company) for provision of an opinion in relation to the Matter for Determination.
- (g) Failing agreement as to the identity of Counsel, the Company will instruct the President for the time being of the Queensland Bar Association or his or her nominee to appoint a barrister who:
- (i) is a Senior Counsel or Queen's Counsel;
  - (ii) practises at the Queensland Bar; and
  - (iii) has company law expertise.
- (h) In providing an opinion in relation to a Matter for Determination, the Counsel will act as an expert and not as an arbitrator and his or her written determination will be final and binding on the Director and the Company. In providing such opinion the Counsel shall, among other things, have reasonable regard to any Insurance Cover held by the Company and the Director in respect of the Indemnified Proceedings and the Company's and Director's obligations under such insurance and the principle that the reputations of the Director and Company respectively should be protected and not unnecessarily injured when considering the respective interests of

the Company and the Director. The costs of obtaining such opinion from the Counsel shall be paid for by the Company. Should the Counsel advise that in all the circumstances the settlement, compromise or admission of liability is reasonable, the Director or the Company as the case requires shall sign all relevant documents, authorities and directions and do such other things as are reasonably necessary to give effect thereto.

- (i) The Company will pay Legal Costs incurred by the Director for separate legal representation in respect of Proceedings or an Investigation where those costs are the subject of the Indemnity and are:
  - (i) incurred prior to the Company assuming conduct in accordance with clause 1.5(b);
  - (ii) incurred with the prior written consent of the Company which consent will not be unreasonably withheld; or
  - (iii) incurred where clause 1.5(c) applies.

## **1.6 Liability not affected**

The liability of the Company under this Deed will not be affected by any act, omission, matter or thing that would otherwise operate in law or in equity to reduce or release it from such liability.

## **1.7 Termination**

The Company may terminate the Indemnity in accordance with this clause at any time by giving notice to the Director specifying the date on which such termination will take effect which date must not be earlier than the later of:

- (a) 120 days after the date on which that notice is given; or
- (b) a period which is 30 days longer than the longest notice period required under the Director's terms of appointment.

Termination of the Indemnity will not affect the Company's obligations under this Deed in respect of any act or omission of the Director or any event, matter or thing occurring prior to the effective date of the termination, even if that act or omission or event, matter or thing gives rise to a liability or the incurring of Legal Costs and other costs and expenses after the effective date of the termination.

---

## **2. Advances of legal costs**

- (a) To the maximum extent permitted by law, the Company will pay on behalf of the Director or lend to the Director the amount necessary to pay the legal costs incurred by the Director in defending an action for a liability incurred as a director of the Company or a Subsidiary on such terms as the Company reasonably determines.
- (b) The Director must repay to the Company such legal costs if they become legal costs for which the Company was not permitted by law to indemnify the Director under clause 2(a).

---

### **3. Insurance cover**

#### **3.1 The Company's obligation to maintain Insurance Cover**

- (a) To the maximum extent permitted by law, the Company will obtain and maintain in full force and effect Insurance Cover during the Relevant Period for the benefit of the Director as an Officer of the Company and any Subsidiary on terms not materially less favorable to the Director than the Insurance Terms, to the extent that such coverage is available in the market on terms which the Company reasonably considers are financially prudent and on terms substantially the same as the Insurance Terms.
- (b) If the Company obtains Insurance Cover as contemplated by clause 3.1(a), the Company will (and will procure that any Subsidiary will):
  - (i) not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within its control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable, or might prejudice recovery under it;
  - (ii) if requested by the Director to do so, provide the Director with a certificate of insurance for the Insurance Cover once in every 12 month period and within 30 days after receipt of the certificate;
  - (iii) make the policy relating to the Insurance Cover available to the Director for inspection upon reasonable notice at the Company's registered office between 9.00 am and 5.00 pm on any Business Day, except where that disclosure would involve a breach of the terms of the policy; and
  - (iv) notify the Director immediately in writing if, for any reason, the Insurance Cover is cancelled or not renewed.

#### **3.2 Director's obligations in relation to Insurance Cover**

If the Company obtains Insurance Cover as contemplated by clause 3.1, the Director:

- (a) will not do or permit to be done anything which prejudices or renders any part of the Insurance Cover void, voidable or unenforceable, and will immediately rectify anything reasonably within the Director's control which might prejudice or render any part of the Insurance Cover void, voidable or unenforceable; and
- (b) will immediately inform the Company in writing on becoming aware of anything done or omitted to be done which could prejudice the Insurance Cover.

### **3.3 Full disclosure and compliance with Policies**

Each party will disclose to the other party (and in the case of the Director to any Subsidiary) and to the proposed insurer all facts (including this Deed) material to the insurer's risk before entering into an Insurance Policy.

---

## **4. Ownership of and access to company records**

### **4.1 Ownership**

The Director acknowledges that the Company retains ownership of copies of all Company Records provided to the Director while a director of the Company, and agrees to:

- (a) return to the Company; or
- (b) provide a written undertaking to the Company that the Director has destroyed,

all copies of such Company Records in accordance with Board policy (if any) as applying from time to time and, in any event, immediately upon a request by the Board or upon the Director ceasing to be a director of the Company.

### **4.2 Right of Inspection and Copying of Records**

Nothing in this Deed purports to limit or restrict any right of access the Director may have independently of this Deed, whether under the Corporations Act or otherwise.

### **4.3 Obligation to retain copies of Company Records**

The Company will during the Relevant Period keep in secure custody at its registered office a complete set of Company Records in chronological order.

### **4.4 Procedures for obtaining access to Company Records**

Subject to clause 4.5, at all times during the Relevant Period the Company must:

- (a) allow the Director to inspect the Company Records;
- (b) provide, at its cost, a copy of those Company Records requested by the Director which have been circulated to the Director for the purposes of meetings of the Board or a committee of the Board; and
- (c) allow the Director to take copies of such other Company Records as the Director requests at the Director's expense,

at the registered office between 9 am and 5 pm on any Business Day when requested upon reasonable notice by the Director ("**Access Request**").

### **4.5 Legal Professional Privilege**

The Company must approve an Access Request unless it considers that in approving the Access Request (either in whole or in part) the Company will be waiving, or could potentially be waiving or otherwise prejudicing, legal professional privilege attaching to all or any of the Corporate Records in circumstances where the waiver or potential waiver of that privilege would not be in the best interests of the Company.

## 4.6 Confidential information

- (a) If in response to an Access Request, the Director is granted access to Company Records which are confidential to the Company or to a third party ("**Confidential Papers**"), the Director must observe the same duties of confidentiality in relation to the Confidential Papers as applied while the Director was an Officer of the Company and must not disclose the Confidential Papers, or any information concerning the Confidential Papers, to any person without the Company's prior written consent.
- (b) Notwithstanding clause 4.6(a), the Director may disclose the Confidential Papers, or any information concerning the Confidential Papers:
  - (i) to:
    - A. the Director's insurer or prospective insurer in connection with effecting, maintaining or complying with the terms of an insurance policy; or
    - B. the Director's legal or financial advisers for the purposes of defending Proceedings or responding to and appearing at an Investigation or obtaining advice in relation thereto, provided that the Director has first obtained undertakings of confidentiality from those advisers in relation to the Confidential Papers or any information concerning the Confidential Papers;
  - (ii) where the disclosure of the Confidential Papers, or information concerning the Confidential Papers, is required by law;
  - (iii) if the Director can establish that the Confidential Papers, or any information concerning the Confidential Papers:
    - A. is, or prior to any disclosure by the Director, becomes information in the public domain (other than as a result of a breach of the obligations of the Director under this clause 4.6 by the Director or any person associated with the Director); or
    - B. is or prior to any disclosure by the Director, was made known to the Director by a person other than the Company or a Subsidiary, provided that the Director reasonably believes, after making reasonable enquiry that the person did not acquire or disclose the information in or by a breach of an obligation of confidentiality owed to the Company or any Subsidiary.

---

## 5. Privileged documents

### 5.1 Joint or multiple privilege

Where the Company and the Director both have the benefit of legal professional privilege in respect of a privileged document forming part of the Company Records, then neither party will waive that privilege:

- (a) without the written consent of the other, such consent not to be unreasonably withheld; and

- (b) where persons other than the Company or the Director also have the benefit of that privilege, without the written consent of those persons.

## 5.2 Consent

Without limitation and notwithstanding any other provision of this Deed:

- (a) it will be reasonable to withhold consent where the party requested to waive the privilege reasonably determines that the waiver of privilege would cause substantial or material prejudice to its interests;
- (b) provided always that the Company may not refuse consent where the Director reasonably requires access to and copies of documents for the defence of any Proceedings or the conduct of any Investigation.

## 5.3 Retainers

By its execution of this Deed the Company will be deemed to have instructed its legal advisers from time to time that all legal advice provided to the Company in relation to:

- (a) any Proceedings or Investigation which may be relevant to the Director; or
- (b) subject to paragraph (a), any matter which may be relevant to the Director or the Director's interests under this Deed,

is also to be provided for the Director's benefit, so that the Director has the benefit of legal professional privilege in relation to that advice except in the circumstances where at the time the advice is obtained, the interests of the Company and the Director conflict.

---

## 6. General

### 6.1 Notices

Any communication under or in connection with this Deed:

- (a) must be in writing;
- (b) must be addressed as shown below:

- (i) **Company**

Address:	Lot 2, Racecourse Road, Deagon QLD 4017
Facsimile:	[ ]
Attention:	The Company Secretary

- (ii) **Director**

Address:	1503 Rosebank Way, Hope Island Qld 4212
Facsimile:	[ ]

(or as otherwise notified by that party to the other party from time to time);

- (c) must be signed by the party making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of, that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by fax to the

number, of the addressee, in accordance with 6.1(b); and

- (e) will be deemed to be received by the addressee:
- (i) (in the case of prepaid post) on the second business day after the date of posting;
  - (ii) (in the case of prepaid post to an address outside Australia) on the seventh business day after the date of posting;
  - (iii) (in the case of fax) at the local time (in the place of receipt of that fax) which then equates to the time at which that fax is sent as shown on the transmission report which is produced by the machine from which that fax is sent and which confirms transmission of that fax in its entirety, unless that local time is a non business day, or is after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day; and
  - (iv) (in the case of delivery by hand) on delivery at the address of the addressee as provided in 6.1(b), unless that delivery is made on a non business day, or after 5.00 pm on a business day, when that communication will be deemed to be received at 9.00 am on the next business day,

and where for the purposes only of this clause 6.1, "business day" means a day (not being a Saturday or Sunday) on which banks are generally open for business in the place of receipt of that communication.

## **6.2 Governing Law**

This Deed is governed by and is to be construed in accordance with the laws for the time being of Queensland.

## **6.3 Jurisdiction**

- (a) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Queensland, and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating in any way to this Deed.
- (b) Each party irrevocably waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, where that venue falls within clause 6.3(a).

## **6.4 Counterparts**

This Deed may be executed in two counterparts, and the counterparts taken together constitute one and the same instrument.

## **6.5 Amendments**

This Deed may only be varied by a document signed by or on behalf of each party.

## **6.6 Assignment and succession**

Each party's rights and obligations under this Agreement are personal to it. A party may not assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

## **6.7 Costs, Expenses and Stamp Duty**

The Company will bear the costs (including legal fees, costs and disbursements) of and incidental to the preparation and execution of this Deed and any taxes or stamp duty assessed or payable on or in respect of this Deed.

## **6.8 Severability**

Any provision of this Deed which is illegal, void or unenforceable is only ineffective to the extent of that illegality, voidness or unenforceability, without invalidating the remaining provisions, and will be deemed to be severed to the extent that it is void or to the extent of voidability, invalidity or unenforceability.

## **6.9 Waiver**

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by either party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Deed.
- (b) Any waiver or consent given by either party under this Deed will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this Deed will operate as a waiver of another breach of that term or of a breach of any other term of this Deed.

## **6.10 Further acts**

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to carry out and effect the intent and purpose of this Deed.

## **6.11 Approvals**

Subject to any law to the contrary, where the doing or execution of an act, matter or thing is dependent on the consent or approval of a party, that consent or approval may be given or withheld in the absolute discretion of that party, unless this Deed expressly provides otherwise.

## 6.12 Deed paramount

If the Director and the Company have previously entered into an agreement regarding indemnity, insurance and access to documents ("**the Previous Deed**") it is agreed that with effect from the execution of this Deed, the Previous Deed is terminated and all rights and obligations between the Director and the Company in respect of the matters the subject of the Previous Deed or this Deed shall be governed and regulated by this Deed to the exclusion of the Previous Deed regardless of when the act, omission, matter or event giving rise to the right or obligation occurs.

---

## 7. Interpretation

### 7.1 Definitions

In this Deed:

"**Board**" means, in relation to the Company and each Subsidiary, as the case requires, the board of directors of that company from time to time.

"**Business Day**" means a day on which banks are open for general banking business in the State of Queensland

"**Company Records**" means, all books and records (in any form) which the Company:

- (a) is required to keep by law and includes "books" as defined in the Corporations Act; or
- (b) circulates to the Director or other Officers of the Company for the purposes of meetings of:
  - (i) the Board;
  - (ii) a committee of the Board; or
  - (iii) the Company,

and which were created or came into existence in the period during which the Director is a director of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Deed**" and "**this Deed**" means the deed between the parties constituted by this document and includes the recitals and amendments made from time to time.

"**Indemnity**" means the indemnity granted by the Company in favour of the Director in clause 1.1.

"**Insurance Cover**" means insurance against liability incurred by the Director as an Officer of the Company or a Subsidiary and for Legal Costs arising in connection with the Director being an Officer of the Company or a Subsidiary.

"**Insurance Terms**" means the terms of the directors' and officers' insurance policy applicable to the Director at the date of this document.

"**Investigation**" means any inquiry, investigation, examination, or prosecution, whether civil, criminal or administrative or otherwise (which without limiting the generality thereof includes inquiries or investigations conducted by the Australian Securities & Investments Commission)

involving or relating to the Company, a Subsidiary or the affairs of any of them whether or not proceedings have been issued or an action commenced.

"**Legal Costs**" means all legal costs incurred in defending, resisting, responding to or otherwise in connection with Proceedings or an Investigation (actual or threatened) whether civil or criminal or of an administrative nature or otherwise.

"**Officer**" means an officer of a company as defined in section 9 of the Corporations Act.

"**Proceedings**" means any proceedings in which it is alleged that the Director has done or omitted to do some act, matter or thing in his or her capacity as an Officer of the Company or a Subsidiary or otherwise in connection with the Director holding office as an Officer of the Company or a Subsidiary.

"**Relevant Period**" means the period commencing on the date of this document and ending 7 years from the Retirement Date **PROVIDED THAT** if Proceedings or an Investigation in respect of which the Director could claim under the Indemnity has been commenced prior to the end of such 7 years but has not been finally determined as at the expiration of that time, then the Relevant Period for the purposes of this Deed shall be the period commencing on the Retirement Date until the date that such Proceedings or Investigation are finally determined, settled, withdrawn or discontinued.

"**Retirement Date**" means, in respect of the Company or a Subsidiary (as the case requires) the date on which the Director ceases to hold office as a director of the Company or the Subsidiary (as the case requires), except that for the purposes of this definition, the Director is deemed not to have ceased to hold office as a director where the Director retires by rotation at a general meeting of the company held in accordance with that company's constitution or the listing rules of Australian Stock Exchange Limited, offers himself or herself for re-election at that meeting and is re-elected at that meeting (or any adjournment of that meeting).

"**Subsidiaries**" or "**Subsidiary**" has the meaning given in section 9 of the Corporations Act and refers to any corporation which before, at or after the date of this Deed was, is or becomes a subsidiary of the Company.

## 7.2 Interpretation

- (a) In this Deed:
- (b) headings are for convenience only and do not affect interpretation,  
and unless the context indicates a contrary intention:
  - (c) a reference to any party includes that party's executors, administrators, successors, substitutes and assigns, including any person taking by way of novation;
  - (d) a reference to this Deed or to any other deed, agreement or document includes, respectively, this Deed or that other deed, agreement or document as amended, novated, supplemented, varied or replaced from time to time;
  - (e) words importing the singular include the plural (and vice versa), words denoting a given gender include all other genders, and words denoting individuals include corporations (and vice versa);
  - (f) a reference to a clause is a reference to a clause of this Deed;
  - (g) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

- (h) reference to currency are references to Australian currency unless otherwise specifically provided; and
- (i) reference to any legislation or to any section or provision thereof includes any statutory modification or re-enactment or any statutory provision substituted for it, and ordinances, by-laws, regulations, and other statutory instruments issued thereunder.

**7.3 Business Day**

If the day on which any act, matter or thing is to be done under or pursuant to this Deed is not a Business Day, that act, matter or thing may be done on the next Business Day.

**EXECUTED** as a deed.

**Executed by Racing Queensland Limited  
ACN 142 786 874** in accordance with section 127  
of the *Corporations Act*:

\_\_\_\_\_  
Signature of Secretary/Director

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Secretary/Director in full

\_\_\_\_\_  
Name of Director in full

**Signed sealed and delivered by Robert  
Geoffrey Bentley**  
in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

**Miller, Paul**

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Friday, 22 July 2011 9:18 AM  
**To:** Dunphy, Barry  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** RE: Deeds of Access and Indemnity  
**Attachments:** image001.png

Thanks Barry

RQL Directors are:

- (a) Robert Geoffrey Bentley
- (b) Anthony John Hanmer
- (c) Wayne Norman Milner
- (d) Bradley John Ryan
- (e) William Patrick Ludwig, and
- (f) Robert James Lette.

Please let me know if you need any other further details.

I look forward to receiving the Deeds of Access and Indemnity for the above Directors.

Kind Regards

Shara

***Shara Murray***

Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**IF** +61 7 3269 9043 [queensland.com.au](mailto:queensland.com.au)  
**VM** 0407 156 539 [queensland.com.au](http://queensland.com.au)

---

**From:** Dunphy, Barry [mailto:bdunphy@claytonutz.com]  
**Sent:** Friday, July 22, 2011 8:56 AM  
**To:** Shara Murray  
**Cc:** Waller, Mark; Miller, Paul  
**Subject:** Deeds of Access and Indemnity

Shara,

Just following up on our discussion yesterday. Can you also send the details for the individual directors through to Mark and Paul as well.

Best Regards,

Barry

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## Marshall, Emma

---

**From:** Waller, Mark  
**Sent:** Friday, 8 July 2011 2:43 PM  
**To:** smurray@racingqueensland.com.au  
**Cc:** Miller, Paul  
**Subject:** D&O Insurance - Review Report

Hi Shara,

As requested please find **attached** signed Review Report.

Kind regards

**Mark Waller | Partner**  
**Clayton Utz**

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7005 | F +61 7 3221 9669 | M 0418 741 029 | [mwaller@claytonutz.com](mailto:mwaller@claytonutz.com)

**Paul Miller | Special Counsel**  
**Clayton Utz**

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[www.claytonutz.com](http://www.claytonutz.com)

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### D&O Insurance Review Report



Racing Qld  
Review Report.pdf

-----Original Message-----

**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Friday, 8 July 2011 12:24 PM  
**To:** Miller, Paul  
**Subject:** RE: D&O Insurance - Review Report

Hi Paul

Could you please send through the signed copy of your advice.

Kind Regards

Shara

Shara Murray  
Senior Corporate Counsel

PO Box 63, Sandgate QLD 4017  
P +61 7 3869 9712  
F +61 7 3269 9043  
M 0407 156 539  
E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

-----Original Message-----

From: Miller, Paul [<mailto:pmiller@claytonutz.com>]  
Sent: Friday, July 08, 2011 9:33 AM  
To: Shara Murray  
Subject: RE: D&O Insurance - Review Report

Hi Shara,

Let me know if the draft Review Report is in order and I will send through the signed copy.

Kind regards

Paul Miller | Special Counsel

Clayton Utz

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com) [www.claytonutz.com](http://www.claytonutz.com) P Please consider the environment before printing this e-mail

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From: Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
Sent: Thursday, 7 July 2011 6:09 PM  
To: Miller, Paul  
Subject: Re: D&O Insurance - Review Report

Thanks Paul.

Sent from my iPhone

On 07/07/2011, at 6:04 PM, "Miller, Paul"  
<[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)<<mailto:pmiller@claytonutz.com>>> wrote:

Hi Shara,

Further to our discussions tonight, please find attached draft D&O Insurance Review Report.

Kind regards

Paul Miller | Special Counsel

Clayton Utz

Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | <<mailto:pmiller@claytonutz.com>> [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)<<mailto:pmiller@claytonutz.com>>

[www.claytonutz.com](http://www.claytonutz.com)<<http://www.claytonutz.com/>>

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Draft Review Report

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**CLAYTON UTZ**

**Racing Queensland Limited**

**High Level Legal Review - D&O Insurance**

**Review Report**

Clayton Utz  
Lawyers  
Level 28, Riparian Plaza 71 Eagle Street Brisbane QLD 4000 Australia  
GPO Box 55 Brisbane QLD 4001  
T +61 7 3292 7000 F +61 7 3221 9669

[www.claytonutz.com](http://www.claytonutz.com)

Our reference 12415/16267/80122323

Legal\304492080.1

**Email**

7 July 2011

Ms Shara Murray  
Senior Corporate Counsel/Company  
Secretary  
Racing Queensland Ltd  
PO box 63  
SANDGATE QLD 4017  
smurray@racingqueensland.com.au

Dear Shara

**High Level Review - D&O Insurance**

1. **Executive Summary**

1.1 The Ace policy is one of the leading D&O insurance policies in Australia and its terms are generally appropriate, however, we have identified a number of matters which we have set out in section 4 of this report, which Racing Queensland Ltd (**RQL**) may wish to negotiate with Ace to enhance the D&O cover.

2. **Instructions and Scope of Review**

2.1 We confirm your instructions by email dated 5 July 2011, to undertake on behalf of RQL a high level review of its Directors' and Officers' (**D&O**) insurance program. We note that our advice is required urgently today and therefore the level of analysis we have been able to conduct is necessarily limited by that constraint.

2.2 The purpose of this advice is to report on a high level review of the terms of RQL's D&O policy and advise RQL on any material issues which may be adverse to RQL and its directors and officers.

2.3 We have been provided with the following documents:

- (a) Ace Elite II D&O Liability Insurance policy wording and endorsements;
- (b) Policy Schedule for the policy period 30 June 2010 to 30 June 2011; and
- (c) Aon Client Coverage Summary for the period 30 June 2011 to 30 June 2012,

(**Ace policy**).

2.4 We have not reviewed the policy schedule for the period 30 June 2011 to 30 June 2012 but have relied upon the information contained in the Aon Client Coverage Summary. The Aon Client Coverage Summary specifies that the policy wording for the 2011/2012 period is the Ace Elite II D&O policy wording (ed 02/10) plus the addition of a percentage shareholder exclusion (15%) and a North American exclusion. These endorsements were also included in the 2010/2011 policy year.

2.5 In carrying out this review we have **not** assessed the adequacy of the sums insured, limits of indemnity or deductibles under the policies as this would require a more detailed risk analysis.

2.6 We have reviewed the Ace policy having regard to our experience in reviewing other leading D&O insurance policies such as those issued by Chartis, Chubb and Zurich and we have highlighted the following relevant coverage issues that arise from our review.

### 3. **Relevant Background<sup>1</sup>**

3.1 On 1 July 2010, three racing codes (thoroughbreds, harness and greyhounds) were merged and became one control body organisation under RQL. We understand that the assets, liabilities and responsibilities of the previous existing racing control bodies have been transferred to RQL.

3.2 Although the "Failure to Maintain Insurance" exclusion appears to have been removed from the current D&O policy, given the recent corporate activity, the transfer of assets, liabilities and responsibilities from existing racing control bodies to RQL, **we recommend** that RQL conduct a review of its insurance program to ensure that it appropriately covers the integrated businesses. Please let us know if you need assistance in this regard.

### 4. **High Level D&O Insurance Review**

4.1 **Ace D&O Policy** - The Ace policy is one of the leading D&O insurance policies in Australia and its terms are generally appropriate, however we have identified a number of matters which RQL may wish to negotiate with Ace.

4.2 **Limit of Indemnity** - The Ace policy has a limit of liability of \$20 million in respect of any one claim and in respect of all claims in the aggregate during the policy period. **We recommend** that you liaise with your insurance broker, Aon, regarding adequacy of this limit having regard to RQL's operations and any benchmark information held by Aon. We note that this limit is the same as the limit for the insurance for the period commencing 30 June 2010 and we query whether it takes into account of the greater risk assumed on 1 July 2010 as a result of the amalgamation of the three racing codes.

4.3 **Innocent Director Coverage** - The Ace policy provides appropriate protection to innocent directors/officers for pre-contractual non-disclosure/misrepresentation. However, the Ace policy does not provide an adequate level of protection for innocent directors/officers for post contractual misconduct of another director/officer. Whilst the exclusion section of the policy provides that "*for the purposes of determining the applicability of any Exclusion the Wrongful Act or other conduct of an Insured shall not be imputed to any other Insured*", the Conduct exclusion has potential application to a claim against an innocent director/officer arising from misconduct by a fellow director/officer by reason of the broad introductory words "*based on, arising from or attributable to*". This exclusion could apply to the claim against the innocent director/officer even if the misconduct is not imputed to the innocent director/officer.

For example, a claim may be made against an innocent director for failing to put in place appropriate controls to prevent the fraud of another director/officer. The exclusion may still be triggered as the claim arises out of or is attributable to the misconduct without any imputation of that conduct to innocent directors. Although we do not consider Ace intends the exclusion to operate in this way, **we recommend** that Ace be approached to clarify the Conduct exclusion to

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<sup>1</sup> Information from RQL's website.

make it clear that misconduct by one director/officer will not affect the cover for innocent directors/officers.

- 4.4 **Cover for Investigations** - The term "Investigation" is defined as a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such. **We recommend**, for the sake of clarity, that the definition be broadened to ensure that it includes parliamentary inquiries, commissions of inquiry and Royal Commissions to ensure that they are caught under the definition. A commission of inquiry is established under letters patent pursuant to Crown prerogative at common law or under statute and a parliamentary inquiry is established by the parliament.
- 4.5 **Civil Fines and Pecuniary Penalties** - The Ace policy provides cover for civil fines and pecuniary penalties. Importantly, cover is provided for civil fines and pecuniary penalties for alleged violation of OH&S laws (notwithstanding the bodily injury/property damage exclusion) and breach of environmental laws (notwithstanding the pollution exclusion). We note that there is a civil fines and pecuniary penalty sub-limit of \$2 million. **We recommend** that the sub-limit be removed.
- 4.6 **Foreign Corrupt Practices** - The Ace policy provides cover for civil penalties imposed under foreign corrupt practices legislation. There is a sub-limit of \$100,000 which appears low. If this is a concern to RQL, **we recommend** that the sub-limit be removed or increased.
- 4.7 **Pollution Defence Costs and Legal Representation Expenses** - Although cover for pollution defence costs and legal representation expenses is provided by the Ace policy, there is a sub-limit of \$1 million. **We recommend** that the sub-limit be removed.
- 4.8 **Pending and prior Litigation Exclusion** - This exclusion excludes claims based upon or arising from any pending or prior litigation or other proceedings involving the Company, an Outside Entity or an Insured which began before the date specified in item 5 of the Schedule. Item 5 of the policy schedule for the policy year ended 30 June 2011 states "inception" which we assume is 30 June 2010. This exclusion is somewhat tempered by the Continuous Cover extension (clause 2.16) where there has been no fraudulent non-disclosure or misrepresentation for claims which could and should have been notified after the item 5 date and the Company and directors/officers have continuously held D&O insurance. However, the Continuous Cover extension will not assist for claims arising out of pending or prior litigation commenced prior to the date specified in item 5. If this is a concern **we recommend** RQL negotiate with Ace to either limit the Pending and Prior Litigation exclusion and broaden the Continuous Cover extension.
- 4.9 **Defence of Claims** - The Ace policy imposes a duty to defend claims on RQL and its directors/officers. **We recommend** that RQL negotiate with Ace the ability to appoint its own legal counsel from RQL's panel to defend claims covered by the policy and RQL should obtain Ace's agreement to the panel rates and charges for legal counsel. This should occur now rather than at the time a claim is made under the policy.
- 4.10 **Percentage Shareholder Exclusion at Time of Wrongful Act and Board Position** - We have not viewed the wording of this exclusion as it appears from the Aon coverage summary that this endorsement has changed. However, the summary suggests that this exclusion excludes any claim brought by a major shareholder (owning 15% or more of RQL's share capital) provided the major shareholder held its shareholding at the time of the Wrongful Act and held or was entitled to representation on the Board. This is different from the prior year's policy percentage

shareholder exclusion which did not require the major shareholder to have held its shareholding at the time of the Wrongful Act. **We recommend** that we review the terms of this endorsement. Although the scope of this exclusion is less restrictive than other such exclusions in the market, we nevertheless have concerns with it and **recommend** that it be removed. We have reviewed the constitution of RQL<sup>2</sup>, and without considering the constitution in detail, it appears that the directors of RQL constitute the members of RQL. Currently, there are 6 directors which would make each director a major shareholder. The effect of the exclusion will exclude cover under the Ace policy for any claim brought by any member/shareholder. The attempt to limit the scope of the exclusion by requiring the major shareholder to also have Board representation, given the nature of RQL's structure, does not lessen the broad scope of the exclusion. In any event, given RQL is a not for profit company, and the members do not gain a personal advantage by reason of the membership, we can see no good reason for the Percentage Shareholder exclusion and **we recommend** that it be removed.

- 4.11 **North American Exclusion** - By endorsement the Ace policy contains a broad North American exclusion which excludes any loss based upon or arising from any claim or investigation brought or conducted in a court of law constituted in the United States of America or Canada or arising out of the activities of RQL in those jurisdictions. If the North American exclusion is a concern to RQL, **we recommend** that it seek to have the endorsement removed.

## 5. **Future Conduct**

- 5.1 **We recommend** that you provide us with instructions to prepare a Status Report which sets out the proposed wording changes which would be required to effect the policy enhancements we have recommended in this review to assist your insurance broker in negotiating these enhancements with Ace.

If you have any queries in relation to our report please do not hesitate to contact us.

Yours sincerely



**Mark Waller, Partner**  
+61 7 3292 7005  
mwaller@claytonutz.com

**Paul Miller, Special Counsel**  
+61 7 3292 7607  
pmiller@claytonutz.com

---

<sup>2</sup> Obtained from RQL's website.

## Marshall, Emma

---

**From:** Shara Murray <[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)>  
**Sent:** Friday, 8 July 2011 9:53 AM  
**To:** Miller, Paul  
**Subject:** RE: D&O Insurance - Review Report

Thanks Paul - it will be discussed at the Board this morning, will let you know.

Regards

Shara Murray  
Senior Corporate Counsel

PO Box 63, Sandgate QLD 4017  
P +61 7 3869 9712  
F +61 7 3269 9043  
M 0407 156 539  
E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

-----Original Message-----

**From:** Miller, Paul [<mailto:pmiller@claytonutz.com>]  
**Sent:** Friday, July 08, 2011 9:33 AM  
**To:** Shara Murray  
**Subject:** RE: D&O Insurance - Review Report

Hi Shara,

Let me know if the draft Review Report is in order and I will send through the signed copy.

Kind regards

Paul Miller | Special Counsel  
Clayton Utz  
Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com) [www.claytonutz.com](http://www.claytonutz.com) P Please consider the environment before printing this e-mail

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Thursday, 7 July 2011 6:09 PM  
**To:** Miller, Paul  
**Subject:** Re: D&O Insurance - Review Report

Thanks Paul.

Sent from my iPhone

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Kind regards

Paul Miller | Special Counsel  
Clayton Utz

[www.claytonutz.com](http://www.claytonutz.com)<<http://www.claytonutz.com>>

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Draft Review Report

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**Marshall, Emma**

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Thanks Paul.

Sent from my iPhone

On 07/07/2011, at 6:04 PM, "Miller, Paul" <[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)<<mailto:pmiller@claytonutz.com>>> wrote:

Hi Shara,

Further to our discussions tonight, please find attached draft D&O Insurance Review Report.

Kind regards

Paul Miller | Special Counsel  
Clayton Utz  
Level 28, Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7607 | F +61 7 3221 9669 | M 0434 156 745 | <<mailto:pmiller@claytonutz.com>> [pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)<<mailto:pmiller@claytonutz.com>>  
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<<D&O Review Report - RQL.pdf>>

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**Marshall, Emma**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Thursday, 7 July 2011 6:09 PM  
**To:** Miller, Paul  
**Subject:** Re: D&O Insurance - Review Report

Thanks Paul.

Sent from my iPhone

On 07/07/2011, at 6:04 PM, "Miller, Paul" <[pmiller@claytonutz.com](mailto:pmiller@claytonutz.com)<<mailto:pmiller@claytonutz.com>>> wrote:

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**Marshall, Emma**

---

**From:** Miller, Paul  
**Sent:** Thursday, 7 July 2011 5:59 PM  
**To:** smurray@racingqueensland.com.au  
**Cc:** Waller, Mark  
**Subject:** D&O Insurance - Review Report

**Attachments:** D&O Review Report - RQL.pdf

Hi Shara,

Further to our discussions tonight, please find **attached** draft D&O Insurance Review Report.

Kind regards

**Paul Miller | Special Counsel  
Clayton Utz**

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**Draft Review Report**



D&O Review Report  
- RQL.pdf (6...

CLAYTON UTZ

# Racing Queensland Limited

**High Level Legal Review - D&O Insurance**

## Review Report

Draft

Clayton Utz  
Lawyers  
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Our reference 12415/16267/80122323

Legal\304492080.1

## Email

7 July 2011

Ms Shara Murray  
Senior Corporate Counsel/Company  
Secretary  
Racing Queensland Ltd  
PO box 63  
SANDGATE QLD 4017  
smurray@racingqueensland.com.au

Dear Shara

## High Level Review - D&O Insurance

1. **Executive Summary**
  - 1.1 The Ace policy is one of the leading D&O insurance policies in Australia and its terms are generally appropriate, however, we have identified a number of matters which we have set out in section 4 of this report, which Racing Queensland Ltd (RQL) may wish to negotiate with Ace to enhance the D&O cover.
2. **Instructions and Scope of Review**
  - 2.1 We confirm your instructions by email dated 5 July 2011, to undertake on behalf of RQL a high level review of its Directors' and Officers' (D&O) insurance program. We note that our advice is required urgently today and therefore the level of analysis we have been able to conduct is necessarily limited by that constraint.
  - 2.2 The purpose of this advice is to report on a high level review of the terms of RQL's D&O policy and advise RQL on any material issues which may be adverse to RQL and its directors and officers.
  - 2.3 We have been provided with the following documents:
    - (a) Ace Elite II D&O Liability Insurance policy wording and endorsements;
    - (b) Policy Schedule for the policy period 30 June 2010 to 30 June 2011; and
    - (c) Aon Client Coverage Summary for the period 30 June 2011 to 30 June 2012, (Ace policy).
  - 2.4 We have not reviewed the policy schedule for the period 30 June 2011 to 30 June 2012 but have relied upon the information contained in the Aon Client Coverage Summary. The Aon Client Coverage Summary specifies that the policy wording for the 2011/2012 period is the Ace Elite II D&O policy wording (ed 02/10) plus the addition of a percentage shareholder exclusion (15%) and a North American exclusion. These endorsements were also included in the 2010/2011 policy year.
  - 2.5 In carrying out this review we have **not** assessed the adequacy of the sums insured, limits of indemnity or deductibles under the policies as this would require a more detailed risk analysis.

- 2.6 We have reviewed the Ace policy having regard to our experience in reviewing other leading D&O insurance policies such as those issued by Chartis, Chubb and Zurich and we have highlighted the following relevant coverage issues that arise from our review.
3. **Relevant Background<sup>1</sup>**
- 3.1 On 1 July 2010, three racing codes (thoroughbreds, harness and greyhounds) were merged and became one control body organisation under RQL. We understand that the assets, liabilities and responsibilities of the previous existing racing control bodies have been transferred to RQL.
- 3.2 Although the "Failure to Maintain Insurance" exclusion appears to have been removed from the current D&O policy, given the recent corporate activity, the transfer of assets, liabilities and responsibilities from existing racing control bodies to RQL, **we recommend** that RQL conduct a review of its insurance program to ensure that it appropriately covers the integrated businesses. Please let us know if you need assistance in this regard.
4. **High Level D&O Insurance Review**
- 4.1 **Ace D&O Policy** - The Ace policy is one of the leading D&O insurance policies in Australia and its terms are generally appropriate, however we have identified a number of matters which RQL may wish to negotiate with Ace.
- 4.2 **Limit of Indemnity** - The Ace policy has a limit of liability of \$20 million in respect of any one claim and in respect of all claims in the aggregate during the policy period. **We recommend** that you liaise with your insurance broker, Aon, regarding adequacy of this limit having regard to RQL's operations and any benchmark information held by Aon. We note that this limit is the same as the limit for the insurance for the period commencing 30 June 2010 and we query whether it takes into account of the greater risk assumed on 1 July 2010 as a result of the amalgamation of the three racing codes.
- 4.3 **Innocent Director Coverage** - The Ace policy provides appropriate protection to innocent directors/officers for pre-contractual non-disclosure/misrepresentation. However, the Ace policy does not provide an adequate level of protection for innocent directors/officers for post contractual misconduct of another director/officer. Whilst the exclusion section of the policy provides that "*for the purposes of determining the applicability of any Exclusion the Wrongful Act or other conduct of an Insured shall not be imputed to any other Insured*", the Conduct exclusion has potential application to a claim against an innocent director/officer arising from misconduct by a fellow director/officer by reason of the broad introductory words "*based on, arising from or attributable to*". This exclusion could apply to the claim against the innocent director/officer even if the misconduct is not imputed to the innocent director/officer.

For example, a claim may be made against an innocent director for failing to put in place appropriate controls to prevent the fraud of another director/officer. The exclusion may still be triggered as the claim arises out of or is attributable to the misconduct without any imputation of that conduct to innocent directors. Although we do not consider Ace intends the exclusion to operate in this way, **we recommend** that Ace be approached to clarify the Conduct exclusion to

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<sup>1</sup> Information from RQL's website.

make it clear that misconduct by one director/officer will not affect the cover for innocent directors/officers.

- 4.4 **Cover for Investigations** - The term "Investigation" is defined as a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such. **We recommend**, for the sake of clarity, that the definition be broadened to ensure that it includes parliamentary inquiries, commissions of inquiry and Royal Commissions to ensure that they are caught under the definition. A commission of inquiry is established under letters patent pursuant to Crown prerogative at common law or under statute and a parliamentary inquiry is established by the parliament.
- 4.5 **Civil Fines and Pecuniary Penalties** - The Ace policy provides cover for civil fines and pecuniary penalties. Importantly, cover is provided for civil fines and pecuniary penalties for alleged violation of OH&S laws (notwithstanding the bodily injury/property damage exclusion) and breach of environmental laws (notwithstanding the pollution exclusion). We note that there is a civil fines and pecuniary penalty sub-limit of \$2 million. **We recommend** that the sub-limit be removed.
- 4.6 **Foreign Corrupt Practices** - The Ace policy provides cover for civil penalties imposed under foreign corrupt practices legislation. There is a sub-limit of \$100,000 which appears low. If this is a concern to RQL, **we recommend** that the sub-limit be removed or increased.
- 4.7 **Pollution Defence Costs and Legal Representation Expenses** - Although cover for pollution defence costs and legal representation expenses is provided by the Ace policy, there is a sub-limit of \$1 million. **We recommend** that the sub-limit be removed.
- 4.8 **Pending and prior Litigation Exclusion** - This exclusion excludes claims based upon or arising from any pending or prior litigation or other proceedings involving the Company, an Outside Entity or an Insured which began before the date specified in item 5 of the Schedule. Item 5 of the policy schedule for the policy year ended 30 June 2011 states "inception" which we assume is 30 June 2010. Whilst this exclusion is somewhat tempered by the Continuous Cover extension 2.16 where there has been no fraudulent non-disclosure or misrepresentation for claims which could and should have been notified after the item 5 date and the Company and directors/officers have continuously held D&O insurance. However, the Continuous Cover extension will not assist for claims arising out of pending or prior litigation commenced prior to the date specified in item 5. If this is a concern **we recommend** RQL negotiate with Ace to either limit the Pending and Prior Litigation exclusion and broaden the Continuous Cover extension.
- 4.9 **Defence of Claims** - The Ace policy imposes a duty to defend claims on RQL and its directors/officers. **We recommend** that RQL negotiate with Ace the ability to appoint its own legal counsel from RQL's panel to defend claims covered by the policy and RQL should obtain Ace's agreement to the panel rates and charges for legal counsel. This should occur now rather than at the time a claim is made under the policy.
- 4.10 **Percentage Shareholder Exclusion at Time of Wrongful Act and Board Position** - We have not viewed the wording of this exclusion as it appears from the Aon coverage summary that this endorsement has changed. However, the summary suggests that this exclusion excludes any claim brought by a major shareholder (owning 15% or more of RQL's share capital) provided the major shareholder held its shareholding at the time of the Wrongful Act and held or was entitled to representation on the Board. This is different from the prior year's policy percentage

shareholder exclusion which did not require the major shareholder to have held its shareholding at the time of the Wrongful Act. **We recommend** that we review the terms of this endorsement. Although the scope of this exclusion is less restrictive than other such exclusions in the market, we nevertheless have concerns with it and **recommend** that it be removed. We have reviewed the constitution of RQL<sup>2</sup>, and without considering the constitution in detail, it appears that the directors of RQL constitute the members of RQL. Currently, there are 6 directors which would make each director a major shareholder. The effect of the exclusion will exclude cover under the Ace policy for any claim brought by any member/shareholder. The attempt to limit the scope of the exclusion by requiring the major shareholder to also have Board representation, given the nature of RQL's structure, does not lessen the broad scope of the exclusion. In any event, given RQL is a not for profit company, and the members do not gain a personal advantage by reason of the membership, we can see no good reason for the Percentage Shareholder exclusion and we **recommend** that it be removed.

- 4.11 **North American Exclusion** - By endorsement the Ace policy contains a broad North American exclusion which excludes any loss based upon or arising from any claim or investigation brought or conducted in a court of law constituted in the United States of America or Canada or arising out of the activities of RQL in those jurisdictions. If the North American exclusion is a concern to RQL, we **recommend** that it seek to have the endorsement removed.

## 5. **Future Conduct**

- 5.1 **We recommend** that you provide us with instructions to prepare a Status Report which sets out the proposed wording changes which would be required to effect the policy enhancements we have recommended in this review to assist your insurance broker in negotiating these enhancements with Ace.

If you have any queries in relation to our report please do not hesitate to contact us.

Yours sincerely

**Mark Waller, Partner**  
+61 7 3292 7005  
mwaller@claytonutz.com

**Paul Miller, Special Counsel**  
+61 7 3292 7607  
pmiller@claytonutz.com

---

<sup>2</sup> Obtained from RQL's website.

## Marshall, Emma

---

**From:** Waller, Mark  
**Sent:** Wednesday, 6 July 2011 12:46 PM  
**To:** Dunphy, Barry  
**Subject:** RE: RQL D&O Policy

Hi Barry - we are onto this and will keep you advised. Thanks, Mark

---

**From:** Schofield, Hayley **On Behalf Of** Dunphy, Barry  
**Sent:** Tuesday, 5 July 2011 1:38 PM  
**To:** Waller, Mark  
**Subject:** FW: RQL D&O Policy  
**Importance:** High

Mark,

Racing Queensland have asked for an extremely urgent review of their D&O insurance coverage.

I will ring you shortly to give you a briefing but I will send you an email that I sent to Robbie Walker earlier today which sets out some of the background. I will also send you a copy of an earlier advice that we sent to Racing Queensland about the potential risk for the Directors under the Corporations Act if they inappropriately escalated the entitlements of existing senior staff.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group**  
**Clayton Utz**  
Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 |  
M 0407 122 283 | [bdunphy@claytonutz.com](mailto:bdunphy@claytonutz.com)

[www.claytonutz.com](http://www.claytonutz.com)

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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Tuesday, 5 July 2011 1:26 PM  
**To:** Dunphy, Barry  
**Subject:** RQL D&O Policy  
**Importance:** High

### Private & Confidential Communication

Dear Barry

Please find **attached** Racing Queensland Limited's (RQL) D&O policy for FY1011 and the client coverage summary slip for FY1112, I do not have up to date policy wording from AON yet for FY1112.

By no later than **Thursday, 7 July 2011**, could you please review the attached policy and advise that the coverage is appropriate for RQL Directors and Officers.

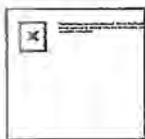
If you have queries in relation to this policy please contact Mr Robert Piunti at AON 32237455 or [rpiunti@aon.com.au](mailto:rpiunti@aon.com.au)

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017

**P** +61 7 3869 9712

**F** +61 7 3269 9043

**M** 0407 156 539

**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

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**Marshall, Emma**

---

**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Tuesday, 5 July 2011 1:51 PM  
**To:** Dunphy, Barry  
**Subject:** RE: Racing Queensland Limited

Thanks Barry.

**Shara Murray**  
Company Secretary



PO Box 63, Sandgate QLD 4017  
**P** +61 7 3869 9712  
**F** +61 7 3269 9043  
**M** 0407 156 539  
**E** [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
**W** [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Schofield, Hayley [<mailto:hschofield@claytonutz.com>] **On Behalf Of** Dunphy, Barry  
**Sent:** Tuesday, July 05, 2011 1:43 PM  
**To:** Shara Murray  
**Subject:** RE: Racing Queensland Limited

Shara,

Just letting you know that I got the email and attachments.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group**  
**Clayton Utz**  
Level 28 Riparian Plaza 71 Eagle Street, Brisbane QLD 4000 Australia | D +61 7 3292 7020 | F +61 7 3221 9669 |  
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**From:** Shara Murray [<mailto:smurray@racingqueensland.com.au>]  
**Sent:** Tuesday, 5 July 2011 1:23 PM  
**To:** Dunphy, Barry  
**Subject:** Racing Queensland Limited  
**Importance:** High

Dear Barry

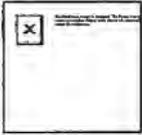
Mr Bob Bentley, Chairman of Racing Queensland Limited has requested that I forward the **attached** letter to you.

Kind Regards

Shara

**Shara Murray**

Company Secretary



PO Box 63, Sandgate QLD 4017

P +61 7 3869 9712

F +61 7 3269 9043

M 0407 156 539

E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

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**Marshall, Emma**

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**From:** Shara Murray <smurray@racingqueensland.com.au>  
**Sent:** Tuesday, 5 July 2011 1:50 PM  
**To:** Dunphy, Barry  
**Subject:** RE: RQL D&O Policy

Thanks Barry.

***Shara Murray***  
Senior Corporate Counsel



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Thanks Shara. I have just briefed Mark Waller on all of the issues.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group**  
**Clayton Utz**  
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**Importance:** High

**Private & Confidential Communication**

Dear Barry

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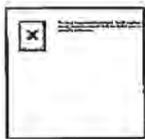
If you have queries in relation to this policy please contact Mr Robert Piunti at AON 32237455 or [rpiunti@aon.com.au](mailto:rpiunti@aon.com.au)

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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Please find **attached** Racing Queensland Limited's (RQL) D&O policy for FY1011 and the client coverage summary slip for FY1112, I do not have up to date policy wording from AON yet for FY1112.

By no later than **Thursday, 7 July 2011**, could you please review the attached policy and advise that the coverage is appropriate for RQL Directors and Officers.

If you have queries in relation to this policy please contact Mr Robert Piunti at AON 32237455 or [rpiunti@aon.com.au](mailto:rpiunti@aon.com.au)

I look forward to your response.

Kind Regards

Shara

**Shara Murray**  
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## Marshall, Emma

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**From:** Waller, Mark  
**Sent:** Wednesday, 6 July 2011 12:44 PM  
**To:** Miller, Paul  
**Subject:** FW: Urgent Advice - Racing Queensland

---

**From:** Schofield, Hayley **On Behalf Of** Dunphy, Barry  
**Sent:** Tuesday, 5 July 2011 1:42 PM  
**To:** Waller, Mark  
**Subject:** Urgent Advice - Racing Queensland

Mark,

The other thing is that they need the advice in a couple of days.

Here is our earlier advice and the email that I sent to Robbie Walker.

Regards

Barry

**Barry Dunphy | Partner | Government Services Group  
Clayton Utz**

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Email letter RQL  
re Executive ...

Robbie,

There have been a lot of developments in the last 24 hours.

There was a short article in yesterday's Courier Mail that the LNP had decided on a new CEO and Chairman for Racing Queensland (after the next election which is scheduled for March 2012).

This apparently sent the four senior executives being the CEO, the Company Secretary and two others into a tail spin. The upshot of which was that they said to the Chair that they would not continue to stay.

I then had a meeting with the Chair, the CEO and the Company Secretary early yesterday afternoon and the deal that is being considered by the Chair is that the four key staff will be offered the following arrangements to stay:

- A significant uplift in salary from now until the 31st of January 2012. This is being negotiated this morning but the four staff want a 50% increase.
- All of their contracts to terminate on 31 January 2012. They want this to be a redundancy and for them to be paid the balance of their contract. This will either be until mid-year 2013 or even a longer period. Again this is being negotiated now.
- That as from 1 February to 1 July 2012 the four staff will then enter into temporary agreements to continue to work on. I don't know the salary that is being sought. They will then if they are offered and accept a new extended contract of employment, they will then payback the "redundancy payment"

The whole concept is based on the idea that the election will not be called early and that the four staff will effectively be paid out by the current Board before the election. They then intend to hang around on temporary contracts and will if Labor wins the election, then re-sign up on a permanent basis and repay the lump sum additional payment that was received in January 2012. The Board want to meet on Thursday morning to consider this proposal. Our urgent advice is therefore needed.

There are a number of key issues here:

- The taxation effect of what is proposed. Will these lump sum January 2012 payments be taxable as normal income? Will there actually be a redundancy?
- How can they pay back the redundancy in pre-tax dollars if they have a post tax liability, i.e. won't there be a shortfall?
- Are there any other legal issues, i.e. How reasonable is all of this? This raises not only the employment law issues but company law matters. The four staff clearly, as officers, now have a clear conflict of interest and almost seem to be extracting an unfair profit from the company. The Chairman is to some extent supportive of that move.

Racing Queensland has operated for some years now in a politically charged environment. Surprisingly, it is one of the main political targets of the Opposition and Bob Bentley and his Board are seen as possibly the most Labor based Government Board.

Can we discuss the way forward and our views on the basic structure? Can you also see if we can get some tax advice if it is not clear?

Regards

Barry

**Barry Dunphy | Partner | Government Services Group  
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**From:** Walker, Robbie  
**Sent:** Tuesday, 5 July 2011 7:40 AM  
**To:** Dunphy, Barry  
**Subject:** Racing Qld

Barry

I've been through our earlier advices and your draft paper, so see the context. Let me know if anything came out of your meeting that you want us to follow through on this week.

Robbie

## Confidential

### Email

2 June 2011

Ms Shara Murray  
Senior Corporate Counsel/Company  
Secretary  
Racing Queensland Ltd  
PO Box 63  
SANDGATE QLD 4017  
[smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)

Our ref 12223/12955/80120739

Dear Shara

### Amended Executive Employment Arrangements

We refer to your meeting with Barry Dunphy and Brett Cook on 25 May 2011 and to your email dated 26 May 2011 in relation to the above matter. We have been asked to provide legal advice to Racing Queensland Ltd (RQL) about the proposal to offer varied employment arrangements to certain executive and administrative personnel.

We have been briefed with a copy of the current contracts of employment of the relevant personnel and we have examined those contracts.

For convenience and in order to meet your timeframe, we will summarise in this letter our general concerns about the legal issues that appear to arise. If necessary, we can further elaborate on our reasons. In addition, we can assist with any re-drafting of contractual terms in due course.

Before we set out our comments, we will briefly summarise the background details as we understand it.

### Background

The Board has resolved that RQL's executive and managerial staff need to be retained and provided with additional security of tenure to safeguard business continuity. In addition, key executive assistants are to be offered revised contractual conditions with incentives similar to the executive and managerial staff.

The objective is to reinforce the stability of the executive workforce during the period between now and 2014 by which time RQL must negotiate and achieve some fundamentally important milestones that are critical to the continuation of the racing industry in Queensland e.g. the renegotiation of the Product Fee. As a consequence, the Board has resolved that the existing employment arrangements for 9 key executives be extended by 12 months up to and including 30 June 2014. Additionally, the Board resolved that Wade Birch be offered an employment agreement to expire on 30 June 2014 and that 6 executive assistants be offered varied employment agreements expiring on 30 June 2013. The Board also resolved that the Chairman was to approve the terms relevant to the agreements and the extension of the agreements.

We confirm that, in our opinion, RQL is fully justified in seeking to structure its employment and remuneration policy to gain the maximum advantage for the company and to preserve its business continuity and corporate knowledge throughout this critical period. The fact that the period happens to coincide with a looming election and the predicable prospect of some political "argy bargy" only adds to the merit and logic

of the Board's strategy. What is important however is that the Board pursues its objective in a sustainable manner and in a manner that will not inadvertently damage the company.

### The Contract Variations

We understand from your instructions that the Board has communicated its intention that enhanced "redundancy" entitlements should also be offered to the relevant employees so that if unilateral termination of their employment does occur that the staff will be fully compensated.

It is appropriate to set out the relevant clauses of the conditions of employment as they are proposed to be varied in order to meet these requirements:

- "15.3 Should RQL as the control body for the 3 codes of racing receive a show cause notice that could cause it to cease as the control body for the 3 codes of racing, a notice suspending its licence as a control body for the 3 codes of racing or any other direction or notice that could cause it not to remain as the control body for the 3 codes of racing, RQL will immediately provide you the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.4 Should any director of RQL as the control body for the 3 codes of racing, receive a show cause notice that could cause him or her to cease being a control body director for the 3 codes of racing, or any other direction or notice that could cause him or her not to remain as a control body director for the 3 codes of racing, other than for official misconduct, or if a director of RQL ceases to be a director for the 3 codes of racing as a result of legislative amendment, RQL will immediately provide you with the opportunity to take redundancy. The redundancy payment will be at least equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the term of the contract.
- 15.5 If RQL offers you redundancy for any reason including in accordance with clause 15.3 and 15.4, then you will be given 6 weeks' written notice and will be paid a payment equivalent to the TRV you would have been entitled to receive had you remained employed for the period of the contract. Provided that if you accept a redundancy including in accordance with clause 15.3 and 15.4 RQL may accept a shorter period of notice than 6 weeks and may waive the notice period in its entirety. If the notice period is shortened or waived in its entirety by RQL, RQL will still be required to pay the notice period out in full."

For the reasons that we will explain, we are of the view that the proposed variations are not the optimal means for the Board to achieve its objectives. Indeed they appear to us to pose some legal risks for both the Board, the company and its other officers.

Later in this advice we have set out the broad parameters that we believe may help the company address the objectives that the Board seeks to achieve.

## The Executive Arrangements

Under the existing executive contracts, the position is that if RQL ceases to be the control body for the 3 codes of racing, or if RQL terminates employment for any reason other than a reason relating to fault on the part of the employee, then RQL is provide to the employees the opportunity to take a redundancy. The termination payment is the equivalent of the Total Remuneration Value of the contract remaining at that time.

The draft proposals as set out in the above clauses significantly vary that approach by significantly extending the triggers for redundancy.

In our opinion, the extended redundancy clauses raise the following issues of concern for both the directors and officers of RQL in terms of the duty of good faith and proper purpose under section 181 and 184 of the Corporations Act:

- (a) The Board resolution authorises an extension of the contracts of the 9 executives and the offering of new contracts to the executive assistants. This necessarily enlarges the TRV of the contract that must be paid in the event of redundancy.
- (b) There is no Board resolution confirming the changes to the "redundancy arrangements". This is of concern given that the revised arrangements could have a significant impact upon the financial interests of the company;
- (c) The obligation to *immediately provide staff with the opportunity to take redundancy* when the listed triggering events occur, appears to us to be inconsistent with the concept of redundancy (where the employer determines when and how a redundancy arises) with consequent implications for the treatment of the termination payment as an eligible termination payment or a redundancy payment for taxation purposes;
- (d) In any event, it may be doubtful as to whether the primary objective of securing the retention of key staff is best served by *immediately* providing an opportunity to take redundancy at a time when (under the proposed clauses) one would expect that the company would require "all hands" to respond to any formal disciplinary processes under the provisions of the Racing Act 2002; and
- (e) The quantum of the extended redundancy measures (now that the contracts are being extended by 12 months) appears to us to be overly generous when compared with prevailing commercial practice.

## Complaint and Investigation

It is important, in our opinion that the Board now carefully considers how these new arrangements are to be implemented in practice. We suggest that the Board take a "hands on" approach. As you are aware, in the lead up to a State general election, matters of public interest can be easily politicised and it is not beyond the bounds of contemplation that the cut and thrust of the political process may require the Board to respond to enquires and complaints.

The directors would be well aware of the requirements of the Corporation Act with respect to their civil and criminal obligations of good faith.

Section 181 of the Corporations Act set out the civil obligations of directors and other officers. They must exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

Section 184 then creates a criminal offence if a director or other officer is reckless or intentionally dishonest and fails to exercise their powers and discharge their duties in good faith in the best interests of the corporation and for a proper purpose.

It is relevant to note that a company like RQL is subject to the regulatory oversight of the Australian Securities and Investment Commission (ASIC), an independent Commonwealth authority with a well resourced and experienced investigative arm. If ASIC was to receive a complaint that the Board, through its decision making, had acted recklessly and in a manner not in the best interests of the company, (so as to engage the offence provisions in s.184 of the Corporations Act) we believe that as the responsible regulator, ASIC would probably formally investigate such a complaint. An effective defence to such an investigation is to have a full and compelling record of the resolutions taken by the Board and the reasons for the Board's decisions.

### **The Executive Assistants**

We have several similar concerns about the extension of full TRV payout as a redundancy entitlement to the executive assistants. It seems to us that such an arrangement is:

- (a) Inconsistent with the Board's formal Termination of Employment Policy and Procedures that was authorised by the Remuneration and Nominations Sub-Committee on 1 July 2010. (See clause 1.3 of the Policy that allows for a maximum of 16 weeks pay as compensation for redundancy);
- (b) Inconsistent with the provisions of the current contracts for these officers (that accurately reflect the termination entitlements provided for under the Fair Work Act 2009 and the Board's Policy document); and
- (c) Inconsistent with the usual commercial practice when it comes to the redundancy of executive support staff.

We would recommend that the Board expressly resolve to pass any non-typical entitlements to the executive assistants so that there is a very clear paper trail of the Board's reasoning and decision making underpinning this particular measure.

In fact, we recommend that the whole package, once it is determined be recorded in a detailed Board paper that the Board can consider and resolve upon so as to achieve the stated objectives.

### **Parameters for a Retention and Termination Payment Framework**

We thought that it may assist RQL if we identified broad parameters under which it might restructure its retention and termination payment position for its key staff during this vital period for the organisation. Our comments are necessarily at a high level at this point in time. Ultimately, we would recommend that the levels of incentive and entitlement be set out for each employee, taking into account their individual position, entitlements and history with the company. We have set out this material in the **attachment** to this advice.

# CLAYTON UTZ

Sydney    Melbourne    Brisbane    Perth    Canberra    Darwin    Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

## **Drafting**

Finally in this preliminary advice, we confirm that we would be happy to assist with the redrafting of contractual provisions to best achieve the objectives of the Board, once the Board has had an opportunity to consider the matters we have raised and confirmed its position with respect to the provision of added performance, retention and termination entitlements.

Yours faithfully

**Barry Dunphy, Partner**  
+61 7 3292 7020  
bdunphy@claytonutz.com

Draft

## Attachment

Executive and Management Team	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months pay (5 weeks to meet statutory requirements)
Termination without cause	<p>Termination payment for notice and payment of all accrued entitlements of the equivalent of between 6 months pay (TRV) to a maximum of 9 months (TRV).</p> <p>The figure is to be determined having regard to the seniority and length of employment. Our recommended figure is 6 months.</p>
Redundancy payment	Severance in accordance with the Fair Work Act
Retention Bonus	<p>A new clause in the contract under which the officer is paid a retention payment payable in instalments annually to retain their services for a set period (e.g. until 2014), as follows 20% year 1, 20% year 2, 60% year 3 on achieving retention date.</p> <p>The payment may be made or paid to a "bank" to accrue, and then be payable either on the relevant retention date being achieved or on termination, whichever is earlier.</p> <p>The quantum of the retention payment must be determined by the Board that the executive is critical to the business continuity. Figures that might be considered could include an amount equivalent to their current annual TRV, split over 3 years, or 6 months of their TRV over 3 years.</p>
Short Term Incentive Payments	A defined amount paid as an additional benefit upon termination for every Key Performance Measure achieved during the balance of the contract up until the date of expiry (e.g. negotiation of a new Product Fee to the satisfaction of the Board). The defined Measure would vary for individual officers

Executive Support	Amount of Incentive
Termination for Misconduct	Nil as per existing contracts
Termination for Poor Performance	1 Months Notice (5 weeks to meet statutory requirements)

# CLAYTON UTZ

Sydney Melbourne Brisbane Perth Canberra Darwin Hong Kong

Ms Shara Murray, Racing Queensland Ltd

2 June 2011

Termination without cause	Not applicable due to unfair dismissal rights
Additional Benefit on redundancy	Severance in accordance with the Fair Work Act
Retention Bonus	While this would be less common for administrative and support staff, if the Board determined that retention of the relevant employees is critical to business continuity, an appropriate retention payment plan could also be extended to these employees. The structure of the plan could be similar to that outlined for the executives.

Draft

**CONSTITUTION OF  
RACING QUEENSLAND LIMITED  
ACN 142 786 874**

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RACING QUEENSLAND LIMITED**

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## Corporations Act 2001

A Company Limited by Guarantee and not having a Share Capital

### CONSTITUTION OF RACING QUEENSLAND LIMITED

#### 1. INTERPRETATION

---

##### 1.1 In this Constitution:

**Annual General Meeting** means the general meeting held each year as required by the *Corporations Act* and this Constitution.

**Associations** means those established under clause 26.1.

**Auditor** means the Auditor of the company appointed in accordance with clause 22.

**Business Day** means a day which is not a Saturday, Sunday or a public holiday in Brisbane.

**Chairman** means the chairman of the Board of Directors of the Company from time to time.

**Company** means Racing Queensland Limited.

**Company Secretary** means the secretary of the Company.

**Corporations Act** means the *Corporations Act 2001*.

**Control Body** means a Control Body under the *Racing Act*, or a similar body under any Act passed in substitution of the *Racing Act*.

**Country Racing Committee** means the committee established under clause 26.1.

**Directors or Board of Directors or Board** means the Directors of the Company.

**Director Candidates** means persons named on the Shortlist and to be considered by the Selection Committee in accordance with the provisions of clause 15.

**Election Year** means the year in which the Initial Term expires and every second year after that in which there is to be an election held under clause 15.1.

**Financial Year** means the period from the date of establishment of the Company to the following 30 June, and after that, the period 1 July in a calendar year through to 30 June in the next calendar year or such other period of 12 consecutive months determined by the Board.

**Founding Directors** means the Directors referred to in clause 12.2.

**Independent Recruitment Consultant** an independent recruitment consultant engaged by the Board of the Company.

**Initial Term** means the term which:

- (a) commences on the date the Company is approved as the Control Body for thoroughbred, harness and greyhound racing pursuant to section 26 of the *Racing Act*; and



- (b) expires at the conclusion of the Annual General Meeting which next takes place after 30 June 2014.

**Member** means the persons appointed as Directors of the Company from time to time.

**Minister** means the Queensland Government Minister with responsibility for the Racing Act.

**Notice of Meeting** means a notice provided in accordance with clause 23.

**Office** means the registered office for the time being of the Company.

**Racing Act** means the *Racing Act 2002* (Queensland).

**Selection Committee** means the committee formed and convened in accordance with clause 15.

**Selection Criteria** means the criteria for the selection of Directors set out in Appendix A.

**Shortlist** means the shortlist of Director Candidates formulated in accordance with clause 15.

**State** means the State of Queensland.

- 1.2 Unless the contrary intention appears in this Constitution, an expression used in a particular Part or Division of the *Corporations Act* that is given a special meaning for the purposes of that Part or Division has, in this Constitution where it deals with a matter dealt with by that Part or Division, the same meaning as in that Part or Division.
- 1.3 Words importing the singular include the plural (and vice versa) and words denoting a gender include all other genders.
- 1.4 Clause headings are inserted for convenience only and are not to be used in interpreting this Constitution.
- 1.5 Reference to legislation or to a provision of legislation includes any modification or re-enactment or any legislative provision substituted for it, and all regulations and subordinate legislation and statutory instruments issued under such legislation.
- 1.6 A reference to a clause number, unless the context otherwise requires, is a reference to a clause in this Constitution.
- 1.7 To the extent that any provision in this Constitution is inconsistent with any provision in a replaceable rule under the *Corporations Act*, the provision of this Constitution applies and the replaceable rule is deemed to be displaced or modified accordingly.

## **2. LIMITED COMPANY**

---

- 2.1 The liability of the Members is limited to the payment of the amount prescribed by clause 24.
- 2.2 The name of the Company is Racing Queensland Limited.
- 2.3 The registered office of the Company will be at the place that the Board of Directors determines from time to time, but must always be in the State of Queensland.

## **3. OBJECTS**

---

- 3.1 In addition to the powers conferred by the *Corporations Act*, the objects of the Company are to exercise the powers and perform the functions of a Control Body.



- 3.2 The income and property of the Company must be applied solely towards the promotion of the objects of the Company as set out in this Constitution and no portion of it can be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the Members.
- 3.3 The Company will have regard to the best interests of the thoroughbred, harness and greyhound racing codes as a whole, and the continued existence and welfare of each individual code in exercising its powers and performing the functions of a Control Body.

#### **4. MEMBERSHIP**

---

- 4.1 Members are those persons who are Directors of the Company from time to time.
- 4.2 Immediately upon becoming a Director of the Company, that person becomes a Member of the Company.
- 4.3 Immediately upon ceasing to be a Director of the Company, that person ceases to be a Member of the Company.

#### **5. ELECTION OF DIRECTORS**

---

- 5.1 The election of Directors will be determined in accordance with clause 15.

#### **6. CESSATION OF MEMBERSHIP**

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- 6.1 A person ceases to be a Member if the person ceases to be a Director of the Company.

#### **7. ANNUAL GENERAL MEETING**

---

- 7.1 Subject to the *Corporations Act* the Annual General Meeting must be held each year no later than five months after the end of the previous financial year.

#### **8. GENERAL MEETINGS**

---

- 8.1 A general meeting may be convened by the Board at any time and must be convened within two calendar months of receiving a requisition in writing from at least 75% of the Members.
- 8.2 At least 28 days written notice of a general meeting must be given to all Members who are entitled to receive such a notice.
- 8.3 A notice of a general meeting must contain all information required by the *Corporations Act*, including:
- (a) the place, the day and the hour of the meeting; and
  - (b) the general nature of the business to be transacted at the meeting.

#### **9. PROCEEDINGS AT GENERAL MEETINGS**

---

- 9.1 No business can be transacted at any Annual General Meeting or general meeting unless a quorum of Members is present in person or by proxy or attorney at the time when the meeting is due to commence.
- 9.2 A quorum is 50 per cent of Members present in person or by proxy or attorney.



- 9.3 Having regard to the provisions of clause 9.1, at a meeting of the Company no motion to remove a Member may be proposed or considered unless a motion to remove that person as a director has been proposed, the motions are dealt with together and insofar as the motion to remove a Director is concerned, the provisions of the Corporations Act and this Constitution are observed.
- 9.4 If a quorum of Members is not present within half an hour after the time appointed for the meeting, the meeting:
- (a) if convened upon the requisition of Members, is dissolved; or
  - (b) in any other case, is adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the Chairman may determine.
- 9.5 If a quorum is not present at the adjourned meeting within half an hour after the time appointed for the meeting, the Members (as applicable) present constitute a quorum.
- 9.6 The Chairman may, with the consent of the Members present at any meeting at which a quorum is present (and must if so directed by those Members), adjourn the meeting from time to time and from place to place. No business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 9.7 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting but it is not otherwise necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting.
- 9.8 In the case of an equality of votes, the Chairman of the meeting has a second or casting vote except:
- (a) on a resolution to amend the Constitution;
  - (b) on the election or removal of Members; and
  - (c) on a resolution to increase the Directors' remuneration.
- 9.9 Unless a poll is demanded, a declaration by the Chairman is conclusive evidence of the result, provided the declaration reflects a show of hands. Neither the Chairman nor the minutes need to state the number or proportion of votes recorded in favour or against.
- 9.10 If a poll is duly demanded it must be taken in such manner and time as the Chairman directs, and the result of the poll is the resolution of the meeting at which the poll was demanded. If a poll is demanded on the election of a Chairman or on a question of adjournment, it must be taken immediately.

## **10. VOTING**

---

- 10.1 A Member may vote in person or by proxy or attorney.
- 10.2 Each Member has one vote whether on a show of hands or on a poll.

## **11. PROXIES**

---

- 11.1 A proxy must:
- (a) be in writing under the hand of the Member or of the Member's attorney duly authorised in writing; and
  - (b) contain:



- (i) the Member's name; and
  - (ii) the meetings at which the proxy may be used.
- 11.2 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- 11.3 An instrument appointing a proxy is taken to confer authority to demand or join in demanding a poll.
- 11.4 An instrument appointing a proxy must be in the following form or in a form that is as similar to the following form as the circumstances allow:

Racing Queensland Limited

I, \_\_\_\_\_, of \_\_\_\_\_,  
 being a member of the Company, appoint \_\_\_\_\_ of \_\_\_\_\_ or,  
 in their absence, \_\_\_\_\_ of \_\_\_\_\_ as my  
 proxy to vote for me on my behalf at the \*Annual General Meeting/\*general meeting of the  
 Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and at any adjournment of  
 that meeting.

+This form to be used \*in favour of/\*against the resolution.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

\*Strike out whichever is not desired

+To be inserted if desired.

- 11.5 An instrument appointing a proxy is not valid unless:
- (a) the instrument; and
  - (b) the original or a certified copy of the power of attorney or other authority under which the instrument is signed,  
 is deposited:
    - (c) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
    - (d) in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll,
- at:
- (e) the registered office of the Company; or
  - (f) such other place as is specified for that purpose in the notice convening the meeting.
- 11.6 Where the time to lodge under clause 11.5 falls on a day which is not a business day in the place where the registered office of the Company is located, the document must be deposited at same time on the previous business day.
- 11.7 For the purpose of clause 11.5, a document is taken to be "deposited at the registered office of the Company" if a legible, true copy of a document is received on a facsimile machine located at the registered office of the Company or scanned and emailed to the Company Secretary within the time referred to in clause 11.5.



- 11.8 A vote made in accordance with the terms of an instrument of proxy or of a power of attorney is valid despite:
- (a) the previous death or unsoundness of mind of the principal; or
  - (b) the revocation of the instrument (or of the authority under which the instrument was executed) or of the power; or
  - (c) no notice in writing of any of the events referred to in this clause having been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised.

## **12. APPOINTMENT, REMOVAL & REMUNERATION OF DIRECTORS**

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12.1 The Board will consist of seven Directors.

12.2 The Founding Directors will be:

- (a) Robert Geoffrey Bentley;
- (b) Anthony John Hanmer;
- (c) William Patrick Ludwig;
- (d) Wayne Norman Milner;
- (e) Bradley John Ryan;
- (f) Kerry Lee Watson; and
- (g) Robert James Lette,

who will hold office until the Annual General Meeting of the Company following the Initial Term, unless they cease to hold office sooner in accordance with this Constitution or the Corporations Act and who will then retire by rotation in accordance with the following provisions of this clause 12.

12.3 After the Initial Term an election of Directors must take place in every Election Year in accordance with clause 15.

12.4 The Chairman and one Director (other than the Deputy Chairman) must retire at the first Annual General Meeting following the Initial Term.

12.5 The Deputy Chairman and one Director (other than the Directors selected to replace those that retired under clause 12.4) must retire at the third Annual General Meeting following the Initial Term.

12.6 Two Directors (other than those Directors selected to replace those that retired under clauses 12.4 and 12.5) must retire at the fifth Annual General Meeting following the Initial Term.

12.7 One Director (other than those Directors selected to replace those that retired under clauses 12.4, 12.5 and 12.6) must retire at the seventh Annual General Meeting following the Initial Term.

12.8 At the ninth Annual General Meeting following the Initial Term and in each Election Year, two Directors must retire from office by rotation. The Directors to retire by rotation in an Election Year are those who have been longest in office since their election. As between Directors who have been in office for an equal length of time, those to retire, if there is not agreement between them, must be determined by the Chairman.



- 12.9 A retiring Director may act until the conclusion of the Annual General Meeting at which he or she retires.
- 12.10 Each Director retiring from office in accordance with clause 12 is eligible to apply to become a Director under clause 15.
- 12.11 The Company may by ordinary resolution remove any Director before the expiration of his or her period of office. The office of a Director becomes vacant if the Director:
- (a) dies;
  - (b) is convicted of a criminal offence;
  - (c) becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
  - (d) becomes prohibited from being a director of a company by reason of any order made under the *Corporations Act*;
  - (e) ceases to be a Director by operation of any provision of the *Corporations Act*;
  - (f) ceases to be a Member;
  - (g) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the *Corporations Act* relating to mental health;
  - (h) resigns as a Director by notice in writing to the Company;
  - (i) is absent from three consecutive meetings of the Board without having previously obtained leave of the Board;
  - (j) ceases to be an eligible individual under the *Racing Act*; or
  - (k) is guilty of any conduct which in the opinion of the Board is unbecoming of a Director of the Company or is prejudicial to its interests.
- 12.12 For the avoidance of doubt, in circumstances where a vacancy arises due to any of the reasons set out in clause 12.11, the Board may appoint a Director to fill the vacancy. Any Director appointed under this clause 12.12 will hold office until the conclusion of the next Annual General Meeting of the Company after their appointment, but is eligible to apply to be confirmed as a Director by following the process under clause 15.
- 12.13 The Directors are entitled to be remunerated for their services from the date he or she is appointed to the Board. The remuneration accrues from day to day and is to be apportioned accordingly.
- 12.14 The maximum amount of the remuneration of the Chairman, Deputy Chairman and the other Directors will be determined, subject to the *Corporations Act*, by an independent consultant who has expertise in remuneration of public company directors. The amount of remuneration determined by the independent consultant must be approved by the Chief Executive Officer of the Queensland Government Department responsible for racing from time to time. The amounts shall be fixed for each period of two years commencing from the date of commencement of the Initial Term. The Company may not approve remuneration for payment to Directors in excess of that determined by the independent consultant and approved by the Chief Executive Officer of the Queensland Government Department responsible for racing from time to time.
- 12.15 Subject to clause 12.14, the remuneration of each Director will be determined by the Board or any committee of it.

- 12.16 The Directors are also entitled to be paid their reasonable travelling and accommodation and other expenses incurred in consequence of their attendance at Directors' meetings and otherwise in the execution of their duties as Directors.

### **13. CHAIRMAN**

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- 13.1 The initial Chairman of the Company will be Robert Geoffrey Bentley, who will hold office until the conclusion of the first Annual General Meeting following the Initial Term.
- 13.2 The Chairman must retire following the first Annual General Meeting held after the Initial Term but may offer himself for re-election as a Director.
- 13.3 Subject to this Constitution and the *Corporations Act*, any Director of the Company may offer himself or herself for election as Chairman.
- 13.4 Following the Initial Term the election of the Chairman will be determined by the Board following each Director selection process in accordance with clause 15.
- 13.5 If the Chairman retires or is removed from office under clause 12.11 a new Chairman will be appointed by a majority decision of the Board.

### **14. DEPUTY CHAIRMAN**

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- 14.1 The initial Deputy Chairman of the Company will be Anthony John Hanmer, who will hold office until the conclusion of the third Annual General Meeting following the Initial Term.
- 14.2 The Deputy Chairman must retire following the third Annual General Meeting held after the Initial Term but may offer himself for re-election as a Director.
- 14.3 Subject to this Constitution and the *Corporations Act*, any Director of the Company may offer himself or herself for election as Deputy Chairman.
- 14.4 Following the Initial Term the election of the Deputy Chairman will be determined by the Board following each Director selection process in accordance with clause 15.
- 14.5 If the Deputy Chairman retires or is removed from office under clause 12.11 a new Deputy Chairman will be appointed by a majority decision of the Board.

### **15. SELECTION OF DIRECTORS**

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- 15.1 Four months prior to the holding of an Annual General Meeting following the conclusion of the Initial Term a Director selection process must take place in accordance with the provisions of this clause. In every Election Year, a Director selection process must be initiated to enable the election of directors in accordance with the provisions of this clause 15.
- 15.2 Not less than three months prior to the Annual General Meeting in an Election Year, the Board must appoint an Independent Recruitment Consultant to identify, assess and prepare a list of those persons who are or will be, prior to appointment, qualified under the Racing Act to act as a director of a control body, who meet with the requirements of Appendix A and who are best suited to meet the requirements of the Board, to enable the vacancies occurring on the Board in that year to be filled at the close of the next Annual General Meeting.
- 15.3 Not less than two months prior to the Annual General Meeting in an Election Year the Independent Recruitment Consultant must prepare and give to the Company Secretary a list of those applicants who by reason of their qualification against the Selection Criteria and suitability are in the opinion of the Independent Recruitment Consultant appropriate for consideration for appointment to the Board.



- 15.4 Not less than six weeks prior to the Annual General Meeting in an Election Year, a Selection Committee must be convened by the Chairman. The Selection Committee will be comprised of:
- (a) the Chairman or in his absence the Deputy Chairman at that time or if neither is available one other Director chosen by the Board;
  - (b) one person who is a Fellow of the Australian Institute of Company Directors and who is a then sitting director of an ASX Top 200 listed company; and
  - (c) one person appointed by the Director General of the Queensland Government department responsible for racing in Queensland.
- 15.5 The Chairman or the other person from paragraph 15.4(a) must chair the meeting of the Selection Committee.
- 15.6 The Selection Committee may in its discretion interview anyone whose name appears on the list prepared by the Independent Recruitment Consultant. No person is entitled to an interview merely because his or her name appears on the list.
- 15.7 The meeting must first discuss the Shortlist and try to agree who is to be the preferred candidate or candidates to fill the vacancy.
- 15.8 If no agreement is reached on the preferred candidate or candidates after such time as the person chairing the meeting considers reasonable, the Selection Committee must determine by majority vote the person or persons to be selected to fill the vacancies.
- 15.9 The decision of the Selection Committee will effect the election of those Directors from the close of the next Annual General Meeting. At the Annual General Meeting the Chairman shall announce the election of those Directors selected.

## **16. POWERS AND DUTIES OF THE DIRECTORS**

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- 16.1 The management of the Company is the responsibility of the Board and the Board may exercise all powers of the Company as are not, by the *Corporations Act* or by this Constitution, required to be exercised by the Company in general meeting.
- 16.2 The Board may make by-laws that are not inconsistent with the Constitution and the *Corporations Act* for the general management and running of the Company.
- 16.3 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its property or any part of it, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company.

## **17. PROCEEDINGS OF THE BOARD**

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- 17.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may at any time, and the Secretary must, on the requisition of a Director, summon a meeting of the Board.
- 17.2
- (a) Where a meeting of Directors is held the Chairman shall chair the meeting provided that if:
    - (i) the Chairman has not been elected; or
    - (ii) the Chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,



the Deputy Chairman will act as Chairman of the meeting, unless:

- (iii) the Deputy Chairman has not been elected; or
- (iv) the Deputy Chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

in which case, the Directors present must elect one of them to be the chairman of the meeting.

- 17.3 Subject to this Constitution, questions arising at any meeting of the Board will be decided by a majority of votes, and a determination by a majority of the members of the Board is a determination of the Board.
- 17.4 In case of an equality of votes, the Chairman of the meeting has a second or casting vote.
- 17.5 The quorum necessary for the transaction of the business of the Board is three.
- 17.6 Where a motion is put to the Board to rescind any previous decision of the Board, the decision shall not be passed unless directors support the motion by a 75 per cent majority.
- 17.7 The continuing members of the Board may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the quorum of the Board, the continuing Directors may act for the purpose of filling a casual vacancy to that number or of summoning a general meeting of the Company, but for no other purpose.
- 17.8 A resolution in writing signed by all Directors in Australia for the time being entitled to receive notice of a meeting of the Board is as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors.
- 17.9 The Board may delegate any of its powers and/or functions to one or more committees consisting of such of the Directors as the Board thinks fit and the Board may also appoint the chairman of any such committee. Any committee may include a person or persons who are not a Member of the Company.
- 17.10 Each committee must keep proper minutes of its meetings and the provisions regulating proceedings of the Board apply to the proceedings of committees also.
- 17.11 A committee may meet and adjourn as the members of it think proper.
- 17.12 Committees are appointed by the Board only and may only make recommendations to the Board. No decision of a committee is binding on the Company unless it is ratified by the Board.
- 17.13 Every act done by any meeting of the Board or of a committee or by any person acting as a Director is, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or in the formation or constitution of a committee or any of them were disqualified, as valid as if every such person had been duly appointed and was qualified to be a Director or the formation or charter of the committee as the case may be.

## 18. MEETINGS USING TECHNOLOGY

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- 18.1 A Board meeting or meeting of any committee or of Members may be called or held using any technology allowed under the *Corporations Act* and consented to by all the Directors.
- 18.2 The consent referred to in clause 18.1 may be a standing one. A Director or Member may only withdraw his or her consent within a reasonable period before the meeting.



## **19. NO ALTERNATE DIRECTORS**

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19.1 No Director may appoint any other person to be an alternate Director of the Company.

## **20. DIRECTORS CONTRACTING WITH THE COMPANY**

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20.1 No Director is disqualified by his or her office from contracting with the Company (whether as vendor or purchaser or otherwise). Nor can any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be voided. Nor can any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of the Director holding that office or of the fiduciary relationship. The nature of the Director's interest must be disclosed by the Director at the first meeting of the Board after the events or circumstance giving rise to the conflict occurring and the Secretary must record each declaration in the minutes of the meeting.

20.2 The declaration must be made at a meeting of the Directors at which the contract or arrangement is determined if the Director's interest then exists, or in any other case at the first meeting of the Directors after the acquisition of the Director's interest.

20.3 A general notice that a Director is a member of a specified company or firm and is to be regarded as interested in any subsequent transaction with the company or firm is sufficient disclosure under this clause if:

- (a) the notice states the nature and extent of the interest of the Director in the company or firm; and
- (b) when the question of confirming or entering into the transaction is first taken into consideration the extent of the Director's interest in the company or firm is not greater than is stated in the notice; and
- (c) the notice is given at the meeting of Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

20.4 The giving of a declaration or a general notice under this clause does not entitle a Director to be present or to vote at a meeting in relation to a particular contract unless a resolution of the Board under clause 20.5 has first been passed.

20.5 A Director who has a material interest in a matter that is being considered at a Directors' Meeting must not be present at the meeting while the matter is being considered and must not vote on the matter unless clauses 20.2 and 20.3 have been satisfied and the Directors who do not have a material interest in the matter have passed a resolution in accordance with section 195 of the *Corporations Act*.

20.6 Subject to a Director having complied with this clause, the Director may affix and witness the affixing of the Common Seal of the Company to any contract in which he or she is interested.

## **21. COMPANY SECRETARY**

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21.1 The Secretary of the Company holds office on the terms decided by the Directors and in accordance with the *Corporations Act*.

21.2 The Secretary must cause minutes to be made and entered of:

- (a) the names of Directors and other persons present at all meetings of the Company and of the Board and of committee of the Board; and



- (b) all proceedings at all meetings of the Company and of the Board or of any committee constituted by the Board.

21.3 The minutes must be signed by the Chairman of the meeting at which the proceedings were held or within 30 days of the date on which the meeting was held.

## 22. ACCOUNTS

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22.1 The Auditor of the Company is appointed by the Company in general meeting and holds office in accordance with the *Corporations Act*.

22.2 The Board must cause:

- (a) proper accounting and other records to be kept;
- (b) copies of yearly financial statements (including every document required by law to be attached to them) accompanied by a copy of any auditor's report to be distributed to Members as required by the *Corporations Act*; and
- (c) a statement of financial position, a statement of financial performance and a statement of cash flow for the preceding financial year of the Company to be prepared to a date not more than twelve months before the date of the meeting and sent to every Member with the notice for each Annual General Meeting.

## 23. NOTICES

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23.1 A Company may give the Notice of Meeting to a Member either by:

- (a) serving it on the Member personally;
- (b) by sending it by post to the Member at the address shown in the register of members or the address supplied by the member for the giving of notices;
- (c) forwarding it by facsimile transmission at the facsimile number shown in the registers of Members (if any) or the facsimile number supplied by the member for the giving of notices;
- (d) forwarding it by electronic mail to the electronic mail address shown in the register of Members (if any) or the electronic mail address supplied by the members for the giving of notices; or
- (e) in any other way allows by the *Corporations Act*.

23.2 A Notice of Meeting sent by post is taken to be given seven days after it is posted.

23.3 A Notice of Meeting sent by facsimile will be deemed to be effected on the date the Company receives a facsimile transmission report confirming receipt of the notice at the facsimile number for the member referred to in clause 23.1.

23.4 Where a notice is forwarded by electronic mail, service will be deemed to be effected on the day of the transmission, so long as the sender of the notice does not receive a delivery failure message.

23.5 Notice of every Meeting must be given in any manner authorised by this Constitution to:

- (a) every Member except those Members who have not supplied to the Company an address for the giving of Notices to them; and
- (b) the auditor or auditors for the time being of the Company.



23.6 No other person is entitled to receive Notices of Meetings.

#### 24. WINDING-UP

---

- 24.1 Upon the winding up or dissolution of the Company if any property remains after satisfaction of all its debts and liabilities, that property must not be paid to or distributed among the Members of the Company. It must be given or transferred to a Control Body or Bodies for thoroughbred, harness and greyhound racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then to an institution or institutions having similar objects of the Company as determined by a Judge of the Supreme Court of Queensland.
- 24.2 In the event that the Company ceases to be a Control Body under the *Racing Act*, the Board will call a general meeting of Members to resolve to wind up the Company and will deal with the assets of the Company in accordance with clause 24.1.
- 24.3 Every Member of the Company undertakes to contribute to the assets of the Company to a maximum of \$10 in the event of the Company being wound up while he or she is a Member or within one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

#### 25. INDEMNITY

---

- 25.1 Every Director, Secretary and other officer of the Company is indemnified out of the assets of the Company against any liability incurred by the person as officer except where the Company is prohibited from indemnifying the person under the provisions of the *Corporations Act*. The indemnity may extend to a liability for costs and expenses incurred by a person in defending proceedings, whether civil or criminal, irrespective of their outcome.
- 25.2 The Company may pay premiums in respect of contracts insuring persons who are or have been officers or auditors of the Company against liabilities incurred by them as officers or auditors and liability for costs and expenses incurred in defending proceedings (whether criminal or civil) whatever their outcome except in circumstances where the Company is prohibited from doing so under the *Corporations Act*.
- 25.3 A Director, manager, secretary or other officer of the Company is not liable for:
- (a) the act, neglect or default of any other Director or officer;
  - (b) any loss or expenses incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company;
  - (c) the insufficiency or deficiency of any security in or upon which any of the moneys of the Company are invested;
  - (d) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are deposited or left; or
  - (e) for any other loss or damage which happens in the execution of the duties of his office,
- unless the same happens through his or her own negligence, wilful default, breach of duty or breach of trust.

## 26. COUNTRY RACING

### 26.1 Country Racing

The Board, at its first meeting, will establish the Country Racing Committee and the Associations for the provision of advice to the Board in relation to country thoroughbred races:

- (a) the Capricornia Country Racing Association;
- (b) the Central West Country Racing Association;
- (c) the Downs Country Racing Association;
- (d) the Eastern Downs Country Racing Association;
- (e) the Far North Country Racing Association;
- (f) the Leichardt Country Racing Association;
- (g) the North West Country Racing Association; and
- (h) the South East Country Racing Association.

### 26.2 Country Racing Committee

- (a) The Country Racing Committee will be made up of representatives from the Associations.
- (b) The chairman of each Association and a representative from the Company will comprise the Country Racing Committee.
- (c) A member of the Country Racing Committee holds his or her position until removed by the relevant Association which appointed him or her.
- (d) The Company representative on the Country Racing Committee will be the chairman of the Country Racing Committee.
- (e) The Country Racing Committee will meet biannually as a minimum, with these meetings scheduled for November and March. Additional meetings will be on an as needs basis at the discretion of the chairman of the Country Racing Committee.
- (f) The Country Racing Committee will provide advice to the Company about country thoroughbred racing.
- (g) The functions of the Country Racing Committee are to:
  - (i) consider submissions made by Associations about matters including funding, prize money distribution and race date allocations;
  - (ii) give advice to the Company about any submissions received from Associations; and
  - (iii) monitor the performance of country race clubs and advise the Company on such performance.

### 26.3 Associations

- (a) The function of each Association established under clause 26.1 is to provide advice to the Country Racing Committee about race meetings conducted by country clubs that are members of it.



- (b) The geographical boundaries of each Association are those as at 30 June 2010. These boundaries may be varied from time to time by the Company after consultation with the Country Racing Committee.
- (c) Each registered country race club located within an Association may nominate a representative to the relevant Association.
- (d) The Queensland Branch of the Australian Trainers' Association, the Queensland Jockeys' Association, the Queensland Bookmakers' Association and the Queensland Racehorse Owners' Association may each provide a representative to each Association.
- (e) For the purpose of determining eligibility for nomination as representative to an Association, a nominated person must reside within the respective Association's geographical boundaries.
- (f) The representative nominated by a country race club or one of the associations in clause 26.3 (d) to an Association represents that club or association until removed by the club or association.
- (g) Each Association must meet at least once per calendar year. Additional meetings may be conducted at the discretion of each Association.

#### **26.4 Country Race Dates**

- (a) Each year the Company will provide a draft race date schedule to the Country Racing Committee for the purpose of consultation.
- (b) The Company will take into account the results achieved by meetings in preceding racing seasons, with the following criteria to be considered:
  - (i) meetings achieving agreed key performance indicators;
  - (ii) meetings failing to meet agreed benchmarks;
  - (iii) best use of available horse populations;
  - (iv) maximisation of wagering returns for the industry;
  - (v) reduction of regional race date clashes; and
  - (vi) ability to appropriately service meetings (essential race day staff and jockeys).
- (c) Following the consultation process the Company and the Country Racing Committee will review the feedback received and endeavour to reach agreement on the proposed race date schedule.
- (d) Should the Company and the Country Racing Committee be unable to reach agreement on the number of days on which country race meetings are to be held, the number of country race meetings for the year under consideration must be not less than the number of days on which country race meetings were held in the previous racing season.

## APPENDIX A

### Directors Selection Criteria

Candidates must be capable of demonstrating that they are an eligible individual within the meaning of the Racing Act.

It is a mandatory requirement for any two or more of the following to apply:

1. Five or more years experience as a director or senior manager of a Large Proprietary Company\*, a public company or a public sector entity.
2. Five or more years experience in a senior administrative role.
3. Five or more years experience at a senior level in the fields of finance, law, marketing or commerce.
4. Five or more years experience as a non executive director in a Large Proprietary Company\* or a public company.
5. Knowledge of the Thoroughbred Racing Code, Harness Racing Code or Greyhound Racing Code.

\*A proprietary company is a Large Proprietary Company if it satisfies at least 2 of the following paragraphs:

- (i) The consolidated gross operating revenue for the financial year of the company and the entities it controls (if any) is \$10 million or more;
- (ii) The value of the consolidated gross assets at the end of the financial year of the company and the entities it controls (if any) is \$5 million or more;
- (iii) The company and the entities it controls (if any) have 50 or more employees at the end of each financial year.



**COOPER GRACE WARD**  
LAWYERS

**Queensland Racing Limited (Company)**

**Wayne Norman Milner (Director)**

**DEED OF ACCESS  
AND INDEMNITY**

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## DEED OF ACCESS AND INDEMNITY

### PARTIES

QUEENSLAND RACING LIMITED ACN 116 735 374 of Racecourse Road, Deagon in the State of Queensland (Company)

WAYNE NORMAN MILNER of 59 Bendena Terrace, Carina Heights in the State of Queensland (Director)

### BACKGROUND

- A. The Director is or is to become a director of the Company.
- B. The Director has requested that the Company execute this Deed in consideration of the Director becoming or continuing as a Director.

### AGREEMENTS

#### 1. INTERPRETATION

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##### 1.1 Definitions

In this document:

**Board papers** includes Company Board papers, minutes (including board meeting or committee meeting minutes), documents circulated to the Director or to another director whilst the Director was acting as a director, letters of advice, reports to and from directors and all documents of the Company referred to in any of those documents.

**Claim** means any claim, action, suit, proceeding or demand which may be initiated by either the Director or a Third Party arising out of, or in connection with, or in direct or indirect consequence of, the performance of the Director in good faith in his capacity as a director, including responding to any administrative inquiry or investigation.

**Company** includes all subsidiaries of the Company.

**Corporations Act** means the *Corporations Act 2001* as amended or replaced from time to time.

**Indemnity Policy** means the insurance policy the Company is required to take out under Clause 2 of this document.

**Records** mean the documents, plans, files, financial accounts, records, drawings or specifications, whether in written or electronic or other form.

**Third Party** means any person other than the Company and including any other director or other officer of the Company.

##### 1.2 Construction

In this document:

- (a) words in the singular include the plural and vice versa;
- (b) words indicating any gender indicate the appropriate gender;

- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) where the words used in this document is also given a meaning in the Corporations Act, that meaning in the Corporations Act applies to the word in this document;
- (e) references to any document (including this document) include references to the document as amended, consolidated, supplemented, novated or replaced;
- (f) a reference to a Statute includes a reference to or citation of all enactments amending or consolidating the Statute and to an enactment substituted for the Statute; and
- (g) headings are included for convenience only and do not affect interpretation of this document.

## 2. INSURANCE

---

- 2.1 To the extent permitted by Section 199B of the *Corporations Act* and other statutory provisions and the common law, the Company agrees to:
- (a) take out an Indemnity Policy covering Claims made against the Director during the period in which that person is a director and for a period of seven years from the date that the Director ceases to be a director. The Indemnity Policy will be taken out on the terms and conditions and subject to the excess provisions that the Company thinks appropriate insuring against all liability which the Director may incur arising out of matters or circumstances which relate to the Directors having exercised that office other than those arising out of conduct involving:
    - (i) a wilful breach of duty in relation to the Company; or
    - (ii) without limiting 2.1(a)(i), a contravention of section 182 or 183 of the Corporations Act; and
  - (b) provide the Director upon request with a copy of the Indemnity Policy or a certificate of currency.
- 2.2 The Director agrees to comply with any Indemnity Policy conditions and to cooperate and assist the Company in circumstances involving the legal liability of the Company including giving the Company any information and help the Company may require and attending court to give evidence.

## 3. INDEMNITY AND DEFENCE COSTS

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- 3.1 If for some reason that is not the wilful fault of the Director, the Director suffers a loss as a result of a Claim for which he or she is not insured under the Indemnity Policy, the Company agrees, to the extent permitted by law, to indemnify the Director against:
- (a) any liability to the Third Party;
  - (b) the Director's reasonable legal costs incurred in relation to the Claim on a solicitor and own client basis;
  - (c) a loss of reputation; and
  - (d) loss of future earning capacity,
- that is suffered by the Director during the performance as a director due to the conduct of any director of the Company other than the Director, provided that:
- (e) the Director has not failed to act in good faith in performing the duty as a director; and

- (f) the loss is reasonably foreseeable for a person who is in the position of a director of the Company.

3.2 It is a precondition of the operation of this indemnity that the Director:

- (a) notifies the Company in writing as soon as practicable after:
  - (i) becoming aware of any circumstances which the Director reasonably considers may result in a Claim by a Third Party;
  - (ii) being served with a writ or other process;
  - (iii) becoming aware of any circumstances which the Director reasonably considers may result in loss of reputation or loss of future earning capacity of the Director; or
  - (iv) forming an opinion to initiate a Claim against a Third Party; and
- (b) if clause 3.2(a)(ii) applies:
  - (i) takes all necessary steps to instruct Solicitors to defend the process, unless the Company, where it is not prejudicial to the Director, decides to conduct the defence; and
  - (ii) if requested by the Company, signs all documents necessary to consent for the Company (subject to the provisions of clause 3.2(b)(i)) to have the carriage of the defence in the name of the Director; or
- (c) if clause 3.2(a)(iii) applies, provides information to satisfy the Company that the loss of reputation or loss of future earning capacity of the Director is reasonably foreseeable; or
- (d) if clause 3.2(a)(iv) applies, provides information to satisfy the Company that the Claim is reasonably required by a person in the position of a director of the Company.

3.3 It is a further precondition of this indemnity that the Director, where it is reasonably within the Director's ability, cooperates and assists the Company in circumstances involving the legal liability of the Company, giving the Company any information and help the Company may require, including attending court to give evidence. The Company will pay to the Director any costs reasonably incurred by him or her in so doing (but not a charge for his or her time).

#### **4. ACCESS TO RECORDS AND BOARD PAPERS**

---

- 4.1 The Company agrees to keep an up to date and complete set of all Board papers, in chronological order, in suitable secure custody at all times and to maintain the Records of the Company for the period required by law or for seven years from the date the Director ceases to be a director, whichever is the longer.
- 4.2 On written request, the Company must provide during normal business hours and at no cost to the Director, copies of Records and Board papers to which the Director would have had access during the period of the Director's directorship if:
  - (a) the Director is being sued or any action or proceeding is threatened against the Director in his or her personal capacity for some act or omission that occurred while a director of the Company (Proceedings);
  - (b) the Director requires access to Records or Board papers to respond to or defend the Proceedings;
  - (c) the Records or Board papers requested are relevant to the Proceedings; and
  - (d) the Director gives a written undertaking that the Records or Board papers will be used for no other purpose than to defend the Proceedings.

4.3 If the Director wishes to have access to Records or Board Papers, the Director must deliver to the company secretary of the Company a written request for such access. A request may specify particular Records or Board papers which the Director wishes to have access to or the request may specify Records or Board papers by reference to type, date or by a general description. A request must identify the claim in respect of which the Director wishes to have access to the Records or Board papers and, if the Director wishes access to be made available to the Director's representative, must also identify the representative.

4.4 Subject to clause 4.5, the Company acknowledges that the Director may keep and retain possession of any Record or Board Paper given or delivered to the Director during the Director's directorship unless:

- (a) the Company reserves its right to recall the Record or Board paper when it was delivered or given to the Director;
- (b) conditions regarding possession or disposal of the Record or Board paper were attached to the Record or Board paper when it was delivered or given to the Director, in which case those conditions shall have effect according to their terms; or
- (c) the Record or Board paper is the subject of legal professional privilege vesting solely in the Company,

in which case, the document remains the property of the Company and the Director must return the Record or Board paper and all copies of it to the Company upon the Director ceasing to be a director.

4.5 If a Record or Board Paper to which the Director has had or requires access is the subject of legal professional privilege to the benefit of the Company, the Director must not do any act or thing or omit to do any act or thing which act, thing or omission will cause that privilege to be waived, extinguished or lost. The Company will notify the Director:

- (a) that a Record or Board paper to which the Director has had access is the subject of legal professional privilege to the benefit of the Company; and
- (b) of the general nature of acts or omissions that could cause that privilege to be waived, extinguished or lost.

4.6 The Company will not be required to provide access to or copies of material included in the Records or Board papers in respect of which the Company is entitled to claim legal professional privilege if the provision of that access or those copies would waive the privilege unless the Director is also entitled to claim legal professional privilege in respect of the same material.

## 5. SEVERABILITY

---

5.1 The provisions of this document are severable. If any provision is found to be unlawful, void or unenforceable, then that provision will be read down to the extent necessary to ensure that it does not infringe any law or is not otherwise unlawful, void or unenforceable so as to give it a valid operation of a partial character.

5.2 If the infringing provision cannot be read down it will be deemed to be deleted as if it had never been included in the document and the remaining provisions will continue to have their full force and effect.

## 6. GENERAL

---

### 6.1 Governing Law

This document will be construed in accordance with the laws in force in Queensland and the parties submit to the jurisdiction of the Courts of Queensland.

**6.2 Reference to a party**

Any reference to a party in this document includes, and any obligation or benefit under this document will bind or take effect for the benefit of, that party's executors, trustees, administrators, successors in title and permitted assigns.

**6.3 Entire Agreement**

This document represents the entire agreement between the parties and supersedes all prior representations, agreements, statements and understandings between the parties.

**6.4 Amendments to be in Writing**

No amendment to this document has any force unless it is in writing and signed by all of the parties to this document.

**6.5 Joint and Several**

An obligation of two or more persons under this document binds them jointly and severally and every expressed or implied agreement or undertaking by which two or more persons derive any benefit in terms of this document will take effect for the benefit of those persons jointly and severally.

**6.6 Waiver**

The failure of a party to this document to enforce a provision or the granting of any time or indulgence will not be construed as a waiver of the provision nor of a waiver of the right of the party at a later time to enforce the provision.

**6.7 Counterparts**

This document may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

**6.8 Publicity**

No public announcement or communication relating to the negotiations of the parties or the subject matter or terms of this document will be made without the written approval of both parties.

**6.9 No Merger**

The rights and obligations of the parties contained in this document will not be extinguished by or upon completion.

SIGNED AS A DEED on 4 march 2010

SIGNED SEALED AND DELIVERED on behalf of QUEENSLAND RACING LIMITED ACN 116 735 374 (Company) in accordance with its Constitution by a director and a director/secretary or by a sole director (if applicable) in the presence of:

*[Handwritten Signature]*  
.....  
Director

*[Handwritten Signature]*  
.....  
Witness

*[Handwritten Signature]*  
.....  
Director/Secretary

4 march 2010  
.....  
Date

SIGNED SEALED AND DELIVERED by WAYNE NORMAN MILNER (Director) in the presence of:

*[Handwritten Signature]*  
.....  
Wayne Norman Milner

*[Handwritten Signature]*  
.....  
Witness

Debbie Toohy  
.....  
Name of Witness (print)

4 march 2010  
.....  
Date

KXX10071725 3084083v1



**COOPER GRACE WARD**  
LAWYERS

**Queensland Racing Limited (Company)**

**Bradley John Ryan (Director)**

**DEED OF ACCESS  
AND INDEMNITY**

**COOPER GRACE WARD**  
Lawyers  
Level 21, 400 George Street  
Brisbane Qld 4000 Australia

T 61 7 3231 2444  
F 61 7 3221 4356  
W [www.cgw.com.au](http://www.cgw.com.au)

K3K10071725 3084110v1

T 61 7 3231 2444

[www.cgw.com.au](http://www.cgw.com.au)

## DEED OF ACCESS AND INDEMNITY

### PARTIES

**QUEENSLAND RACING LIMITED** ACN 116 735 374 of Racecourse Road, Deagon in the State of Queensland (**Company**)

**BRADLEY JOHN RYAN** of 29 Derby Street, Hendra in the State of Queensland (**Director**)

### BACKGROUND

- A. The Director is or is to become a director of the Company.
- B. The Director has requested that the Company execute this Deed in consideration of the Director becoming or continuing as a Director.

### AGREEMENTS

#### 1. INTERPRETATION

---

##### 1.1 Definitions

In this document:

**Board papers** includes Company Board papers, minutes (including board meeting or committee meeting minutes), documents circulated to the Director or to another director whilst the Director was acting as a director, letters of advice, reports to and from directors and all documents of the Company referred to in any of those documents.

**Claim** means any claim, action, suit, proceeding or demand which may be initiated by either the Director or a Third Party arising out of, or in connection with, or in direct or indirect consequence of, the performance of the Director in good faith in his capacity as a director, including responding to any administrative inquiry or investigation.

**Company** includes all subsidiaries of the Company.

**Corporations Act** means the *Corporations Act 2001* as amended or replaced from time to time.

**Indemnity Policy** means the insurance policy the Company is required to take out under Clause 2 of this document.

**Records** mean the documents, plans, files, financial accounts, records, drawings or specifications, whether in written or electronic or other form.

**Third Party** means any person other than the Company and including any other director or other officer of the Company.

##### 1.2 Construction

In this document:

- (a) words in the singular include the plural and vice versa;
- (b) words indicating any gender indicate the appropriate gender;



- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) where the words used in this document is also given a meaning in the Corporations Act, that meaning in the Corporations Act applies to the word in this document;
- (e) references to any document (including this document) include references to the document as amended, consolidated, supplemented, novated or replaced;
- (f) a reference to a Statute includes a reference to or citation of all enactments amending or consolidating the Statute and to an enactment substituted for the Statute; and
- (g) headings are included for convenience only and do not affect interpretation of this document.

## 2. INSURANCE

---

- 2.1 To the extent permitted by Section 199B of the *Corporations Act* and other statutory provisions and the common law, the Company agrees to:
- (a) take out an Indemnity Policy covering Claims made against the Director during the period in which that person is a director and for a period of seven years from the date that the Director ceases to be a director. The Indemnity Policy will be taken out on the terms and conditions and subject to the excess provisions that the Company thinks appropriate insuring against all liability which the Director may incur arising out of matters or circumstances which relate to the Directors having exercised that office other than those arising out of conduct involving:
    - (i) a wilful breach of duty in relation to the Company; or
    - (ii) without limiting 2.1(a)(i), a contravention of section 182 or 183 of the Corporations Act; and
  - (b) provide the Director upon request with a copy of the Indemnity Policy or a certificate of currency.
- 2.2 The Director agrees to comply with any Indemnity Policy conditions and to cooperate and assist the Company in circumstances involving the legal liability of the Company including giving the Company any information and help the Company may require and attending court to give evidence.

## 3. INDEMNITY AND DEFENCE COSTS

---

- 3.1 If for some reason that is not the wilful fault of the Director, the Director suffers a loss as a result of a Claim for which he or she is not insured under the Indemnity Policy, the Company agrees, to the extent permitted by law, to indemnify the Director against:
- (a) any liability to the Third Party;
  - (b) the Director's reasonable legal costs incurred in relation to the Claim on a solicitor and own client basis;
  - (c) a loss of reputation; and
  - (d) loss of future earning capacity,
- that is suffered by the Director during the performance as a director due to the conduct of any director of the Company other than the Director, provided that:
- (e) the Director has not failed to act in good faith in performing the duty as a director; and

- (f) the loss is reasonably foreseeable for a person who is in the position of a director of the Company.

3.2 It is a precondition of the operation of this indemnity that the Director:

- (a) notifies the Company in writing as soon as practicable after:
- (i) becoming aware of any circumstances which the Director reasonably considers may result in a Claim by a Third Party;
  - (ii) being served with a writ or other process;
  - (iii) becoming aware of any circumstances which the Director reasonably considers may result in loss of reputation or loss of future earning capacity of the Director; or
  - (iv) forming an opinion to initiate a Claim against a Third Party; and
- (b) if clause 3.2(a)(ii) applies:
- (i) takes all necessary steps to instruct Solicitors to defend the process, unless the Company, where it is not prejudicial to the Director, decides to conduct the defence; and
  - (ii) if requested by the Company, signs all documents necessary to consent for the Company (subject to the provisions of clause 3.2(b)(i)) to have the carriage of the defence in the name of the Director; or
- (c) if clause 3.2(a)(iii) applies, provides information to satisfy the Company that the loss of reputation or loss of future earning capacity of the Director is reasonably foreseeable; or
- (d) if clause 3.2(a)(iv) applies, provides information to satisfy the Company that the Claim is reasonably required by a person in the position of a director of the Company.

3.3 It is a further precondition of this indemnity that the Director, where it is reasonably within the Director's ability, cooperates and assists the Company in circumstances involving the legal liability of the Company, giving the Company any information and help the Company may require, including attending court to give evidence. The Company will pay to the Director any costs reasonably incurred by him or her in so doing (but not a charge for his or her time).

#### **4. ACCESS TO RECORDS AND BOARD PAPERS**

- 4.1 The Company agrees to keep an up to date and complete set of all Board papers, in chronological order, in suitable secure custody at all times and to maintain the Records of the Company for the period required by law or for seven years from the date the Director ceases to be a director, whichever is the longer.
- 4.2 On written request, the Company must provide during normal business hours and at no cost to the Director, copies of Records and Board papers to which the Director would have had access during the period of the Director's directorship if:
- (a) the Director is being sued or any action or proceeding is threatened against the Director in his or her personal capacity for some act or omission that occurred while a director of the Company (Proceedings);
  - (b) the Director requires access to Records or Board papers to respond to or defend the Proceedings;
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4.4 Subject to clause 4.5, the Company acknowledges that the Director may keep and retain possession of any Record or Board Paper given or delivered to the Director during the Director's directorship unless:

- (a) the Company reserves its right to recall the Record or Board paper when it was delivered or given to the Director;
- (b) conditions regarding possession or disposal of the Record or Board paper were attached to the Record or Board paper when it was delivered or given to the Director, in which case those conditions shall have effect according to their terms; or
- (c) the Record or Board paper is the subject of legal professional privilege vesting solely in the Company,

in which case, the document remains the property of the Company and the Director must return the Record or Board paper and all copies of it to the Company upon the Director ceasing to be a director.

4.5 If a Record or Board Paper to which the Director has had or requires access is the subject of legal professional privilege to the benefit of the Company, the Director must not do any act or thing or omit to do any act or thing which act, thing or omission will cause that privilege to be waived, extinguished or lost. The Company will notify the Director:

- (a) that a Record or Board paper to which the Director has had access is the subject of legal professional privilege to the benefit of the Company; and
- (b) of the general nature of acts or omissions that could cause that privilege to be waived, extinguished or lost.

4.6 The Company will not be required to provide access to or copies of material included in the Records or Board papers in respect of which the Company is entitled to claim legal professional privilege if the provision of that access or those copies would waive the privilege unless the Director is also entitled to claim legal professional privilege in respect of the same material.

## 5. SEVERABILITY

---

5.1 The provisions of this document are severable. If any provision is found to be unlawful, void or unenforceable, then that provision will be read down to the extent necessary to ensure that it does not infringe any law or is not otherwise unlawful, void or unenforceable so as to give it a valid operation of a partial character.

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This document represents the entire agreement between the parties and supersedes all prior representations, agreements, statements and understandings between the parties.

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An obligation of two or more persons under this document binds them jointly and severally and every expressed or implied agreement or undertaking by which two or more persons derive any benefit in terms of this document will take effect for the benefit of those persons jointly and severally.

**6.6 Waiver**

The failure of a party to this document to enforce a provision or the granting of any time or indulgence will not be construed as a waiver of the provision nor of a waiver of the right of the party at a later time to enforce the provision.

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This document may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

**6.8 Publicity**

No public announcement or communication relating to the negotiations of the parties or the subject matter or terms of this document will be made without the written approval of both parties.

**6.9 No Merger**

The rights and obligations of the parties contained in this document will not be extinguished by or upon completion.

SIGNED AS A DEED on 17 March 2010

SIGNED SEALED AND DELIVERED on behalf of QUEENSLAND RACING LIMITED ACN 116 735 374 (Company) in accordance with its Constitution by a director and a director/secretary or by a sole director (if applicable) in the presence of:

[Signature]
Director

[Signature]
Witness

[Signature]
Director/Secretary

17 March 2010
Date

SIGNED SEALED AND DELIVERED by BRADLEY JOHN RYAN (Director) in the presence of:

[Signature]
Bradley John Ryan

[Signature]
Witness

Debbie Toohy
Name of Witness (print)

17 March 2010
Date

KXX10071725 3084110v1



RACING QUEENSLAND

- Who is being investigated
- nature of investigation / AG / CMC / ASIC
- Who is retaining JCGW

← AG / CMC / ASIC →

Tuesday, 24 April 2012



RACING QUEENSLAND

Board Room, Racing Queensland  
Racecourse Road, Deagon

Meeting Commenced at 2:30pm  
Meeting Concluded at 2:34pm

- Board Directors Present:**
- ✓ Bob Bentley - Chairman - via telephone → Over of Eow
  - ✓ Bill Ludwig - via telephone
  - ✓ Wayne Millner - via telephone
  - ✓ Bradley Ryan - via telephone
  - Kevin Dixon - via telephone
- Board Directors Absence:**
- ✓ Tony Hanmer - Deputy Chairman (overseas)
  - ✓ Bob Letta ✓
- In attendance:**
- Adam Carter - Acting CEO
  - Michelle Hutchinson - Seconded - Clayton Utz
- Minutes:**
- Debbie Toohey - Board Secretary

The Chairman opened the Meeting at 2:30pm.

Consent to Short Notice

All Directors agreed to consent to Short Notice of the Board Meeting.

- engaged by executives
- purchase orders
- ✓ → ① CEO, Malcolm Tait
- ✓ ② Person Cap Con, Alanna Rich & CS

Appointment

To seek the Boards approval to appoint Cooper Grace Ward to represent any Director or Member, or employee former or current of Racing Queensland Limited (RQL) who requires representation at any hearing or inquiry or subsequent action that may arise from the investigation by the Auditor General and for RQL to meet the costs of such representation.

**MOVED** by Mr Bradley Ryan **SECONDED** by Mr Bill Ludwig

- ✓ ③ Tomie - Dept of Orchard Int Affairs
- ✓ ④ Paul Geenan - Dir of Product Development

**Motion carried**

The Chairman advised that the minutes would be circulated for confirmation today and requested all directors to confirm the minutes by email.

Confirmed as a true record.

have all confirmed

R G Bentley  
Chairman  
Dated 27/1/2012

# Aon Risk Services Australia Limited

Aon Risk Services Australia Limited  
ACN 000 434 720 ABN 17 000 434 720

Adam Carter  
Racing Queensland Limited  
PO Box 63  
SANDGATE QLD 4017

## CLIENT COVERAGE SUMMARY

If you have any queries please contact :  
Aon Corporate Risk Services  
GPO Box 65  
BRISBANE QLD 4001

Your contact is Simon Kennedy

Phone 07 3223 7400 Fax 07 3223 7490

**Client Name** : Racing Queensland Limited  
**Class of Insurance** : D&O & CO LIAB  
**Period of Insurance** : From - 30th June 2011  
: To - 30th June 2012

### COVERING (Summary Only)

INSURED RACING QUEENSLAND LIMITED

INTEREST INSURED

SECTION 1- DIRECTORS AND OFFICERS  
TO INDEMNIFY THE DIRECTORS & OFFICERS FOR ANY  
PAYMENT THEY SHALL BECOME LEGALLY LIABLE TO MAKE  
ARISING FROM ANY CLAIM MADE AGAINST THEM AND  
NOTIFIED TO THE INSURER DURING CLAIM MADE  
AGAINST THEM AND NOTIFIED TO THE INSURER DURING  
THE PERIOD OF INSURANCE BY REASON OF A WRONGFUL  
ACT THE PERIOD OF INSURANCE BY REASON OF A  
WRONGFUL ACT COMMITTED OR ALLEGED TO HAVE BEEN  
COMMITTED BY THEM IN THEIR CAPACITY AS DIRECTORS  
& OFFICERS OF THE ORGANISATION.

SECTION 2 - COMPANY REIMBURSEMENT  
TO INDEMNIFY THE ORGANISATION IN RESPECT OF ANY  
PAYMENT THEY ARE LEGALLY ENTITLED TO MAKE  
ARISING OUT OF A CLAIM FIRST MADE AGAINST ANY  
DIRECTOR OR OFFICER AND NOTIFIED TO THE INSURER  
DURING THE PERIOD OF INSURANCE BY REASON OF A  
WRONGFUL ACT COMMITTED OR ALLEGED TO HAVE BEEN  
COMMITTED BY THEM IN THEIR CAPACITY AS A  
DIRECTOR & OFFICER OF THE ORGANISATION.

LIMITS OF LIABILITY \$20,000,000 IN THE AGGREGATE FOR ALL LOSS.

SUB LIMITS OF LIABILITY:

INDEMNIFIABLE POLLUTION DEFENCE COSTS: \$ 1,000,000 IN THE AGGREGATE

TAX LIABILITY EXTENSION : \$ 1,000,000 IN THE AGGREGATE

ADDITIONAL EXCESS LIMIT FOR NON INDEMNIFIABLE LOSS : \$ 1,000,000 IN THE AGGREGATE FOR EACH MAIN BOARD DIRECTORS AND

**CLIENT COVERAGE SUMMARY**Racing Queensland Limited  
D&O & COLIAB\$10,000,000 IN THE AGGREGATE FOR  
ALL MAIN BOARD DIRECTORS.

CRISIS COSTS : \$ 25,000 IN THE AGGREGATE

PUBLIC RELATIONS EXPENSES : \$ 250,000 IN THE AGGREGATE

REPUTATION PROTECTION EXPENSES : \$ 150,000 IN THE AGGREGATE

CIVIL FINES/PECUNIARY PENALTIES : \$2,000,000 IN THE AGGREGATE

RETENTION: INSURING AGREEMENT B AND INDEMNIFIABLE LOSS:

(i) CLAIMS FALLING UNDER THE JURISDICTION OF THE COURTS IN OR  
THE LAWS OF THE UNITED STATES OF AMERICA OR SETTLED BY  
COMPRISE IN THE UNITED STATES OF AMERICA:(a) ALLEGING VIOLATION OF ANY OF THE PROVISIONS OF THE  
SECURITIES ACT 1933, THE SECURITIES EXCHANGE ACT 1934  
OR ANY SIMILAR FEDERAL OR STATE LAW OR ANY COMMON  
LAW RELATING THERETO: NOT APPLICABLE

(b) ALLEGING AN EMPLOYMENT RELATED WRONGFUL ACT: NOT APPLI

(c) FOR ALL OTHER CLAIMS NOT APPLICABLE

(ii) CLAIMS FALLING ANYWHERE IN THE WORLD OTHER THAN THE  
UNITED STATES OF AMERICA:(a) ALLEGING VIOLATION OF ANY SECURITIES LAWS OR  
PROVISIONS COMMON OR STATUTORY AUD10,000(b) ALLEGING AN EMPLOYMENT RELATED WRONGFUL ACT:  
NOT APPLICABLE

(c) FOR ALL OTHER CLAIMS AUD10,000

INSURING AGREEMENT C (b)

(i) INVESTGATIONS FALLING UNDER THE JURISDICTION OF THE  
COURTS IN OR THE LAWS OF THE UNITED STATES OF AMERICA  
OR SETTLED BY COMPRISE IN THE UNITED STATES OF  
AMERICA: NOT APPLICABLE(ii) INVESTIGATIONS FALLING ANYWHERE IN THE WORLD OTHER  
THAN THE UNITED STATES OF AMERICA: AUD30,000

DATE OF CONTINUOUS COVER 30/06/20010

ACQUISITION LIMIT AUD 20,000,000  
SECURITIES PLACEMENT/

**CLIENT COVERAGE SUMMARY**

Racing Queensland Limited  
D&O & CO LIAB

OFFERING LIMIT: (a) SHARES REGISTERED ON ANY EXCHANGE IN THE UNITED STATES OF AMERICA: USD0  
(b) SHARES NOT REGISTERED ON ANY EXCHANGE IN THE UNITED STATES OF AMERICA AUD0  
(c) DEBT OR NOTES REGISTERED ON ANY EXCHANGE IN THE UNITED STATES OF AMERICA: USD0  
(d) DEBT OR NOTES NOT REGISTERED ON ANY EXCHANGE IN THE UNITED STATES OF AMERICA: AUD0

DISCOVERY PERIOD UNDER  
CLAUSE 6(i) : 12 months

WORDING ACE ELITE II DIRECTORS & OFFICERS LIABILITY  
( ed. 02/10)

ENDORSEMENTS :

- \* PERCENTAGE SHAREHOLDER EXCLUSION (15%) AT THE TIME OF WRONGFUL ACT AND BOARD POSITION
- \* NORTH AMERICA EXCLUSION

**\*\* IMPORTANT NOTICE \*\***

THIS COVERAGE SUMMARY HAS BEEN PREPARED FOR GENERAL REFERENCE ONLY. NOTHING CONTAINED HEREIN PREVAILS OVER THE TERMS, CONDITIONS AND EXCLUSIONS OF THE POLICY.

=====

INSURER	POLICY NUMBER	PROPORTION
ACE INSURANCE LIMITED A.B.N. 23 001 642 020 28-34 O'CONNELL STREET SYDNEY NSW 2000	04CH008050	100.0000%



ace insurance

## ELITE II DIRECTORS & OFFICERS LIABILITY INSURANCE POLICY SCHEDULE AND WORDING

**INSURED ORGANISATION:** Racing Queensland Limited

**PERIOD:** 30 June 2011 to  
30 June 2012

### ABOUT ACE AUSTRALIA

ACE Insurance in Australia is a member of the ACE Group of Companies®, a global leader in insurance and reinsurance serving a diverse group of clients. Headed by ACE Limited (NYSE:ACE), a component of the S&P 500 stock index, the ACE Group conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries and a strong presence in Asia Pacific. Operating in Australia for over 50 years, ACE provides specialised and customised coverages including Marine, Property, Liability, Energy, Professional Indemnity, Directors and Officers, Financial Institutions, Utilities and Accident & Health. ACE delivers this wide range of quality risk management solutions backed by exceptional service to its broad client base. It is a major supplier of insurance protection to many of the country's largest companies.

ACE Insurance Limited, Lv 28, 10 Eagle Street, Brisbane QLD, AUSTRALIA 4001.  
Tel: +61 7 3221 1689 Fax: +61 7 3221 4124 Url: [www.aceinsurance.com.au](http://www.aceinsurance.com.au)  
ACE Insurance Limited ABN 23 001 642 020 AFSL No 239687



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ELITE II DIRECTORS AND OFFICERS LIABILITY INSURANCE SCHEDULE

No.	Title:	Description	
Item 1.	Policy Number:	04CH008050	
Item 2.	Company:	Racing Queensland Limited	
	Principal Address:	PO Box 63, SANDGATE, QLD, 4017	
Item 3.	Policy Period:	From 30 June 2011 at 4:00pm LST	
		To 30 June 2012 at 4:00pm LST	
		Both days inclusive	
		L.S.T. (Local Standard Time) means the time applicable on the relevant date at the Principal Address	
Item 4.	Limit of Liability in the aggregate:	AUD 20,000,000	
		Total aggregate for all Loss	
Item 5.	Retention:	<b>Insuring Agreement B and Indemnifiable Loss</b>	
		(i) Claims falling under the jurisdiction of the courts in or the laws of the United States of America or settled by compromise in the United States of America:	
		(a) alleging violation of any of the provisions of the Securities Act 1933, the Securities Exchange Act 1934 or any similar federal or state law or any common law relating thereto:	Not Applicable
		(b) alleging an Employment Related Wrongful Act:	Not Applicable
		(c) for all other Claims:	Not Applicable
		(ii) Claims falling anywhere in the world other than the United States of America	
		(a) Alleging violation of any securities laws or provisions common or statutory	AUD 10,000
		(b) Alleging an Employment Related Wrongful Act	AUD 50,000
		(c) For all other Claims	AUD 10,000



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		Insuring Agreement C(b)	
		(i) Investigations falling under the jurisdiction of the courts in or the laws of the United States of America or settled by compromise in the United States of America	Not Applicable
		(ii) Investigations falling anywhere in the world other than the United States of America:	AUD 30,000
Item 6.	Pending or Prior Litigation Date:	30 June 2010	
Item 7.	Acquisition Limit:	AUD 20,000,000	
Item 8.	Securities placement/offering limit:	(a) shares registered on any exchange in the United States of America:	USD 0
		(b) shares not registered on any exchange in the United States of America	AUD 0
		(c) debt or notes registered on any exchange in the United States of America:	USD 0
		(d) debt or notes not registered on any exchange in the United States of America:	AUD 0
Item 9.	Premium:	As Agreed	
Item 10.	Discovery Period under Clause 6(a):	12 Months	
	Premium:	100 % of the Annual Premium	
Item 11.	Indemnifiable Pollution Defence Costs:		
	Sub-limit of liability in the aggregate:	AUD 1,000,000	
Item 12.	Tax Liability Extension:		
	Sub-limit of liability in the aggregate:	AUD 1,000,000	



## Directors and Officers Liability Insurance

Item 13(a)	Additional Excess Limit for Indemnifiable Loss Limit:	
	In the aggregate for each director:	AUD 1,000,000
Item 13(b)	Additional Excess Limit for Non Indemnifiable Loss Limit:	
	In the aggregate for all directors:	AUD 10,000,000
Item 14.	Crisis Costs:	
	Sub-limit of liability in the aggregate:	AUD 25,000
Item 15.	Public Relations Expenses:	
	Sub-limit of liability in the aggregate:	AUD 250,000
Item 16.	Reputation Protection Expenses:	
	Sub-limit of liability in the aggregate:	AUD 150,000
Item 17.	Civil Fines / Pecuniary Penalties:	
	Sub-limit of liability in the aggregate:	AUD 2,000,000

THIS IS A CLAIMS MADE AND NOTIFIED POLICY. Except as otherwise provided herein, this policy covers only Claims first made against the Insureds and notified to the Insurer, during the Policy Period or, if applicable, the Discovery Period. PLEASE READ THIS POLICY CAREFULLY.



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This Policy and Schedule have been signed on behalf of ACE Insurance Limited at Brisbane this 01 day of August 2011.

Financial Lines Underwriting  
Manager - Queensland

This is a Policy summary only.  
Full details of this insurance appear on the Policy Document.



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**ELITE II DIRECTORS AND OFFICERS LIABILITY INSURANCE ENDORSEMENTS**

Endorsement Number: 1  
Policy Number: 04CH008050  
Insured: Racing Queensland Limited  
Effective Date: 30 June 2011

**North America Exclusion**

By way of endorsement to the Policy, the parties agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy):

The Insurer shall not be liable to make any payment under the Policy based on arising from or attributable to any Claim or Investigation brought or conducted in a court of law constituted in, or under the laws of, the United States of America or Canada, or arising out of the activities of the Company or Outside Entity in the United States of America or Canada.

In all other respects this Policy remains unaltered.

This Endorsement has been signed by or on behalf of ACE Insurance Limited at Brisbane this 01 day of August 2011.

SIGNED: \_\_\_\_\_



## ace insurance

Endorsement Number: 2  
Policy Number: 04CH008050  
Insured: Racing Queensland Limited  
Effective Date: 30 June 2011

### *Percentage Shareholder Exclusion*

By way of endorsement to the Policy, the parties agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy):

The Insurer shall not be liable to make any payment under this Policy based on, arising from or attributable to any Claim brought by or on behalf of any person who owns or controls 20% or more of the issued share capital of the Company.

In all other respects this Policy remains unaltered.

This Endorsement has been signed by or on behalf of ACE Insurance Limited at Brisbane this 01 day of August 2011.

  
The stamp is circular with the text "ACE INSURANCE LIMITED" around the perimeter and "ABN 23 00 58 12 020" at the bottom.

SIGNED: \_\_\_\_\_



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Endorsement Number: 3  
Policy Number: 04CH008050  
Insured: Racing Queensland Limited  
Effective Date: 30 June 2011

### *Elite II Plus*

By way of endorsement to the Policy, the parties are hereby agreed as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy):

1. Exclusion 4.1 is deleted in its entirety and replaced by the following:  
4.1 based on, arising from or attributable to:  
(a) any deliberately dishonest or deliberately fraudulent act or omission of the Insured; or  
(b) any personal profit or advantage gained by the Insured

to which such Insured was not legally entitled except that this exclusion shall not apply to that portion of any Loss based on, arising from or attributable to a Claim in which violations of Sections 11, 12 or 15(a) of the Securities Act of 1933, as amended, are alleged against such Insured; provided that this Exclusion shall only apply if it is established through a final adjudication in an underlying action that the relevant conduct occurred.

For the avoidance of doubt, this Exclusion includes any conduct or contravention in respect of which a prohibition in section 199B of the Corporations Act 2001 (Cth) applies. No fact pertaining to, conduct of or knowledge possessed by an Insured will be imputed to any other Insured to determine whether this Exclusion applies.

2. Exclusion 4.5 is hereby deleted in its entirety.
3. Exclusion 4.8 and Item 10 of the Schedule are hereby deleted in their entirety.
4. Definition 3.2 Claim is deleted in its entirety and replaced by the following:  
Claim means  
(a) any written demand; or  
(b) any civil or arbitral proceeding; or  
(c) any criminal prosecution; or  
(d) any formal administrative or regulatory proceeding; or  
(e) a written request to waive or toll a statute of limitations, made against an Insured, alleging a Wrongful Act.  
Claim also means  
(f) any Extradition Proceeding; or  
(g) any Pre-Investigation.
5. Definition 3.3 Company is deleted in its entirety and replaced by the following:  
Company means the company shown in Item 1 of the schedule and any Subsidiary or in the event of a bankruptcy proceeding the resulting debtor-in-possession or functional equivalent in any other jurisdiction.
6. Definition 3.12 Insured is deleted in its entirety and replaced by the following:  
Insured means a natural person who was, now is or becomes during the Policy Period:  
(a) a Director or Officer;



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- (b) a Shadow Director;
- (c) an Employee;
- (d) any lawful spouse of a Director or Officer or Employee, but only where the Claim results from the Wrongful Act of such Director or Officer or Employee;
- (e) the estate, heir or legal representative of a deceased Director or Officer or Employee but only where the Claim results from Wrongful Act of such Director or Officer or Employee;
- (f) the legal representative of a Director or Officer or Employee in the event of the incapacity, insolvency or bankruptcy of such Director or Officer or Employee but only where the Claim results from Wrongful Act of such Director or Officer or Employee;
- (g) any responsible officers as defined in Section 9 of the Corporations Act 2001 (Cth), where the Company holds an Australian Financial Services Licence;
- (h) a prospective director in any listing particulars or prospectus issued by the Company;
- (i) a secretary
- (j) a contractor who acts as a member of a committee duly elected or appointed by resolution of the board of directors of the Company to perform specific, as distinguished from general, directorial acts on behalf of the Company;
- (k) a lawyer employed by the Company who in their capacity as such must comply with Sarbanes-Oxley Act of 2002;
- (l) a senior accounting officer as defined under the Finance Act 2009 (UK);
- (m) a management committee member, member of a supervisory or management board;

but only when and to the extent that such Insured is acting for and on behalf of the Company in any of the capacities referred to above.

Insured does not include an external auditor or an external administrator of any type.

7. Definition 3.14 Investigation is deleted in its entirety and replaced by the following:

Investigation means a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such Insured at which the attendance of the Insured is first required or requested in writing by the investigating body, including by the service of a target letter or Wells Notice, during the Policy Period or Discovery Period.

8. Definition 3.17 Loss is deleted in its entirety and replaced by the following:

Loss means all amounts which an Insured is legally and personally obligated to pay including but not limited to:

- (a) any damages awarded (including any court order to pay compensation resulting from a contravention of any statute of legislative provision), judgments entered, settlements reached including a claimant's legal costs;
- (b) Defence Costs;
- (c) Legal Representation Expenses;
- (d) Bail Bond Costs;
- (e) Crisis Costs;
- (f) Deprivation of Assets Expenses;
- (g) Prosecution Costs;
- (h) Public Relations Expenses;
- (i) Reputation Protection Expenses;
- (j) aggravated, punitive and exemplary damages where insurable by law, the enforceability of which is governed by the applicable law which most favours cover for punitive and exemplary damages;
- (k) civil fines and civil penalties as provided under Extension 2.15(a) and fines and pecuniary penalties as provided under Extension 2.15(b)
- (l) Pre-Investigation Costs;
- (m) the reasonable and necessary costs, charges, fees and expenses (including the premium or origination fee for a loan or bond) incurred by the chief executive officer or chief financial officer of the Company solely to facilitate the return of amounts required to be repaid by such persons pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002 and Section 954 of Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Such amounts do not include the payment, return, reimbursement, disgorgement or restitution of any amounts requested or required to be repaid by such persons pursuant to Section 304(a) and Section 954 above.



Loss does not include:

- (n) Any criminal fines or criminal penalties except as provided under Extension 2.15(b)
- (o) any matter which is uninsurable under the law governing this Policy. Provided, however, the Insurer shall not assert that the portion of any amount representing an award, settlement, judgment, Legal Representation Expenses or Defence Costs in a Claim alleging violations of Sections 11, 12 or 15(a) of the Securities Act of 1933, as amended, is uninsurable under the law governing this Policy.
- (p) taxes or sums payable in relation to taxes except as provided under Extension 2.8 or
- (q) any costs or expenses incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of Pollutants or restoring natural resources or property to their original state.

9. Extension 2.4 of the Policy, Retired Director or Officer Cover is deleted and replaced by the following: Provided a Transaction has not taken place and this Policy is not renewed or replaced with any other policy affording directors and officers liability cover, then this Policy shall extend to include as an Insured, any Retired Director or Officer for an unlimited period following the date of such non-renewal, in respect of Claims made or Investigations commenced against such persons, but only for Wrongful Acts committed or conduct undertaken prior to them ceasing to act as a Director or Officer.

10. Extension 2.8 of the Policy, Tax Extension is deleted and replaced by the following:

This Policy shall extend to include an Insured's Loss arising from their personal liability for unpaid taxes where the Company has become insolvent except to the extent that such liability arises from the wilful intent of the Insured to breach any statutory duty or legislation governing the payment of taxes.

Item 11 in the Schedule is deleted entirely.

11. Extension 2.12 of the Policy, Foreign Corrupt Practices Act is deleted in its entirety.

12. Extension 2.15 of the Policy, Civil Fines / Pecuniary Penalties is deleted and replaced by the following:

This Policy is extended to include:

(a) any civil fines or civil penalties which an Insured is legally obligated to pay including but not limited to civil fines or civil penalties imposed pursuant to the Foreign Corrupt Practices Act (United States), the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999 (Cth) and Criminal Code Act 1995 (Cth) or the Corporations Act 2001 (Cth) and the Competition and Consumer Act 2010 (Cth) or any similar legislation in any other jurisdictions; or

(b) any fine or pecuniary penalty (including but not limited to fines resulting from conviction of a strict liability offence) which the Insured is legally obligated to pay pursuant to the laws of and in the jurisdictions of Australia or New Zealand only provided such fine or pecuniary penalty is not derived from a wilful, deliberate or intentional act.

Item 16 in the Schedule is deleted entirely.

13. The following Extension is added to the Policy:

#### 2.19 Pre-Investigation Costs

This Policy shall extend to pay the reasonable and necessary fees, costs and expenses of each natural person Insured (but not including any remuneration of any Insured) incurred directly with respect to:

- (a) any Pre-Investigation; and
- (b) preparing any written notice or reports to any official body in connection with any Pre-Investigation.

#### 3.35 Pre-Investigation means:

- (a) raid or on-site visit to any Company by an official body first occurring during the Policy Period that



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involves the production, review, copying or confiscation of records or interviews of any Insured; or  
(b) formal notification by the Company or an Insured to any regulator or official body, first given during the Policy Period, where the Company reasonably considers that a material breach of the Company's legal or regulatory duty has occurred, may have occurred or may occur in the foreseeable future.

14. The following Extension is added to the Policy:

### 2.20 Global Policy Extension

Notwithstanding anything contained herein to the contrary:

- (a) Where a Local Policy is required by applicable law but prior to the incurring of a Subsidiary Loss such a policy had not in fact been issued; or
- (b) Where a claim in respect of the Subsidiary Loss is made under a Local Policy and is rejected as not being within its policy terms and conditions ("DIC cover"); or
- (c) Where a Local Policy had been issued but its Limit of Liability becomes exhausted by payments made in part satisfaction of a Subsidiary Loss ("DIL cover").

the cover under this Policy is provided to the First Named Insured only, for its Insured Loss on the terms set out in this endorsement.

Conditions applicable to this Extension 2.20

(a) The total aggregate liability of the Insurer for all Loss (including Insured Loss), irrespective of the number of claims or number of Insureds who claim under this Policy shall be the Limit of Liability in Item 3 of the Schedule.

(b) Where a Local Policy has been issued, any payment made by any such Local Policy towards a Subsidiary Loss shall be deducted from the calculation of Insured Loss payable by virtue of this Endorsement.

(c) The total amount of all payments made under this Policy and any Local Policy (ies) or any combination thereof shall not exceed the Limit of Liability in Item 3 of the Schedule.

(d) Where a Local Policy has been issued the amount of any applicable retention shall not exceed the retention in Item 4 of the Schedule.

(e) If any provision in this Endorsement is held to be invalid or unenforceable in any relevant jurisdiction in any given situation it shall not as a consequence be invalid or unenforceable in any other jurisdiction or situation.

(f) The Insurer will treat any Subsidiary Loss in accordance with all of the terms and conditions of this Policy as if the Subsidiary Loss occurred to the First Named Insured.

(g) Matters known to the Subsidiary shall be deemed to be known to the First Named Insured.

(h) The First Named Insured shall, when directed by the Insurer retain in its own name, but at the Insurer's expense, third party advisers including lawyers, investigators and experts nominated or approved by the Insurer to investigate, assess and respond to any occurrence giving rise to a Subsidiary Loss and, to the extent not prohibited by applicable law:

i. grant the Insurer the full right to instruct and/or collaborate with such advisers;

ii. grant the Insurer full access to any records produced by such adviser; and

iii. obtain the right to control the investigation, assessment and response to any occurrence giving rise to a Subsidiary Loss, including by providing access to books, records, bills, invoices, vouchers and other information.

(i) The First Named Insured shall use best endeavours to ensure that the Subsidiary shall, to the extent permitted by the laws and/or regulations to which the Subsidiary is subject, do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for



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the purpose of enforcing any rights and remedies, or of obtaining relief, indemnity or settlement sums from other parties in each case in priority to the Insurer with whom the Local Policy is written.

(j) In the event any such recovery is subsequently received by the Subsidiary in respect of which a payment or settlement is or has been made by the Insurer to the First Named Insured in relation to a Subsidiary Loss, the First Named Insured shall immediately pay to the Insurer a sum equivalent to such payment or settlement.

The following Definitions are added to this Policy for the purpose of this Extension 2.20 only.

First Named Insured means the company shown in item 1 of the Schedule

Insured Loss means the pecuniary or economic loss suffered by the First Named Insured comprising the decrease in value of the Subsidiary, either directly or through intervening subsidiaries as a result of a Subsidiary Loss the amount of such pecuniary or economic loss is conclusively agreed to be equal to the amount of the Subsidiary Loss.

Local Policy(ies) means a directors' and officers' liability insurance policy obtained or available for purchase by a Subsidiary from an insurer licensed and authorised to issue and make payments under such policy in the jurisdiction of the Subsidiary.

Subsidiary Insured means a natural person who is an Insured who is engaged by a Subsidiary located in a country or territory in which the Insurer is not licensed, authorised or otherwise permitted to insure that entity including any natural person who at the specific request of that Subsidiary is a director, officer, trustee, governor or equivalent of any Outside Entity in that capacity.

Subsidiary Loss means any loss incurred by a Subsidiary as a result of it lawfully indemnifying a Subsidiary Insured which is of a kind which, had it been incurred by the First Named Insured, would be considered a covered loss under the terms and conditions of this Policy.

15. Clause 5.3(a) Notification of Claims and Investigations is amended by adding the following:

Provided, however if an Insured should have notified a Claim or Investigation during the Policy Period but was unable to do so due to being legally prohibited by a regulator under the terms of a confidentiality agreement then:

- (a) the Company or the Insured shall be permitted to give written notice of such Claim or Investigation to the Insurer within 24 months after the end of the Policy Period; and
- (b) the Insurer must be notified within 30 days of the Insured being legally able to do so.

If an Insured should have notified a Claim or Investigation under a policy existing or expired before or on the inception date of this Policy but was unable to do so due to being legally prohibited by a regulator under the terms of a confidentiality agreement then the Insurer irrevocably waives any right it may have to rescind or avoid this Policy on the grounds of non-disclosure or mis-representation, solely with respect to such prior Claim or Investigation.

In all other respects this Policy remains unaltered.

In all other respects this Policy remains unaltered.

This Endorsement has been signed by or on behalf of ACE Insurance Limited at Brisbane this 01 day of August 2011.



ace insurance

   
JAN 23 00 1447 829

SIGNED: \_\_\_\_\_



## ELITE II DIRECTORS & OFFICERS LIABILITY WORDING

In consideration of the payment of the premium shown at Item 9 of the Schedule and in reliance upon the Proposal and subject to all terms, conditions and limitations of this Policy, the Insurer agrees with the Insured and with the Company as follows:

### 1. INSURING AGREEMENT

- 1.1 The Insurer will pay to or on behalf of the Insured all Loss, except where the Company has paid such Loss, resulting from a Claim first made against an Insured during the Policy Period or Discovery Period, if applicable.
- 1.2 The Insurer will pay to or on behalf of the Company all Loss, for which the Company has granted indemnification to the Insured as permitted or required by law, resulting from a Claim first made against an Insured during the Policy Period or Discovery Period, if applicable.
- 1.3 In respect of an Investigation, the Insurer will pay all Legal Representation Expenses to or on behalf of:
  - (a) the Insured, except where the Company has paid such Loss to the Insured; and
  - (b) the Company, where the Company has granted indemnification to the Insured, as permitted or required by law.

### 2. EXTENSIONS

Subject to all of the terms, conditions, Exclusions and limitations of this Policy (including the Insuring Agreement and the Schedule), cover is extended by the following Extensions. These Extensions (other than 2.1) do not increase the Limit of Liability unless the Insurer otherwise agrees in writing

#### 2.1 Additional Excess Limit for Non-Indemnifiable Loss

Subject to the Aggregate Excess Limit in Item 13(b) of the Schedule, the Insurer will pay to or on behalf of each director of the company in Item 2 of the Schedule, Non-Indemnifiable Loss up to the Individual Additional Excess Limit in Item 13(a) of the Schedule provided that:

- (a) the Limit of Liability; and
- (b) any other directors and officers liability policy which covers any part of that Loss; and
- (c) all other indemnification available to any Director, have been exhausted.

The Individual Additional Excess Limit in Item 13(a) of the Schedule is part of and not in addition to the Aggregate Excess Limit in Item 13(b) of the Schedule.

The Aggregate Excess Limit in item 13(b) of the Schedule is the Insurer's maximum aggregate liability for all Loss under this Extension for all directors irrespective of the number of claims under this Policy, the amount claimed or the number of directors who claim. The Aggregate Excess Limit in Item 13(b) of the Schedule is in addition to, and not part of, the Limit of Liability.



## 2.2 Subsidiaries

- (a) If during the **Policy Period** the **Company** acquires or creates an entity so that it becomes a **Subsidiary** that:
- (i) has total assets less than the **Acquisition Limit** referred to in Item 7 of the **Schedule**; and
  - (ii) has no listing of its **Securities** in the **United States of America**;
- (b) then this **Policy** shall automatically extend to include such **Subsidiary** without notice to the **Insurer** or additional premium being payable, but only in respect of **Wrongful Acts** or conduct after such entity becomes a **Subsidiary**
- (c) Any **Subsidiary** acquired or created during the **Policy Period** and not covered in clause 2.2(a) above shall automatically be covered under this **Policy** for a period of 45 days from the date of acquisition. With the written agreement of the **Insurer** and subject to any additional premium, amended terms and conditions, this **Policy** may be extended to include such **Subsidiary** beyond 45 days, but only in respect of **Wrongful Acts** or conduct after such entity becomes a **Subsidiary**.
- (d) The **Insurer** shall only be liable for **Loss** in respect of **Wrongful Acts** or conduct whilst an entity is a **Subsidiary**.

## 2.3 Emergency Defence Costs and Legal Representation Expenses

If it is not possible for the **Insured** to obtain the **Insurer's** consent prior to the incurring of **Defence Costs**, **Legal Representation Expenses**, **Bail Bond Costs** or **Public Relation Expenses** the **Insurer** will give retrospective consent as long as the **Insurer's** consent is sought within 14 days of the first of such **Defence Costs**, **Legal Representation Expenses**, **Bail Bond Costs** or **Public Relations Expenses** being incurred. The sub-limit of liability for all payments under this **Extension** is 10% of the **Limit of Liability** or sub-limit of liability as applicable.

## 2.4 Retired Directors and or Officers Cover

In the event that this **Policy** is not renewed or replaced with any other policy affording directors and officers liability cover and a **Discovery Period** is not invoked or no **Transaction** has taken place, this **Policy** shall extend to include as an **Insured** any **Retired Director** or **Officer** in respect of **Claims** made or **Investigations** commenced against such persons during the period of 10 years immediately following the date of such non-renewal.

## 2.5 Takeovers and Mergers Run-off

In the event of a **Transaction** taking place, the **Insurer** shall offer to extend this **Policy** to include **Claims** first made or **Investigations** first commenced against an **Insured** within a period of 64 months from the expiry date of the **Policy Period**. Such **Extension** is subject to additional terms, conditions, and premium as the **Insurer** may require.

## 2.6 Outside Directorships

- (a) This **Policy** shall extend to include an **Insured** who at the specific request of the **Company** is a director, officer, trustee, governor or equivalent of any **Outside Entity** in their capacity as such.



- (b) Cover under this Extension shall be excess of any indemnification provided by the **Outside Entity** and any valid and collectible directors and officers liability insurance in respect of the **Outside Entity**.
- (c) If the **Outside Entity's** directors and officers liability insurance is provided by the **Insurer** or any member of the ACE group of companies, then the total aggregate **Limit of Liability** for all **Loss** covered by virtue of this Extension shall be reduced by the amount paid to any **Insured** under such policy.
- (d) If during the **Policy Period** cover is requested by the **Company** under clause 2.6(a) in respect of an entity which is not an entity within the definition of **Outside Entity**, cover will be automatically provided to the **Insured** in respect of that entity for a period of 45 days from commencement of the **Insured's** position (as described in 2.6(a) above) in that entity. The **Insurer** may agree to extend the cover afforded under this clause of this **Policy** beyond the 45 day period on such terms and conditions and at such premium as it may decide in its absolute discretion.

**2.7 Management Buy-outs**

In the event of a **Subsidiary** of the **Company** ceasing to be owned by the **Company** as a result of a buy-out by existing management the **Insurer** agrees to maintain this **Policy** in respect of such **Subsidiary** for a period of 30 days from the date of the buy-out for **Wrongful Acts** committed subsequent to the buy-out. This Extension shall not apply in circumstances where there is other insurance in force which provides cover in respect of such **Wrongful Acts**.

**2.8 Tax Liability Extension**

This **Policy** shall extend to include an **Insured's** **Loss** arising from their personal liability for unpaid taxes of the **Company** where the **Company** has become insolvent, except to the extent that such liability arises from the wilful intent of the **Insured** to breach any statutory duty or legislation governing the payment of taxes. Such cover shall apply up to the sub-limit shown in Item 12 of the Schedule.

**2.9 Bail Bond Costs, Crisis Costs, Public Relations Expenses and Reputation Protection Expenses**

This **Policy** is extended to include:

- (a) **Bail Bond Costs;**
- (b) **Crisis Costs;**
- (c) **Public Relations Expenses;**
- (d) **Reputation Protection Expenses.**

**2.10 Extradition Proceedings**

This **Policy** is extended to include:

- (a) **Defence Costs;**
- (b) **Bail Bond Costs;**



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- (c) **Crisis Costs**
- (d) **Public Relations Expenses**
- (e) **Reputation Protection Expenses;**  
in relation to **Extradition Proceedings.**

### 2.11 **Prosecution Costs Extension**

This Policy is extended to include **Prosecution Costs** arising from a **Claim** or **Investigation**.

### 2.12 **Foreign Corrupt Practices Act**

This Policy is extended to include civil fines and penalties imposed pursuant to Section 78ff (c) or Section 1 78dd - 2(g) (2) of the Foreign Corrupt Practices Act (US), the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999 (Cth) and Criminal Code Act 1995 (Cth) or any similar legislation in any other jurisdiction.

The sub-limit of liability under this Extension shall be AU\$100,000 per Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed AU\$1,000,000, irrespective of the number of claims under this Policy, the amount claimed or the number of Insureds who claim under this Extension.

### 2.13 **Occupational Health and Safety Extension**

This Policy extends to include all **Defence Costs** and **Legal Representation Expenses** arising from any **Claim** or **Investigation** alleging involuntary manslaughter, constructive manslaughter, corporate manslaughter or gross negligence manslaughter and/or a breach of occupational health and safety legislation.

### 2.14 **Deprivation of Assets Extension**

This Policy extends to include **Deprivation of Assets Expenses** arising from a **Claim** or **Investigation**.

The sub-limit of liability under this Extension shall not exceed AU\$100,000 per Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed AU\$300,000, irrespective of the number of claims under this Policy, the amount claimed or the number of Insureds who claim under this Extension.

### 2.15 **Civil Fines / Pecuniary Penalties**

This Policy extends to include any civil fine or civil penalty which an Insured is legally obligated to pay provided the Insurer is not legally prohibited from paying such fine or penalty.

The sub-limit of liability for all payments under this Extension is specified in Item 17 of the Schedule. This sub-limit is part of and not in addition to the **Limit of Liability**.

### 2.16 **Indemnity to the Company for shareholder costs**

This policy is extended to provide cover to the **Company** for any costs, charges and expenses incurred by any shareholder of the **Company** in pursuing a **Claim** against any **Insured** on



behalf of the **Company** in the event and to the extent that the **Company** is legally liable to pay such costs, charges and expenses pursuant to a court order.

**2.17 Reinstatement of limit if a recovery**

Any amounts recovered by the **Insurer** (net of the **Insurer's** reasonable expenses associated with such recovery) following a paid **Claim** shall proportionally reduce the impairment of the **Limit of Liability**.

**2.18 Continuous Cover**

(a) Notwithstanding Exclusion 4.2, coverage is provided for **Claims** arising from such pending or prior litigation or proceedings involving the **Company** and/or an **Outside Entity**, provided always that:

- (i) the pending or prior litigation did not involve an **Insured**;
- (ii) the **Company** and its **Directors** or **Officers** have maintained, without interruption, a directors and officers liability policy issued by the **Insurer** or another insurer from the date such pending or prior litigation was commenced and the date this policy commenced;
- (iii) there has been no fraudulent non-disclosure or misrepresentation to the **Insurer** in respect of the **Claim** related to the pending or prior litigation;

(b) Notwithstanding the requirement in the Insuring Agreement that limits the indemnity under this **Policy** to the **Loss** resulting from a **Claim** first made against an **Insured** during the **Policy Period** or **Discovery Period**, the **Insurer** will pay **Loss** arising from any **Claim** against the **Insured**, which could or should have been notified under any policy for which this **Policy** is a renewal or replacement or which it may succeed in time provided always that:

- (i) the **Claim** could and should have been notified after the date shown in Item 6 of the Schedule;
- (ii) the **Company** and its **Directors** or **Officers** have maintained, without interruption, a directors and officers liability policy issued by the **Insurer** from the date show in Item 6 of the Schedule;
- (iii) there has been no fraudulent non-disclosure or misrepresentation to the **Insurer** in respect of the **Claim**,
- (iv) cover under this Extension will be in accordance with the terms, conditions, Exclusions and limitations (including Insuring Agreement, Schedule, limit of liability and retention) of the policy in force at the time the **Insured** first becomes aware of the **Claim** but only where such earlier policy affords no broader cover in respect of the **Claim** than the provisions of this **Policy**; and
- (v) the **Insured** and the **Company** agree to claim on this policy only and to make no claim on such earlier policy.



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### 3 DEFINITIONS

3.1 **Bail Bond Costs** means the reasonable premium (not including any collateral) for a bond or other financial instrument to guarantee an Insured's contingent obligation for bail or equivalent in any jurisdiction required by a court in respect of any Claim. The sub-limit of liability for Bail Bond Costs is 10% of the Limit of Liability.

3.2 **Claim** means

- (a) any written demand; or
- (b) any civil or arbitral proceeding; or
- (c) any civil or arbitral proceeding; or
- (d) any formal administrative or regulatory proceeding,  
made against an Insured, alleging a **Wrongful Act**;
- (e) any **Extradition Proceeding**.

3.3 **Company** means the company shown in Item 2 of the Schedule and any **Subsidiary**.

3.4 **Crisis Costs** means any reasonable professional fees, costs or expenses of any accredited:

- (a) counsellor; or
- (b) tax advisor

retained by an Insured with the Insurer's prior written consent which shall not be unreasonably withheld or delayed, in respect of any Claim. The sub-limit of liability for Crisis Costs is the sub-limit specified in Item 14 of the Schedule.

3.5 **Defence Costs** means reasonable legal and other professional fees, costs and expenses incurred by an Insured (including the cost of an appeal bond but without the obligation to apply for and furnish any such bond) with the prior written consent of the Insurer, not to be unreasonably withheld or delayed, that are necessary to defend or appeal a Claim. Defence Costs does not include wages, salaries or other remuneration of an Insured.

3.6 **Deprivation of Assets Expenses** shall mean the payment of for the following services directly to the provider of such services in the event of an interim or interlocutory order confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an Insured or creating a charge over real property or personal assets of the Insured during the Policy Period:

- (a) schooling;
- (b) housing;
- (c) utilities;
- (d) personal insurances.

Such expenses will only be payable provided that a personal allowance has been directed by the court to meet such payments and such personal allowance has been exhausted.



Such expenses will be payable after 30 days following the event above for a period of up to 12 months.

**3.7 Director or Officer means**

- (a) a director or officer of the **Company** including the equivalent position in any other jurisdiction; or
- (b) a natural person who is concerned in, or takes part in, the management of the **Company**, whether or not that person is a director and regardless of the name given to the position; or
- (c) a natural person who makes, or participates in making, decisions that affect the whole or a substantial part of the business of any **Company** organisation; or
- (d) a natural person who has the capacity to affect significantly any **Company's** organisation's financial standing.

**3.8 Discovery Period means** the periods in Item 10 of the Schedule from the date on which the **Policy Period** expires.

**3.9 Employee means:**

- (a) an employee of the **Company** acting in a managerial or supervisory capacity, or
- (b) an employee of the **Company** for an **Employment Related Wrongful Act**; or
- (c) an employee of the **Company**, in respect of any **Claim** or **Investigation** in which such employee is named as a co-defendant or is required to attend an **Investigation** with any **Director** or **Officer**.

**3.10 Employment Related Wrongful Act means** any actual or alleged violation of employment laws or any other legal provisions relating to any individual's actual or prospective employment relationship with the **Company**.

**3.11 Extradition Proceeding means:**

- (a) a request for extradition of an **Insured**, a warrant for arrest in respect of an **Insured** or other proceedings under the provisions of Extradition Act 1988 (Cth) and any associated regulations; or
- (b) any associated appeals, including but not limited to the pursuit of judicial review proceedings, against the decision of the Attorney General or other appropriately authorised representative of the Australian Government to issue a surrender warrant under the Extradition Act 1988 (Cth);
- (c) the equivalent of the above in any other jurisdiction.

A **Wrongful Act** is not required for cover for an **Extradition Proceeding**.

**3.12 Insured means** a natural person who was, now is or becomes during the **Policy Period**:

- (a) a **Director** or **Officer**;



- (b) a Shadow Director;
- (c) an employee;
- (d) any lawful spouse or domestic partner of a Director or Officer or Employee, but only where the Claim results from the Wrongful Act of such Director or Officer or Employee;
- (e) the estate, heir or legal representative of a deceased Director or Officer or Employee, but only where the Claim results from the Wrongful Act of such Director or Officer or Employee;
- (f) the legal representative of a Director or Officer or Employee in the event of the incapacity, insolvency or bankruptcy of such Director or Officer or Employee;
- (g) any responsible officers as defined in section 9 of the Corporations Act 2001 (Cth), where the Company holds an Australian Financial Services Licence;
- (h) a prospective director in any listing particulars or prospectus issued by the Company;
- (i) a secretary;
- (j) a contractor who acts as a member of a committee duly elected or appointed
- (k) by resolution of the board of directors of the Company to perform specific, as distinguished from general, directorial acts on behalf of the Company;
- (l) a lawyer employed by the Company who in their capacity as such must comply with Sarbanes-Oxley Act of 2002;

provided that Insured does not include an external auditor or an external administrator of any type.

- 3.13 **Insurer** means ACE Insurance Limited (ABN 23 001 642 020).
- 3.14 **Investigation** means a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such Insured at which the attendance of the Insured is first required or requested in writing during the Policy Period or any Discovery Period.
- 3.15 **Legal Representation Expenses** means the reasonable legal costs or related professional fees incurred by or on behalf of an Insured (but not including any remuneration of any Director or Officer or employee of the Company) with the prior written consent of the Insurer, not to be unreasonably withheld or delayed, directly in connection with an Insured co-operating with an Investigation.
- 3.16 **Limit of Liability** means the amount stated in item 4 of the Schedule.
- 3.17 **Loss** means all amounts which an Insured is legally and personally obligated to pay including but not limited to:
  - (a) any damages awarded (including any court order to pay compensation resulting from a contravention of any statute or legislative provision), judgments entered, settlements reached including a claimant's legal costs;



- (b) Defence Costs;
- (c) Legal Representation Expenses;
- (d) Bail Bond Costs;
- (e) Crisis Costs;
- (f) Deprivation of Assets Expenses;
- (g) Prosecution Costs;
- (h) Public Relations Expenses;
- (i) Reputation Protection Expenses;
- (j) aggravated, punitive and exemplary damages where insurable by law, the enforceability of which is governed by the applicable law which most favours cover for punitive and exemplary damages.

Loss does not include:

- (k) fines or penalties imposed by law (except as provided under Extension 2.12 or 2.15), or any matter deemed uninsurable under the law applicable to this policy;
- (l) taxes or sums payable in relation to taxes, except as provided under Extension 2.8.

3.18 **Non-Indemnifiable Loss** means Loss where a Company is unable to indemnify an Insured due to:

- (a) legal prohibition; or
- (b) a prohibition in the Articles of Association, charter, bylaws, contract or similar documents of such Company; or
- (c) insolvency under the Corporations Act 2001 (Cth) or the equivalent law in any other jurisdiction.

3.19 **Not-for-profit Entity** means a registered charity or a trade association or other non-profit organisation in Australia or the equivalent in any other jurisdiction.

3.20 **Outside Entity** means:

- (a) any entity which is not a **Subsidiary** and has no securities traded on any exchange in the United States of America unless such entity is listed by endorsement to this Policy; or
- (b) any **Not-for-profit Entity**.

3.21 **Policy** means this policy and any endorsement thereto.

3.22 **Policy Period** means the period of time shown in Item 3 of the Schedule of this Policy.

3.23 **Pollutant** means any contaminant, irritant or other matter or substance including but not limited to oil, smoke, vapour, soot, asbestos, asbestos-containing materials, fumes, acids,



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- alkalis, nuclear or radioactive material, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3.24 **Pollution** means the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any **Pollutant** whether in a solid, liquid, gas, odour, noise, vibration, electromagnetic radiation, ionising radiation, thermal or other form at any time.
- 3.25 **Proposal** means the proposal form submitted by the **Company** and/or any **Insured** in applying for this **Policy** and all information and documentation accompanying it.
- 3.26 **Prosecution Costs** means the reasonable legal and other professional fees, costs and expenses, incurred by an **Insured** with the prior written consent of the **Insurer**, which shall not be unreasonably delayed or withheld, to bring legal proceedings to obtain the discharge or revocation of:
- (a) an order disqualifying an **Insured** from holding office as a company director; or
  - (b) an Interim or interlocutory order:
    - (i) confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of such **Insured**; or
    - (ii) a charge over real property or personal assets of the **Insured**; or
  - (c) an order of a court imposing a restriction of the **Insured's** liberty; or
  - (d) the deportation of an **Insured** following revocation of otherwise proper, current and valid immigration status for any reason other than the **Insured's** conviction for a crime.
- 3.27 **Public Relations Expenses** means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an **Insured** may, in the reasonable exercise of his or her discretion, engage with the written consent of the **Insurer**, not to be unreasonably withheld or delayed, in order to prevent or limit adverse effects or negative publicity which it is anticipated may arise from any **Claim** or **Investigation**. The sub-limit of liability for all **Public Relations Expenses** is the sub-limit specified in Item 15 of the Schedule.
- 3.28 **Reputation Protection Expenses** means the reasonable fees and related expenses of a public relations firm or consultant which an **Insured** may engage in order to disseminate the findings of a final adjudication in favour of the **Insured**, arising from a **Claim** or **Investigation**. Such fees and expenses shall only be incurred with the written consent of the **Insurer**, not to be unreasonably withheld or delayed. The sub-limit of liability for all **Reputation Protection Expenses** is the sub-limit specified in Item 16 of the Schedule.
- 3.29 **Retired Director or Officer** means any **Insured** (other than one who has been disqualified from holding office as a company director) who has voluntarily ceased to act in the capacity of an **Insured** during the **Policy Period**.
- 3.30 **Securities** means any equity or debt instrument issued by the **Company**.
- 3.31 **Shadow Director** means a **Director** or **Officer** or employee of the **Company** acting as a shadow director as defined in Section 251 of the Companies Act 2006 (UK) or equivalent legislation or law in any other jurisdiction, of any entity other than the **Company**.



## Directors and Officers Liability Insurance

- 3.32 **Subsidiary** means any entity that the company shown in Item 2 of the Schedule directly or indirectly:
- (a) controls a majority of the voting rights; or
  - (b) controls the right to appoint or remove a majority of its board of directors; or
  - (c) holds more than half of the issued share capital; or
  - (d) exercises effective management control over and is a joint venture or entity of the **Company** in Item 2 of the Schedule.
- 3.33 **Transaction** means any one of the following events:
- (a) the company shown in Item 2 of the Schedule merges with or consolidates into any other entity; or
  - (b) the company shown in Item 2 of the Schedule sells all or more than 90% of its assets to any person or entity or persons or entities acting in concert; or
  - (c) any person or entity or persons or entities acting in concert acquire more than 50% of the issued share capital of the company shown in Item 2 of the Schedule; or
  - (d) any person or entity or persons or entities acting in concert acquire control of the appointment of the majority of directors of the company shown in Item 2 of the Schedule.
- 3.34 **Wrongful Act** means any actual or alleged act, breach of trust, error, omission, misstatement, misleading statement, neglect or breach of duty or any other matter claimed against an **Insured** whilst acting in the capacity of an **Insured**, including any violation of the Corporations Act 2001 (Cth), Sarbanes-Oxley Act of 2002 or any equivalent law, rule or regulation in any other jurisdiction, and an **Employment Related Wrongful Act**.

## 4. EXCLUSIONS

For the purposes of determining the applicability of any Exclusion the **Wrongful Act** or other conduct of an **Insured** shall not be imputed to any other **Insured**.

The **Insurer** shall not be liable to make any payment under this Policy:

- 4.1 based on, arising from or attributable to:
- (a) any dishonest or fraudulent act or omission of the **Insured** or an intentional breach of the law by the **Insured**; or
  - (b) any personal profit or advantage gained by the **Insured** to which such **Insured** was not legally entitled;

provided that this Exclusion shall only apply if it is established through a judgment or any other final adjudication (including any appeal thereof) or any written admission by such **Insured** that the relevant conduct occurred.

For the avoidance of doubt, this Exclusion includes any conduct or contravention in respect of which a prohibition in section 199B of the Corporations Act 2001 (Cth) applies. No fact pertaining to, conduct of or knowledge possessed by an **Insured** will be imputed to any other **Insured** to determine whether this Exclusion applies.

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- 4.2 based on, arising from or attributable to any pending or prior litigation or other proceedings (including but not limited to civil, criminal, regulatory and administrative proceedings or investigations) involving the Company, an Outside Entity or an Insured and issued or otherwise begun before the date shown at Item 6 of the Schedule or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings.
- 4.3 based on, arising from or attributable to any Wrongful Act or a series of related Wrongful Acts alleged in any Claim, circumstance or any Investigation of which notice has been given under any policy existing or expired before or on the inception date of this Policy.
- 4.4 based on, arising from or attributable to any Claim brought or maintained by or on behalf of the Company or Outside Entity in the United States of America or its territories, except:
  - (a) any Claim against any Insured
    - (i) for contribution or indemnity if such Claim directly results from another Claim that would otherwise be covered under this Policy; or
    - (ii) which is any shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the solicitation or participation of an Insured, Company or Outside Entity unless legally compelled to do so; or
    - (iii) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction; or
  - (b) Defence Costs.
- 4.5 based on, arising from or attributable to any Claim or Investigation for any actual or alleged breach of an Insured's responsibilities or obligations as imposed in the United States of America by the Employee Retirement Income Security Act 1974 as amended from time to time.
- 4.6 based on, arising from or attributable to any public offering of any Securities during the Policy Period, provided that this Exclusion shall not apply where the total value of such placement or offering is equal to or lower than the sum shown at Item 8 of the Schedule.
- 4.7 (a) for bodily injury, mental illness, emotional distress, injury to feelings, sickness, disease or death of any person; or
   
(b) for damage to or destruction of any tangible property including loss of use of such property;
   
provided that the above shall not apply to:
  - (i) Non-Indemnifiable Loss; or
  - (ii) emotional distress and/or injury to feelings resulting from an Employment Related Wrongful Act; or
  - (iii) the cover in Extensions 2.13 and 2.15.
- 4.8 based on, arising from or attributable to Pollution provided that this Exclusion shall not apply to:

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- (a) **Non-Indemnifiable Loss**; or
- (b) **Defence Costs or Legal Representation Expenses** paid by the **Company** for a **Claim** or **Investigation** brought against an **Insured**, up to the sub-limit shown at Item 11 of the Schedule, or
- (c) any **Claim** instigated by any shareholder of the **Company** on their own behalf or in the name of the **Company** without the solicitation or participation of an **Insured** or the **Company** unless legally compelled to do so; or
- (d) the cover in Extension 2.15.

### 5. CONDITIONS

#### 5.1 Limit of Liability

- (a) The amount shown in item 4 of the Schedule is the **Insurer's** maximum aggregate liability under this **Policy**, except cover under Extension 2.1, irrespective of the number of claims under this **Policy**, the amount claimed, the number of **Insureds** who claim, or when such claims are made under this **Policy**.
- (b) Any sub-limit specified in this **Policy** shall be the **Insurer's** maximum aggregate liability under such sub-limit irrespective of the number of claims under this **Policy**, the amount claimed or the number of **Insureds** who claim. Any sub-limit shall be part of and not in addition to the **Limit of Liability** shown in Item 4 of the Schedule.
- (c) If a single **Wrongful Act** or act or a series of related **Wrongful Acts** or acts give rise to a claim under this **Policy** then all claims made after the expiry of this **Policy** shall be treated as though first made during this **Policy Period**.
- (d) If a single **Wrongful Act** or act, or a series of similar, continuous, repeated or related **Wrongful Acts** or acts, give(s) rise to more than one claim under this **Policy**, all such claims are deemed to be one claim under this **Policy** by the **Insured**.

#### 5.2 Retention

- (a) The retention shown in Item 5 of the Schedule shall not apply to a **Non-Indemnifiable Loss**. The retention shall be paid by the **Company** and the **Insurer** shall have no obligation to pay any amount within such retention.
- (b) If the **Company** fails to indemnify an **Insured** other than for **Non-Indemnifiable Loss** then subject to all other terms and conditions of this **Policy** the **Insurer** shall pay the retention and the **Company** shall pay the amount of the retention to the **Insurer**.
- (c) In the event an **Insured** is required to repay all or part of the retention to the **Company**, then subject to the terms of this **Policy** the **Insurer** agrees to pay such amount to the **Company** on behalf of the **Insured**.

#### 5.3 Notification of Claims and Investigations

- (a) The **Company** or the **Insured** must give written notice to the **Insurer** of any **Claim** or **Investigation** as soon as practicable within the **Policy Period** or **Discovery Period** if applicable.



In event of expiry of the Policy Period, notification must be given in any event no later than 60 days after the expiration of the Policy Period, or, in relation to a Claim first made against the Insured or Investigation first commenced during the Discovery Period if applicable no later than 30 days after expiry of the Discovery Period.

- (b) Notice in writing and all information shall be sent in writing to the Insurer to the following:

The Financial Lines Claims Manager  
ACE Insurance Limited  
28-34 O'Connell Street  
SYDNEY NSW 2000

#### 5.4 Conduct of Proceedings

- (a) It is the duty of the Insured, not the Insurer, to defend any Claim or Investigation against him or her notified under this Policy. The Insurer, however, will have the right to effectively associate with any Insured in respect of any Claim or Investigation.
- (b) The Insurer will accept as reasonable and necessary the retention of separate legal representation to the extent required by a material conflict of interest as between any Insureds and/or the Company.
- (c) Notwithstanding clause 5.4(a) the Insurer shall have the right, but not the duty, to defend any Claim brought against an Insured by or on behalf of any:

- (i) Company; or  
(ii) Outside Entity

Unless such Claim is:

- (iii) for contribution or indemnity if such Claim directly results from another Claim that would otherwise be covered under this Policy; or  
(iv) a shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the solicitation or participation of an Insured, Company or Outside Entity unless legally compelled to do so; or  
(v) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction.

With respect to such Claims the Insurer shall have no duty or obligation to communicate with any other Insured or the Company in relation to such Claim.

- (d) Neither the Company nor the Insured shall do anything which could prejudice the Insurer in respect of a claim made under this Policy.
- (e) The Company or and the Insured must not make any admission of liability in respect of, or agree to settle, any Claim or Investigation or incur any Loss, without the prior written consent of the Insurer, which shall not be unreasonably withheld or delayed.
- (f) The Company and each Insured must give the Insurer and any representatives appointed by the Insurer all information they reasonably require, and fully co-operate and assist in the conduct of any investigation into any claim under this Policy.



- (g) Where a dispute arises between the Insurer and the Insured as to whether a Claim should be settled or a judgment or determination appealed, the Insurer will be entitled to brief Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the Law Society, or equivalent organisation, for the State or Territory out of which the Policy was issued) to advise on whether or not the Claim should be contested, and if not, on the amount for which the Claim should be settled or whether a judgment or determination should be appealed. In providing such advice and in making any recommendation as to settlement, Counsel is entitled to take into account both legal and commercial considerations. Counsel must have regard to the damages and costs that are likely to be recovered awarded, the Defence Costs that will be incurred in contesting the Claim and the prospects of the Claim being successfully defended. The Insured will not be required to contest the Claim unless Counsel recommends that, having regard to all the circumstances, the Claim should be contested.

The costs of obtaining this recommendation will be paid by the Insurer as part of the Defence Costs.

If Counsel recommends that having regard to all the circumstances, settlement of the Claim should be attempted, then subject to receiving the Insured's consent (not to be unreasonably withheld), the Insurer will attempt settlement of the Claim in accordance with Counsel's recommendation. Where settlement is attempted in accordance with Counsel's recommendation but is unsuccessful, the Insurer will continue to indemnify the Insured subject to the terms, conditions, Exclusions and limitations of this Policy.

Notwithstanding the preceding provisions of this clause, where the Insurer has the right to conduct the defence of any Claim that falls within clause 5.4(c) above, the Insurer is also entitled to settle such Claim if it is in receipt of Counsel's opinion that settlement of the Claim should be attempted. In such circumstances, the Insurer will consult with the Insured(s) the subject of the Claim. However, if any Insured does not consent to the settlement of the Claim, the liability of the Insurer is limited to the amount for which, at the time of the Insured's refusal, the Insurer could have settled the Claim and Defence Costs incurred to that point. Notwithstanding any advice from such Counsel, the Insurer shall be entitled, if it elects to do so in its absolute discretion, to continue to defend such Claim.

#### 5.5 Advancement of Defence Costs and Allocation of Loss

- (a) The Insurer shall advance Defence Costs on an ongoing basis prior to the final payment or settlement of any Claim and shall advance Legal Representation Expenses provided that any payment shall be repaid to the Insurer in the event that the Insured or the Company (as applicable) is or are not entitled to such payment. For the avoidance of doubt,

Exclusion 4.1 only applies where the conduct in question has been established to have occurred by written admission or any final adjudication.

- (b) The Insurer shall advance Defence Costs and Legal Representation Expenses which the Company fails to advance or indemnify.
- (c) In the event of:
- (i) a Claim against an Insured which is not wholly covered by this Policy; and/or



- (ii) a Claim against an Insured being also made against the Company and/or one or more persons who are not Insureds;

then the Insurer shall advance Defence Costs or Legal Representation Expenses which it considers are covered. If the Insured disagrees with the Insurer's allocation, the Insurer and the Insured (and/or the Company if applicable) shall then use their best endeavours to determine a reasonable allocation of Loss that is covered under this Policy and loss that is not covered on the basis of the relative legal and financial exposures. If the Insurer proposes an allocation, the Insured and Company can accept the monies agreed to be paid, or paid, by the Insurer under such allocation, but shall not be prevented from seeking a revised allocation from the Insurer.

- (iii) In the event of an unresolved dispute as to allocation under sub-paragraph (c) above, such allocation will be determined by Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the Law Society, or equivalent organisation, for the State or Territory out of which the Policy was issued). Counsel's determination will be binding on the Insurer and the Insured as to such reasonable allocation. The costs of obtaining this opinion will be paid by the Insurer and will not form part of the Defence Costs. The appointed Counsel shall determine the issue as an expert and not as an arbitrator.

#### 5.6 Takeovers and Mergers

If during the Policy Period a Transaction takes place then:

- (a) the company shown in Item 2 of the Schedule shall give written notice of such to the Insurer within 30 days of the effective date of such Transaction; and
- (b) the cover provided under this Policy shall apply only to Wrongful Acts committed or Investigations in respect of conduct prior to the effective date of such Transaction.

#### 5.7 Other Insurance

- (a) If any Loss arising from a Claim is insured under any other policy entered into by the Insured, whether prior or current, then to the extent permitted by the Insurance Contracts Act 1984 (Cth), this Policy, subject to its limitations, conditions, provisions and other terms, will only cover Loss to the extent that the amount of such Loss is in excess of the amount of such other insurance.
- (b) If any Loss arising from a Claim is insured under any other policy effected on behalf of the Insured or under which the Insured is a beneficiary (but not a policy to which clause 5.7(a) above applies), whether prior or current, then to the extent permitted by the Insurance Contracts Act 1984 (Cth) this Policy, subject to its limitations, conditions, provisions and other terms, will only cover Loss to the extent that the amount of such Loss is in excess of the amount of such other insurance.
- (c) Neither Clause 5.7(a) or 5.7(b) above applies to such other insurance that is written specifically as excess insurance over the Limit of Liability, or Additional Excess Non Indemnifiable Limit, provided in this Policy.

#### 5.8 Subrogation



In the event the Insurer makes any payment under this Policy, the Insurer shall be subrogated to all of the Company's and any Insured's rights of recovery, and the Company and the Insured shall co-operate with the Insurer in securing such rights. Neither the Company nor any Insured shall do anything to prejudice the Insurer's ability to assert such rights.

The Insurer shall not exercise any rights of subrogation against an Insured unless it is established that such Insured has committed a deliberate criminal act or obtained any profit or advantage to which such Insured was not legally entitled.

**5.9 Authorisation**

The company shown in Item 2 of the Schedule hereby agrees to act on behalf of all Insureds with respect to this Policy.

**5.10 Non-assignment**

No change in, modification of, or assignment of interest under this Policy shall be effective unless agreed in writing by the Insurer.

**5.11 Policy Interpretation**

This Policy is governed by and is to be interpreted in accordance with the laws of the Commonwealth of Australia and of the State or Territory of the office of the Insurer in which the Policy was issued. The courts of that State or Territory have exclusive jurisdiction in relation to any disputes regarding the interpretation of this Policy.

**5.12 Order of Payments**

The Insurer shall:

- (a) first pay Non-Indemnifiable Loss; and
- (b) then pay Loss paid by the Company on behalf of an Insured; and
- (c) if additional cover is provided to the Company by endorsement to this Policy, other Loss incurred by the Company.

The insolvency of any Company shall not relieve the Insurer of any of its obligations to prioritise payment of Loss under this Policy.

**6. DISCOVERY PERIOD**

- (a) If the Insurer or the company shown in Item 2 of the Schedule refuses to renew this Policy, it may purchase the Discovery Period in Item 10 of the Schedule.
- (b) The Discovery Period shall only apply to:
  - (i) any Claim first made against the Insured before or during the Discovery Period, but only in respect of Wrongful Acts committed prior to expiry of the Policy Period; and
  - (ii) any Investigation first commenced before or during the Discovery Period, but only in respect of actual or alleged conduct undertaken prior to expiry of the Policy Period.



- (c) The right to purchase the **Discovery Period** as set out above must be exercised by notice to the **Insurer** in writing within 30 days of expiration of the **Policy Period**, and is only effective upon payment of the additional premium.
- (d) The **Insurer's** offer of renewal terms, conditions, limits of liability or premium different from those of the expiring policy shall not constitute a refusal to renew.
- (e) The **Company** or an **Insured** shall not have the right to purchase the **Discovery Period** if a **Transaction** takes place.
- (f) The **Insurer** shall not be liable to make any payment in respect of any **Claim** first made against the **Insured** or **Investigation** first commenced during the **Discovery Period** if at any time the **Company** obtains any other directors and officers insurance policy covering in whole or in part the **Discovery Period**.

7. **PRE-CEPTION SEVERABILITY, NON-AVOIDANCE AND NON-CANCELLATION**

The **Proposal** shall be construed as a separate proposal by each **Insured** and with respect to statements and particulars in the **Proposal** no statements made or information possessed by any **Insured** shall be imputed to any other **Insured** to determine whether cover is available for that other **Insured**.

Where there is any fraudulent non-disclosure or misrepresentation to the **Insurer**, the **Insurer** irrevocably waives any right to rescind, avoid or cancel the **Policy** but the person or persons who engaged in, or was or were aware of, the fraudulent non-disclosure or misrepresentation shall not be entitled to any indemnity under this **Policy**. Where there is any non-disclosure or misrepresentation which is not fraudulent, the **Insurer** irrevocably waives any right to cancel the **Policy** or to reduce its liability under the **Policy** in respect of any **Claim** or **Investigation** arising from the matter not disclosed or misrepresented.

Only statements made in the **Proposal** and knowledge possessed by an **Insured** who is the subject of a claim under this **Policy** shall be imputed to the **Company** for the sole purposes of determining if cover is available for indemnifiable **Loss** with respect to such **Insured**.

8. **CANCELLATION OF POLICY**

The **Insurer** may only cancel this **Policy** by written notice given to the **Insured** and in accordance with the requirements of the Insurance Contracts Act 1984 (Cth) for non payment of premium by the **Insured**.

Upon cancellation of this **Policy** by the **Insured**, the **Insurer** will allow a refund of unearned premium in accordance with its customary short term rates but such refund will never be greater than 75% of the premium.

9. **GST**

Where the **Insurer** makes payment under this **Policy**:

- (a) the amount of the payment will be reduced by the amount of any input tax credit to which the **Company** or the **Insured** is or may, in the opinion of the **Insurer**, be entitled to claim; and



**ace insurance**

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(b) the **Company** or the **Insured** must inform the **Insurer** of the extent of any entitlement to an input tax credit for the premium at or before the time a claim is made under this **Policy**.

If the **Company** or the **Insured** makes a claim under this **Policy**, it must inform the **Insurer** of its Australian Business Number if it has one.

The amount of the applicable retention is calculated after deduction of the amount of any input tax credit that the **Company** or the **Insured** is or may, in the opinion of the **Insurer**, be entitled to claim.



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## PRIVACY STATEMENT

ACE Insurance Limited (ACE) is committed to protecting your privacy. ACE collects, uses and retains your personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on our website at [www.aceinsurance.com.au](http://www.aceinsurance.com.au).

ACE collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them and to handle any claim that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as assessors and call centres), other companies within the ACE Group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside Australia.

You agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

If you would like to access a copy of your personal information, or to correct or update your personal information, please contact our customer relations team on 1800 815 675 or email [CustomerService.AUNZ@acegroup.com](mailto:CustomerService.AUNZ@acegroup.com).

If you have a complaint or want more information about how ACE is managing your personal information, please contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel: +61 2 9335 3200 or email [Privacy.AU@acegroup.com](mailto:Privacy.AU@acegroup.com).

## CODE OF PRACTICE

ACE is a signatory to the General Insurance Code of Practice (the Code). The Code sets out the minimum standards that we will uphold in respect of the products and services that we provide. Further information about the Code is available at [www.codeofpractice.com.au](http://www.codeofpractice.com.au) and on request.

## ASIC & Business Names

### ORGANISATIONAL SEARCH ON RACING QUEENSLAND LIMITED

#### Current Extract

This information was extracted from ASIC database on 07 July 2011 at 12:34PM

Section 1274B This extract has been prepared by the Australian Securities & Investments Commission from information it obtained, by using a data processor, from the national database. If you believe that this extract contains any error or omission please advise the A.S.I.C. promptly. The Information Division of the Australian Securities & Investments Commission is certified under the Australian Quality Standard AS 3901 (International Standard ISO 9001).

<b>142 786 874</b>	<b>RACING QUEENSLAND LIMITED</b>	<b>DOCUMENT NO.</b>
	142 786 874	
ABN	52 142 786 874	
Registered in	QLD	
Date Registered	25-Mar-2010	
Review Date	25-Mar-2012	

#### Current Organisation Details

Name	RACING QUEENSLAND LIMITED	026195608
Name Start	25-Mar-2010	
Status	REGISTERED	
Type	AUSTRALIAN PUBLIC COMPANY	
Class	LIMITED BY GUARANTEE	
Subclass	UNLISTED PUBLIC COMPANY - NON-PROFIT COMPANY	
Disclosing Entity	NO	

#### Current RG

Address	RACECOURSE ROAD, DEAGON, QLD, 4017	026195608
Start Date	25-Mar-2010	

#### Current Principal Place of Practice

Address	RACECOURSE ROAD, DEAGON, QLD, 4017	026195608
Start Date	25-Mar-2010	

#### Current Director

Officer Name	ROBERT GEOFFREY BENTLEY	026195608
ABN	Not available	
Birth Details	07-May-1943 BRISBANE QLD	
Address	1503 ROSEBANK WAY W, HOPE ISLAND, QLD, 4212	
Appointment Date	25-Mar-2010	

Officer Name ANTHONY JOHN HANMER 026195608  
 ABN Not available  
 Birth Details 21-May-1947 LONDON UNITED KINGDOM  
 Address 23 BOARDRIDER CRESCENT THE BOARDWALK, COOLUM BEACH, QLD, 4573  
 Appointment Date 25-Mar-2010

Officer Name WILLIAM PATRICK LUDWIG 026195608  
 ABN Not available  
 Birth Details 25-May-1934 LONGREACH QLD  
 Address UNIT 8, 9 VINCENT STREET, INDOOROOPILLY, QLD, 4068  
 Appointment Date 25-Mar-2010

Officer Name BRADLEY JOHN RYAN 026195608  
 ABN Not available  
 Birth Details 26-Sep-1973 BRISBANE QLD  
 Address 29 DERBY STREET, HENDRA, QLD, 4011  
 Appointment Date 25-Mar-2010

Officer Name WAYNE NORMAN MILLNER 026656630  
 ABN Not available  
 Birth Details 20-Feb-1953 NEWCASTLE NSW  
 Address 59 BENDENA TERRACE, CARINA HEIGHTS, QLD, 4152  
 Appointment Date 25-Mar-2010

Officer Name ROBERT JAMES LETTE 026656629  
 ABN Not available  
 Birth Details 15-Jul-1943 BRISBANE QLD  
 Address 160 MT OMMANEY DRIVE, JINDALEE, QLD, 4074  
 Appointment Date 25-Mar-2010

**Current Secretary**

Officer Name SHARA LOUISE MURRAY 026195608  
 ABN Not available  
 Birth Details 11-Nov-1976 DARWIN NT  
 Address 23 RIDGEGARDEN DRIVE, MORAYFIELD, QLD, 4506  
 Appointment Date 25-Mar-2010

**Charges**

ASIC Charge Number	2030754	Charge status	Registered
Date registered	12-Aug-2010	Time registered	15:30:00
Charge type	Both Fixed & Floating		
Date Created	02-Jul-2010		

**Chargee** NATIONAL AUSTRALIA BANK LIMITED  
 004 044 937

Lodged	Form Type	Processed	No. Pages	
12-Aug-2010	309	13-Aug-2010	16	027030161

309 NOTIFICATION OF  
309A DETAILS OF A CHARGE

**Document Details**

<b>Received</b>	<b>Form Type</b>	<b>Processed</b>	<b>No. Pages</b>	<b>Effective</b>	
07-Apr-2011 484E	484 Change to Company Details Appointment or Cessation of A Company Officeholder	07-Apr-2011	3	07-Apr-2011	1F0365232
14-Jul-2010 484A1	484 Change to Company Details Change Officeholder Name Or Address	23-Jul-2010	2	23-Jul-2010	026656629
14-Jul-2010 902	902 Supplementary Document Alters 026 195 608	23-Jul-2010	2	25-Mar-2010	026656630
14-Jul-2010 218	218 Constitution of Company	23-Jul-2010	18	14-Jul-2010	026656628
14-Jul-2010 205J	205 Notification of Resolution Altering The Constitution	23-Jul-2010	3	25-Jun-2010	026656627
25-Mar-2010 218	218 Constitution of Company	25-Mar-2010	21	25-Mar-2010	026195609
25-Mar-2010 201B	201 Application For Registration as a Public Company Limited By Guarantee Altered by 026 656 630	25-Mar-2010	10	25-Mar-2010	026195608

\*\*\* End of Extract \*\*\*

## ASIC & Business Names

### ORGANISATIONAL SEARCH ON RACING QUEENSLAND LIMITED

#### Historical Extract

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ABN	Not available	
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Officer Name ROBERT JAMES LETTE 026656629  
ABN Not available  
Birth Details 15-Jul-1943 BRISBANE QLD  
Address 160 MT OMMANEY DRIVE, JINDALEE, QLD, 4074  
Appointment Date 25-Mar-2010

#### **Ceased/Former Director**

Officer Name KERRY LEE WATSON 026195608  
ABN Not available  
Birth Details 22-Oct-1950 BRISBANE QLD  
Address UNIT 5, 132 BRYANTS ROAD, SHAILER PARK, QLD, 4128  
Appointment Date 25-Mar-2010  
Cease Date 06-Dec-2010

#### **Current Secretary**

Officer Name SHARA LOUISE MURRAY 026195608  
ABN Not available  
Birth Details 11-Nov-1976 DARWIN NT  
Address 23 RIDGEGARDEN DRIVE, MORAYFIELD, QLD, 4506  
Appointment Date 25-Mar-2010

#### **Charges**

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Date Created	02-Jul-2010		

**Chargee** NATIONAL AUSTRALIA BANK LIMITED  
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309	NOTIFICATION OF			
309A	DETAILS OF A CHARGE			

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484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
14-Jul-2010	484	23-Jul-2010	2	23-Jul-2010	026656629
484A1	Change to Company Details Change Officeholder Name Or Address				
14-Jul-2010	902	23-Jul-2010	2	25-Mar-2010	026656630
902	Supplementary Document Alters 026 195 608				
14-Jul-2010	218	23-Jul-2010	18	14-Jul-2010	026656628
218	Constitution of Company				
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205J	Notification of Resolution Altering The Constitution				
25-Mar-2010	218	25-Mar-2010	21	25-Mar-2010	026195609
218	Constitution of Company				
25-Mar-2010	201	25-Mar-2010	10	25-Mar-2010	026195608
201B	Application For Registration as a Public Company Limited By Guarantee Altered by 026 656 630				

\*\*\* End of Extract \*\*\*

**Miller, Paul**

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**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Wednesday, 27 July 2011 3:09 PM  
**To:** Miller, Paul  
**Subject:** FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)  
**Importance:** High  
**Attachments:** image001.png; D&O No Claims Declaration (QLD) - Proposal form.doc; Racing Queensland Limited - Side A D&O Quote Letter.pdf; ACE Elite Side A D&O Brochure 2009.pdf

Dear Paul

As discussed, please find information attached and highlighted below re 'Run Off' Cover.

Address for Directors:

- (a) Mr Bentley: 1503 Rosebank Way, Hope Island Qld 4212
- (b) Mr Hanmer: 23 Boardrider Crescent, The Boardwalk, Coolum Beach Qld 4573
- (c) Mr Milner: 59 Bendena Terrace, Carina Heights Qld 4152
- (d) Mr Ryan: 29 Derby Street, Hendra Qld 4011
- (e) Mr Ludwig: 8/9 Vincent Street, Indooroopilly Qld 4068
- (f) Mr Lette: 4 Sulo Court, Mudgimba Qld 4564

I have a Board meeting next Friday – in relation to timing, could you please provide Deeds early next week.

Kind Regards

Shara

***Shara Murray***  
Senior Corporate Counsel



PO Box 63, Sandgate QLD 4017  
P +61 7 3869 9712  
F +61 7 3269 9043  
M 0407 156 539  
E [smurray@racingqueensland.com.au](mailto:smurray@racingqueensland.com.au)  
W [www.racingqueensland.com.au](http://www.racingqueensland.com.au)

---

**From:** Mark L'Enfant [mailto:mark.lenfant@aon.com]  
**Sent:** Wednesday, July 20, 2011 11:11 AM  
**To:** Shara Murray  
**Cc:** Robert Piunti; Adam Carter  
**Subject:** Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)

Dear Shara,

I refer to the above and to your recent telephone conversation with Robert Piunti regarding Racing Queensland's D&O insurance policy, and in particular to the policy wording review conducted by Clayton Utz and to the potential run off cover for the Directors and Officers.

3/08/2011

RQL.128.010.0610

RQL.128.018.0235

## Policy Wording review by Clayton Utz

We have reviewed the High Level report conducted by Clayton Utz and don't see too many issues, mostly as a result of the Policy wording being one of the leading policies available in the market. In response to Clayton's recommendations we have approached your D&O insurers (Ace) in order to seek some minor improvements as outlined in Section 4 of the report as follows;

- 4.2 - Racing Qld has confirmed to Aon that the limit of indemnity is sufficient at this point in time
- 4.3 - Aon has asked Ace to attend to this request
- 4.4 - Aon has asked Ace to attend to this request
- 4.5 - 4.7 - Aon has asked Ace to increase these sublimits as much as possible without any increase in premium
- 4.8 - Aon/RQ feel that this is not needed
- 4.9 & 4.10 - Aon has asked Ace to attend to these requests
- 4.11 - Aon/RQ feel that this is not needed due to the fact that Racing Queensland does not have any USA exposure.

## "Run Off" cover for Directors and Officers

This issue is complex in that a traditional "Run-Off" D & O coverage effectively "triggers" when an entity significantly changes it's operations (e.g. as per the recent change to Racing Queensland Limited) or control of the entity changes (e.g. a takeover). In the absence of this "trigger" we needed to provide an innovative solution to address your needs. We are pleased to advise that we have been able to convince Ace insurance to provide a quotation to provide a separate "Side A" (cover for individual Directors & Officers) policy that can be taken out now without the "trigger" discussed above.

This policy will provide reassurance to the Directors and Officers of Racing Queensland that even in the event of amendment or cancellation of the current Racing Queensland D&O, there is a secondary policy that runs for 7 years (in line with most statutes of limitation) which is non-cancellable. The policy is subject to a one off premium, and only responds to claims or alleged claim against individual Directors or Officers. This is a separate policy to any Racing Queensland arranged D & O policy.

Based on a limit of \$20,000,000 in the aggregate for all loss, the one off premium for the 7 year period of cover including GST and Stamp Duty has been quoted at \$76,862.50. The insurance company would be Ace Insurance Limited, who is the incumbent insurer for Racing Queensland. It is important to retain Ace as the preferred carrier so that a significant retroactive date can be obtained. The policy is not be subject to any deductibles, and, very importantly, would only be called upon if Racing Queensland's annual D&O policy did not respond to a claim.

Cover is subject to the completion of the attached No Claims Declaration and provision of details surrounding any indemnities current Directors and Officers of Racing Queensland Limited are provided by the entity or Government. Aon will take traditional market commission on the premium if cover is taken out in consideration for servicing the policy for a 7 year period.

A copy of the quotation and a brochure is also attached for your perusal. Please let Robert or I know if we can be of any further assistance.

Regards,

Mark L'Enfant | Aon Risk Services Australia Limited  
Corporate Risk Services | Account Manager  
175 Eagle Street Brisbane QLD 4000

3/08/2011

RQL.128.010.0611

RQL.128.018.0236

t: +61732237479 | f: +61732237529 | m: +61410534899  
e: [mark.lenfant@adn.com](mailto:mark.lenfant@adn.com)

*Please consider the environment before printing this email.*

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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.



ace asia pacific

ACE Insurance Limited  
Level 28, 10 Eagle Street  
Brisbane QLD 4000  
Fax: (07) 3221 4124

## DIRECTORS & OFFICERS LIABILITY NO CLAIM DECLARATION

### Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the insurer.

It is important that all information contained in this proposal is understood by you and is correct, as you will be bound by your answers and by the information provided by you in this proposal. You should obtain advice before you sign this proposal if you do not properly understand any part of it.

Your duty of disclosure continues after the proposal has been completed up until the contract of insurance is entered into.

### Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

We declare that, after enquiry:

- (i) There have been no material changes to the information provided in the proposal form dated / / .
- (ii) We are not aware of any claims or circumstances, which might give rise to any claims other than matters disclosed in the above mentioned proposal form.

In the event that this No Claim Declaration Form is completed prior to the inception of cover, we acknowledge that any claims, or circumstances that might give rise to a claim, which may arise between today and the inception of the Policy:-

- (a) are not covered under the proposed contract of insurance, and
- (b) must be immediately notified to the Insurer as a material fact.

Signed for and on behalf of each and every person and Company to be Insured

Company: \_\_\_\_\_

Name of Authorised Officer: \_\_\_\_\_

Signed: \_\_\_\_\_

Date: \_\_\_\_\_



## Elite Directors & Officers Side A Liability Insurance

<b>To:</b> Mark L'Enfant	<b>From:</b> Callum McMillan	<b>Fax / Email</b>  <i>This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law.</i>
<b>Cc:</b>	<b>Fax:</b> 07 3221 4124	
<b>Company/Department:</b> Aon Risk Services	<b>Tel:</b> 07 3018 5815	
<b>Fax:</b> +61 7 3223 75299	<b>Date:</b> 19/07/11	
<b>E-mail:</b> <a href="mailto:mark.lenfant@aon.com.au">mark.lenfant@aon.com.au</a>	<b>E-mail:</b> <a href="mailto:callum.mcmillan@acegroup.com">callum.mcmillan@acegroup.com</a>	
<b>Re:</b> Racing Queensland Limited - D&O Side A Liability Insurance	<b>Pages including cover:</b> 1 of 6	

Dear Mark,

Thank you for your submission on behalf of Racing Queensland Limited. ACE is pleased to provide the following Directors & Officers Side A Liability Insurance quotation for your consideration.

<b>Company:</b>	Racing Queensland Limited
<b>Policy Period:</b>	84 months from the date of inception (see endorsement 2)
<b>Limit of Liability:</b>	\$20,000,000 in the aggregate for all Loss
<b>Sub-limits of Liability:</b>	
- Pecuniary Penalties:	\$2,000,000 in the aggregate for all pecuniary penalties.
- Public Relations Costs:	\$250,000 in the aggregate for all Public Relations Expenses.
- Extradition Crisis Costs:	\$25,000 for each claim and \$50,000 in the aggregate for all Extradition Crisis Costs.
- Tax Extension:	\$1,000,000 in the sub-limit of liability in the aggregate.
- Acquisition Limit:	20% of Total Assets
- Reputation Protection Expenses:	\$150,000 in the sub-limit of liability in the aggregate
- Additional Excess Limit for Non Executive Directors:	\$1,000,000 for Each Non Executive Director and \$10,000,000 in the aggregate for all Non Executive Directors for all Claims
<b>Deductible:</b>	Nil
<b>Wording:</b>	ACE Australia Elite Side A Liability Insurance Policy (Ed. 05.09)



## Elite Directors & Officers Side A Liability Insurance

Pending or Prior Litigation Date:	30 <sup>th</sup> June 2010
Endorsements:	1) Non-accumulation Endorsement 2) Run Off Cover Endorsement
Base Premium:	\$65,000.00
GST:	\$ 6,500.00
Stamp Duty:	\$ 5,362.50
Brokerage:	15%

### Coverage Features of ACE Australia Elite Side A Liability Insurance Policy (Ed. 05.09):

- Pays on behalf of the Insured all non-indemnifiable loss
- Pays on behalf of the Insured all non-indemnifiable Legal Representation Expenses in respect of an Investigation
- Few exclusions
- No insured versus insured exclusion (except with regard to USA claims – where the exclusion is subject to specific coverage grants)
- No 'Hammer clause' (other than claims brought by Insured Organisation or Outside Organisation against an Insured Person)
- Loss extended to include:
  1. Compensation Orders
  2. Aggravated, punitive and exemplary damages
  3. Public Relation Expenses
  4. Extradition Crisis Costs
  5. Bail Bond Costs
  6. Prosecution Costs
- Automatic Outside Directorship Cover for entities with direct ownership of between 10-50% (excluding US Traded entities or entities with negative net asset position)
- Emergency Defence Costs and Legal Representation Expenses (available without prior consent from Ace) for 10% of the Limit of Liability and 14 days
- Additional Excess Limit for Non Executive Directors for \$1,000,000 each Non Executive Director and \$10,000,000 in the aggregate (available in addition to the Limit of Liability)
- Automatic Retired Directors & Officers for 10 years
- Public Relations Expenses sub-limit of \$250,000 for covered Claims
- Extradition Bail Bond Costs sub-limit of 10% of the Limit of Liability
- Extradition Crisis Costs sub-limit of \$25,000 (\$50,000 in the aggregate)
- Automatic Cover for New Subsidiaries subject to threshold and where the New Subsidiary is not US listed
- \$2 million Pecuniary Penalties sub-limit in Australia and New Zealand



## Elite Directors & Officers Side A Liability Insurance

- Worldwide Occupational Health & Safety defence costs
- Worldwide Pollution Defence Costs & Shareholder Derivative cover
- Final adjudication language in Fraud, Dishonesty or Personal Profit Exclusion;
- Takeovers and Mergers Run Off
- Management Buy-out Cover
- Tax Extension of \$1,000,000 in the sub-limit of liability in the aggregate
- Foreign Corrupt Practices Act Cover
- Prosecution Costs Cover
- Reinstatement of limit in the event of a recovery

### Important Note

This is intended to provide only a general description of the insurance policy (ACE Australia Elite Side A Liability Insurance Policy (Ed. 05/09) and is not intended to modify the actual provisions of the wording. Please refer to the policy wording for full details.

Binding is conditional upon satisfactory receipt, review and acceptance by ACE prior too binding of the following:

1. Subject to receipt, review and acceptance of the Insured's Deeds of Indemnity;
2. There being no material change in the risk between the date of your submission and the proposed effective date of this Insurance;
3. There being no circumstances or claims notified between the date of your submission and the proposed effective date of this insurance; and
4. Acceptance of these terms no later than 30 days from 19/07/2011.

**ACE has the right to amend the terms, review the premium or even refuse cover once ACE has received and underwritten the above information.**

I trust you will find these terms to be of interest to your client and I look forward to discussing them with you in due course. In the meantime, should you require any additional information or clarification of any of the matters raised above, please do not hesitate to contact me.

Yours sincerely,

Callum McMillan  
Financial Lines Underwriting Manager - Queensland  
ACE Insurance Limited



## Elite Directors & Officers Side A Liability Insurance

Policy Number: TBC  
Insured Organisation: Racing Queensland Limited  
Effective Date: ACE Inception Date

Endorsement Number: 1

### Non-accumulation Endorsement

By way of endorsement to the Policy, the parties agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy):

In the event of Loss arising from:

- i. one or more Claims whenever made against one or more Insureds arising from a single Wrongful Act or a series of related Wrongful Acts; and/or
- ii. any Investigation

any amounts paid or payable under this Policy and also policy number 04CH008050 issued to Racing Queensland Limited by the Insurer (or any renewal or replacement of such policy or which succeeds such policy in time) in respect of such Loss shall reduce the Limit of Liability under this Policy for such Claim/s) and/or Investigations.

In all other respects this Policy remains unaltered.



## Elite Directors & Officers Side A Liability Insurance

Policy Number: TBC  
Insured Organisation: Racing Queensland Limited  
Effective Date: ACE Inception Date  
Endorsement Number: 2

### Run Off Cover Endorsement – Policy Period Amendment

By way of endorsement to the Policy, the parties agree as follows (subject otherwise to all other terms, conditions, limits of liability and exclusions of the Policy)

1. For the purpose of Extension 2.5 (Takeovers and Mergers Run-off) the Policy Period in Item 3 of the Schedule is deleted in its entirety and replaced with the following:

Item <del>3</del>	Policy Period	From: (Policy Inception) Local Standard Time <del>XXXXXX</del>
		To: (84 months duration) Local Standard Time
		Both days inclusive
		LST (Local Standard Time) means the time applicable to the relevant date at the Principal Address

2. ACE will not be liable under the Policy to make any payment for Loss arising from any Wrongful Act or any other act error or omission occurring, in whole or part, on or after the Run-Off Date.
3. Run-Off Date means ~~(TBC)~~ <sup>6-1-2</sup>
4. The additional premium required by the insurer is fully earned upon the effective date of this Endorsement.

In all other respects this Policy remains unaltered.



## Elite Directors & Officers Side A Liability Insurance

### **Privacy Statement**

ACE Insurance Limited ("ACE") is committed to protecting your privacy. ACE collects, uses and retains your personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on our website at [www.aceinsurance.com.au](http://www.aceinsurance.com.au).

ACE collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them and to handle any claim that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as assessors and call centres), other companies in the ACE group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside Australia.

You agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

If you would like to access a copy of your personal information, or to correct or update your personal information, please contact our customer relations team on 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).

If you have a complaint or want more information about how ACE is managing your personal information, please contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel: 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).



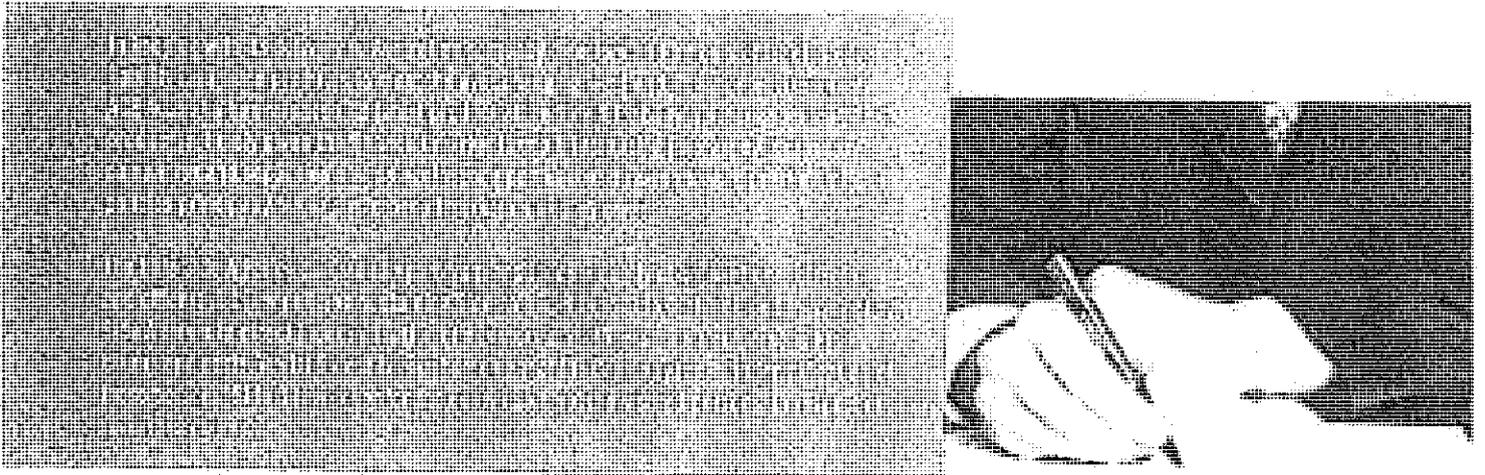
ace insurance

Elite Side A Directors &  
Officers Policy

05/2009

RQL 128.010.0760

RQL 128.018.0245



### WHEN INDEMNITY IS NOT FORTHCOMING

There are many reasons why some Companies cannot or do not extend indemnity to their directors and officers in respect of claims or investigations. This can cause the insured persons hardship and concern on issues such as representation and payment of defence costs.

Delays in Company decisions on indemnification of a director or officer might arise due to a variety of reasons including, for example, because a Company may be uncertain whether it is legally entitled to indemnify the directors and officers (because of provisions such as Section 199A Corporations Act 2001). Alternatively, it could be due to preclusion by the Company's own Constitution/Articles of Association and/or the specific terms of the relevant Deed of Indemnity and Access entered into by directors and officers with the Company.

Other impediments or delays to indemnification by a Company can include insolvency, change of ownership or perhaps ill will or malevolence on the part of the Company. Often, this depends upon the allegations made against the director or officer, such as to raise the spectre of Section 199A of the Corporations Act or (for example, in the case of 'cartel' matters) Section 77A of the Trade Practices Act 1974, both of which prohibit the indemnification by the Company of the director or officer in certain circumstances.

### KEY FEATURES OF ELITE SIDE A

- \* Fundamentally, ACE's Elite Side A is a product that responds when it is most needed - when the Company is **unwilling, unable or refuses to indemnify** the insured person in respect of claims, investigations and consequent costs. The key trigger is the existence of non-indemnified Loss (as defined in the wording).

- \* Elite Side A is different to other Side A only products and will generally be available as the 'first port of call' by the insured persons, from the 'ground up', where there is a refusal or failure to indemnify by the Company in respect of Loss and the Company's D&O insurer delays its decision on indemnification for such non-indemnifiable Loss, or wrongly refuses or declines to advance defence costs to the directors and officers under the Company programme. Subject to its terms, under the Elite Side A policy, ACE will in such circumstances pursue the other insurer for contribution to the non-indemnifiable Loss paid under its policy. Thus, the insured persons ought not to be without financial support in a claim situation.
- \* Where the Company D&O programme responds to a claim on the director for which the Company does not indemnify, Elite Side A will sit in excess of it. The Company can procure, and pay the premium for, the Elite Side A policy for the directors and officers.
- \* In the event that the Company fails, refuses to or is unable to indemnify the director or officer, the acknowledgment by the Company of the purpose of the Elite A policy provides protection and a balance against its abuse. ACE will take responsibility for recovery under any right of indemnification.
- \* For non-executive directors there is also an added feature of an Additional Excess Limit in the event of the exhaustion of all other sources of indemnification, including the general Limit of Liability under Elite Side A.

### BENEFITS

- \* An important reason for directors and officers to have the benefit of Elite Side A includes the presence in some conventional Company D&O policies of Side C cover (for the Company for securities claims). The inclusion of that entity cover has the very real potential to exhaust the limit of liability under that policy. It deprives the insured persons of the benefit for which the policy was purchased.

In the current financial market turmoil around the world, including Australia, this benefit is of particular relevance to directors looking to assure themselves of insurance cover should a claim arise against them and/or the Company.

ACE's Elite Side A product is a simplified and plain English wording incorporating 'state of the market' D&O covers, with minimal exclusions and the maximum number of extensions. Such extensions include:

- New and Acquired Subsidiaries (automatic cover for new subsidiaries that have total assets up to Acquisition limit referred to in the schedule and no listing of securities in the US).
- Emergency Defence Costs and Legal Expenses (no prior consent for 10% of the limit of liability and fourteen days)
- Retired Director or Officer Cover (Automatic 10 year run-off for any Retired Director & Officer following non renewal of the policy)
- Bail Bond Costs, Crisis Costs, Public Relations Expenses, & Reputation Protection Expenses
- Extradition Proceedings
- Prosecution Costs Extension
- Occupational Health & Safety Extension
- Pecuniary Penalties Extension
- Reinstatement of Limit if a Recovery

Directors can in good faith and for a proper purpose vote for the Company to procure Elite Side A as a stand alone product for the directors and officers, even where a traditional Side A/B and/or C policy may exist. It is in the business and corporate interests of the Company for it to do so and to attract a high level of expertise to its Board and senior management.

There are a number of traditional exclusions in conventional D&O policies which do not appear in our standard form Elite Side A policy wording. They include:

- Bodily Injury
- Pollution
- Insured vs Insured (except certain company and outside entity claims in the USA, then with write backs)

## EXCLUSIONS

In our standard form there are only six exclusions. Most of those have write backs of cover. The exclusions attempt to balance the interests of all insured persons, including those accused of the relevant wrongful acts and those who are merely 'innocent' defendants to the claim. The exclusions are with respect to:

- Dishonesty, Fraud and Personal Profit
- Pending or Prior Litigation
- Prior Known Fact
- ERISA
- Securities Offering
- Certain Company and Outside Entity Insured versus Insured claims in the USA (but with write backs)

## ADDITIONAL BENEFITS

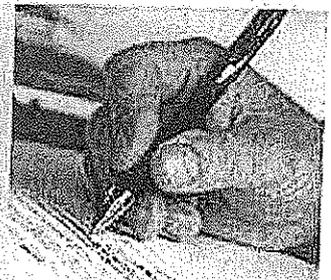
- Capacity of A\$30 million.
- Australia wide representation.
- Local claims handling capabilities.
- Local underwriting authority and account management expertise.
- Primary and excess capabilities.

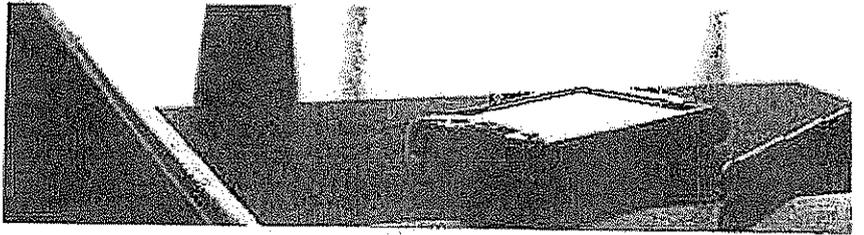
## OTHER FINANCIAL LINES PRODUCTS

- Directors & Officers Liability Insurance
- Prospectus Liability Insurance (Public Offering of Securities Insurance).
- Commercial Crime Insurance.
- Professional Indemnity Insurance.
- Financial Institutions Insurance (Investment Managers Insurance, Bond / Electronic Computer Crime, Financial Institutions Professional Indemnity Insurance).
- Management Liability Insurance for Private Companies.

### Important Note:

This brochure is intended to provide only a general description of the insurance policy (ACE 'Elite Side A Directors & Officers Liability Insurance Policy' (ed. 05/09) and is not intended to modify the actual provisions of the wording. We recommend that a potential purchaser thoroughly examine our policy offered and consult with an appropriate expert to be certain of the precise nature of its details. Potential purchasers should contact ACE or their broker and / or insurance agent for further advice.





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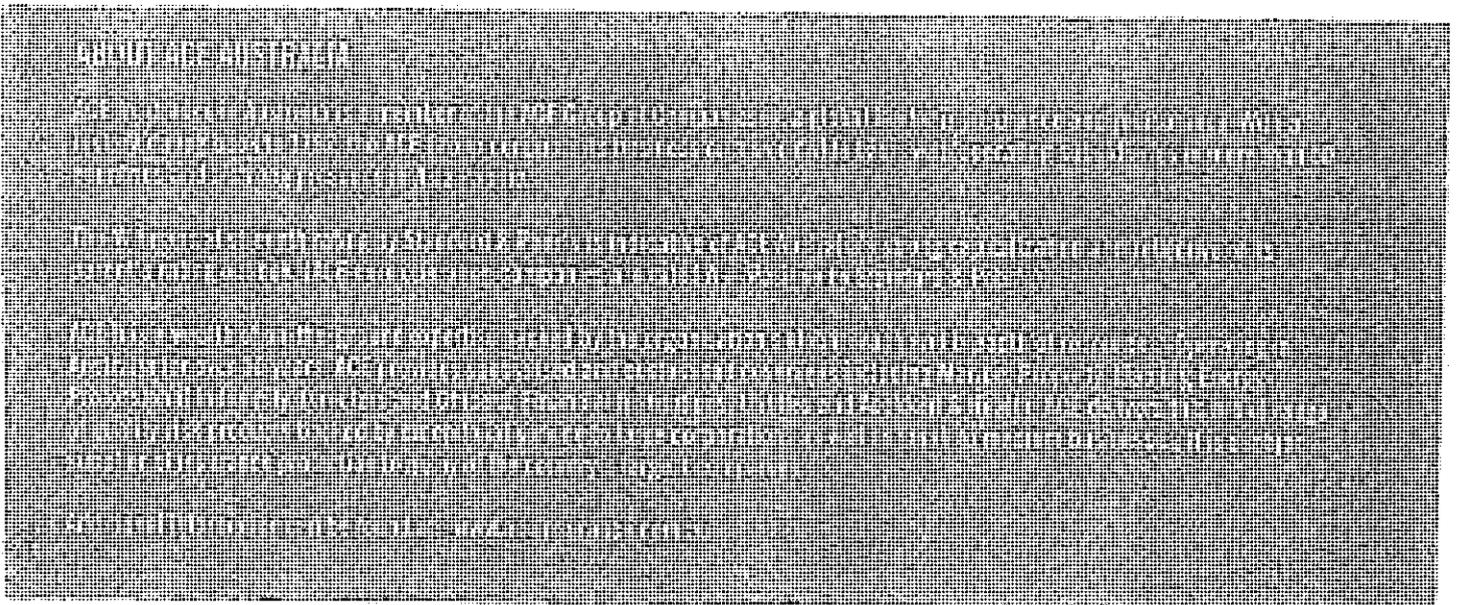
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Tel : (08) 9325 2399

Fax : (08) 9221 1559

[www.aceinsurance.com.au](http://www.aceinsurance.com.au)



Miller, Paul

---

**From:** Shara Murray [smurray@racingqueensland.com.au]  
**Sent:** Tuesday, 2 August 2011 10:27 AM  
**To:** Miller, Paul  
**Cc:** Waller, Mark  
**Subject:** FW: Racing Queensland Limited: Directors' & Officers' Liability Insurance (D&O)  
**Attachments:** image001.png; ACE (Australia) Elite Side A Directors Officers Liability Insurance Policy (Ed 05 09).pdf

Dear Paul

Please find wording attached re run off cover.

Regards

Shara

**Shara Murray**  
Senior Corporate Counsel



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Unless expressly attributed, the views expressed in this email do not necessarily represent the views of Racing Queensland Limited.



ace insurance

# Elite Side A Directors & Officers Liability Insurance Policy

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COMPANY:

[Client]

PERIOD:

[From date to]





## Elite Side A Directors & Officers Liability Insurance

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# Elite Side A Directors & Officers Liability Insurance

## Schedule

ACE Insurance Limited  
insert address

- Item 1. **Policy Number:** Insert policy number
- Item 2. **Company:** Insert name of Company
- Principal Address:** Insert address of Insured Organisation
- ABN:** Insert Australian Business Number
- Item 3. **Policy Period:** From: dd mm yyyy 4:00pm local time  
To: dd mm yyyy 4:00pm local time ] - 2 years.
- Item 4. **Limit of Liability:** \$ in the aggregate for all Loss
- Item 5. **Tax Extension** \$ in the sub-limit of liability in the aggregate
- Item 6. **Pecuniary Penalties :** \$2,000,000 in the aggregate for all Pecuniary Penalties.
- Item 7. **Acquisition Limit:** \$
- Item 8. **Crisis Costs:** (a) \$25,000 for each claim for Crisis Costs.  
(b) \$50,000 in the aggregate for all claims for Crisis Costs.
- Item 9. **Public Relation Costs:** \$ sub-limit of liability in the aggregate
- Item 10. **Reputation Protection Expenses:** \$ sub-limit of liability in the aggregate
- Item 11. **Additional Excess Limit for Non Executive Directors:** (a) Each non executive Director excess limit: \$  
(b) for all non executive Directors, for all Claims excess aggregate limit: \$
- Item 12. **Discovery Period:** (a) Period: (a) Premium \$  
(b) Period: (b) Premium \$
- Item 13. **Pending or Prior Litigation Date:**
- Item 14. **Securities Offering Limit:** \$
- Item 15. **Underlying Policy(ies):**
- Item 16. **Endorsements Effective at Inception:**  
(a)  
(b)  
(c)



**Elite Side A Directors & Officers Liability Insurance**

**ENDORSEMENTS**

SAMPLE



## Elite Side A Directors & Officers Liability Insurance

### POLICY WORDING

In consideration of the payment of the Premium and in reliance upon all statements made and information provided to ACE Insurance Limited ABN 23 001 642 020 ("The Insurer"), including statements made in the Proposal and materials accompanying it, which it is agreed shall form the basis of this insurance, and subject to all the terms, conditions, exclusions and limitations of this Policy, The Insurer agrees as follows

#### 1. Insuring Agreement

- A. The Insurer will pay on behalf of the Insured all Non-Indemnifiable Loss resulting from a Claim first made against an Insured during the Policy Period, or Discovery Period if applicable.
- B. The Insurer will pay on behalf of the Insured all Non-Indemnifiable Loss that is Legal Representation Expenses in respect of an Investigation.

#### 2. Extensions

Subject to the terms of the Insuring Agreements and all other terms of this Policy the Insurer agrees to provide the cover under the following Extensions

##### 2.1 Additional Excess Limit for Non-Indemnifiable Loss

Subject to the Aggregate Excess Limit in Item 11(b) of the Schedule, the insurer will pay to or on behalf of each non executive Director of the Company all Non-Indemnifiable Loss up to the Additional Excess Limit in Item 11(a) of the Schedule provided that:

- (i) the Limit of Liability; and
- (ii) any other directors and officers liability policy which covers any part of that Loss, including but not limited to the underlying policies shown in Item 15 of the Schedule; and
- (iii) all other indemnification available to such non executive Director in respect of that Loss,

has been exhausted and only where:

- (a) any other policy entered into by the non executive Director, whether prior or current, which covers any part of that Loss (including but not limited to the underlying policies shown in Item 15 of the Schedule) is exhausted; or
- (b) any other policy effected on behalf of the non executive Director or under which the non executive Director is a beneficiary (but not a policy to which 2.1(a) applies), whether prior or current, which covers any part of that Loss (including but not limited to the underlying policies shown in Item 15 of the Schedule) is exhausted.

The Additional Excess Limit in Item 11(a) of the Schedule is part of and not in addition to the Aggregate Excess Limit in Item 11(b) of the Schedule.

The Aggregate Excess Limit in Item 11(b) of the Schedule is the Insurer's maximum aggregate liability for all Loss under this Extension for all non-executive Directors irrespective of the number of claims under this Policy, the amount claimed or the number of non-executive Directors who claim. The Aggregate Excess Limit in Item 11(b) of the Schedule is in addition to, and not part of, the Limit of Liability.



## Elite Side A Directors & Officers Liability Insurance

### 2.2 Subsidiaries

- (i) If during the Policy Period the Company acquires an entity so that it becomes a Subsidiary and that entity has:
- (a) total assets less than the Acquisition Limit referred to in Item 7 of the Schedule; and
  - (b) no listing of its Securities in the United States of America;

or the Company creates a Subsidiary then this Policy shall automatically extend cover in respect of such Subsidiary without notice to the Insurer or additional premium being payable, but only in respect of Wrongful Acts or conduct after such entity becomes a Subsidiary.

- (ii) For any Subsidiary acquired during the Policy Period and not covered in item (i) above cover shall automatically be extended under this Policy in respect of such entity for a period of 45 days from the date of acquisition but only in respect of Wrongful Acts or conduct after such entity becomes a Subsidiary. With the written agreement of the Insurer and subject to any additional premium, amended terms and conditions, the cover under this Policy may be extended in respect of such Subsidiary beyond 45 days, but only in respect of Wrongful Acts or conduct after such entity becomes a Subsidiary.
- (iii) If the Company effects a sale or dissolution of a Subsidiary, either prior to or during the Policy Period this Policy shall continue to provide cover in respect of such Subsidiary but only for Wrongful Acts or conduct prior to the effective date of sale or dissolution.
- (iv) The Insurer shall only be liable for Loss in respect of Wrongful Acts or conduct whilst an entity is or was a Subsidiary.

### 2.3 Emergency Defence Costs and Legal Representation Expenses

If the Insured cannot reasonably obtain the Insurer's consent prior to the incurring of Defence Costs, Legal Representation Expenses, Bail Bond Costs or Public Relation Expenses the Insurer will give retrospective consent as long as the Insurer's consent is sought within fourteen days of the first of such Defence Costs, Legal Representation Expenses, Bail Bond Costs or Public Relations Expenses being incurred.

The sub-limit of liability for all payments under this Extension is 10% of the Limit of Liability or sub-limit of liability as applicable.

### 2.4 Retired Director or Officer Cover

In the event that this Policy is not renewed or replaced with any other policy affording directors and officers liability cover and a Discovery Period is not invoked, this Policy shall extend to include as an insured any Retired Director or Officer in respect of Claims made or Investigations commenced against such persons during the period of 10 years immediately following the date of such non-renewal.

### 2.5 Takeovers and Mergers Run-off

In the event of a Transaction taking place, the Insurer may extend this Policy to Include Claims first made or Investigations first commenced against an Insured within a period of up to 72 months from the expiry date of the Policy Period. Such extension is subject to additional terms, conditions and premium as the Insurer may require.



## Elite Side A Directors & Officers Liability Insurance

### 2.6 Outside Directorship Extension

- (i) This Policy shall extend to include an Insured who at the specific request of the Company holds the position of and acts in the capacity as a director, officer, trustee, governor or equivalent of any Outside Entity.
- (ii) Cover under this Extension shall be excess of any indemnification provided by the underlying policies shown in Item 15 of the Schedule, the Outside Entity and any valid and collectible directors and officers liability insurance in respect of the Outside Entity.
- (iii) If the Outside Entity's directors and officers liability insurance is provided by the Insurer or any member of the ACE Group of Companies, then the total aggregate Limit of Liability for all Loss covered by virtue of this extension shall be reduced by the amount paid to any Insured under such other ACE Group policy.

### 2.7 Management Buy-outs

In the event of a Subsidiary of the Company ceasing to be owned by the Company as a result of a buy-out by existing management the Insurer agrees to maintain this Policy in respect of such Subsidiary for a period of 30 days from the date of the buy-out for Wrongful Acts committed subsequent to the buy-out. This Extension shall not apply in circumstances where there is other insurance in force which provides cover in respect of such Wrongful Acts.

### 2.8 Tax Extension

This Policy shall extend to include as an Insured's Loss their personal liability for the Company's unpaid taxes or employer superannuation contributions where the Company has become insolvent and cannot pay such amounts, except to the extent that such liability arises from the wilful intent of the Insured to breach any statutory duty governing the payment of taxes or such contributions.

The sub-limit of liability for all payments under this Extension is up to the sub-limit shown in Item 5 of the Schedule.

### 2.9 Bail Bond Costs, Crisis Costs, Public Relations Expenses & Reputation Protection Expenses

This Policy is extended to include:

- (i) Bail Bond Costs;
- (ii) Crisis Costs;
- (iii) Public Relations Expenses; and
- (iv) Reputation Protection Expenses.

### 2.10 Extradition Proceedings

This Policy is extended to include:

- (i) Defence Costs;
- (ii) Bail Bond Costs;
- (iii) Crisis Costs;
- (iv) Public Relations Expenses; and
- (v) Reputation Protection Expenses;

In addition, This Policy is extended to include Prosecution Costs arising from a Claim first

### 2.11 Prosecution Costs Extension

This Policy is extended to include Prosecution Costs arising from a Claim first made during the Policy Period or Investigation.



## Elite Side A Directors & Officers Liability Insurance

### 2.12 Foreign Corrupt Practices Act

This Policy is extended to include civil fines and penalties imposed pursuant to Section 78ff (c) or Section 1 78dd - 2(g) (2) of the Foreign Corrupt Practices Act or any similar legislation in any other jurisdiction.

The sub-limit of liability under this Extension shall be \$100,000 per Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed \$1,000,000 irrespective of the number of claims under this Policy, the amount claimed or the number of Insured's who claim under this Extension.

### 2.13 Occupational Health and Safety Extension

This Policy extends to include all Defence Costs and Legal Representation Expenses arising from any Claim or Investigation alleging involuntary manslaughter, constructive manslaughter, corporate manslaughter or gross negligence manslaughter and/or a breach of occupational health and safety legislation.

### 2.14 Deprivation of Assets Extension

This Policy extends to include Deprivation of Assets Expenses arising from a Claim or Investigation, first made during the Policy Period.

The sub-limit of liability under this Extension shall not exceed \$100,000 for each Insured. The Insurer's total aggregate liability for cover under this Extension shall not exceed \$300,000 irrespective of the number of claims under this Policy, the amount claimed or the number of Insured's who claim under this Extension.

### 2.15 Pecuniary Penalties

This Policy extends to include any fine or penalty which the Insured is legally obligated to pay pursuant to the laws of and in the jurisdictions of Australia or New Zealand, provided the Insurer is not legally prohibited from paying such fine or penalty.

The sub-limit of liability for all payments under this Extension is specified in Item 6 of the Schedule. This sub-limit is part of and not in addition to the Limit of Liability.

### 2.16 Reinstatement of Limit if a recovery

Any amounts recovered by the Insurer (net of the Insurer's reasonable expenses associated with such recovery) following a paid Claim shall proportionally reduce the impairment of the Limit of Liability.





## Elite Side A Directors & Officers Liability Insurance

- 3.8 Director or Officer means a director or officer of the Company including the equivalent position in any other jurisdiction and a de facto director.
- 3.9 Discovery Period means the periods in Item 12 of the Schedule from the date on which the Policy Period expires.
- 3.10 Employee means:
- (i) an employee of the Company acting in a managerial or supervisory capacity; or
  - (ii) an employee of the Company for an Employment Related Wrongful Act; or
  - (iii) an employee of the Company, in respect of any Claim or Investigation in which such employee is named as a co-defendant or is required to attend an Investigation with any Director or Officer.
- 3.11 Employment Related Wrongful Act means any actual or alleged violation of employment laws or any other legal provisions relating to any individual's actual or prospective employment relationship with the Company, or (for the purpose of Extension 2.6 only) with an Outside Entity.
- 3.12 Extradition Proceeding means:
- (i) a request for extradition of an Insured, a warrant for arrest in respect of an Insured or other proceedings under the provisions of Extradition Act 1988 (Cth) and any associated regulations; or
  - (ii) any associated appeals, including but not limited to the pursuit of judicial review proceedings, against the decision of the Attorney General or other appropriately authorised representative of the Australian Government to issue a surrender warrant under the Extradition Act 1988 (Cth);
  - (iii) the equivalent of the above in any other jurisdiction.
- A Wrongful Act is not required for cover for an Extradition Proceeding.
- 3.13 Insured means a natural person who was, now is or becomes during the Policy Period:
- (i) a Director or Officer;
  - (ii) a Shadow Director;
  - (iii) an Employee;
  - (iv) any lawful spouse or domestic partner of a Director or Officer or Employee, but only where the Claim results from the Wrongful Act of such Director or Officer or Employee;
  - (v) the estate, heir or legal representative of a deceased Director or Officer or Employee;
  - (vi) the legal representative of a Director or Officer or Employee in the event of the incapacity, insolvency or bankruptcy of such Director or Officer or Employee;
  - (vii) any responsible officers as defined in section 9 of the Corporations Act, where the Company holds an Australian Financial Services Licence.
  - (viii) a prospective director in any listing particulars or prospectus issued by the Company.
  - (ix) a lawyer employed by the Company who in their capacity as such must comply with Sarbanes-Oxley Act of 2002.
- provided that Insured does not include an external auditor or external administrator.



## Elite Side A Directors & Officers Liability Insurance

3.14 Insurer means ACE Insurance Limited ABN 23 001 642 020

3.15 Investigation means a formal or official investigation, examination or inquiry into the Company or an Insured in their capacity as such Insured at which the attendance of the Insured is first required or requested in writing during the Policy Period or any Discovery Period.

3.16 Legal Representation Expenses means the reasonable legal costs or related professional fees incurred by an Insured (but not including any remuneration of any Director or Officer or employee of the Company) with the prior written consent of the Insurer, not to be unreasonably withheld or delayed, for legal representation in relation to an Investigation.

3.17 Limit of Liability means the amount stated in Item 4 of the Schedule.

3.18 Loss means all amounts which an Insured is legally and personally obligated to pay including but not limited to:

- (i) any damages awarded, judgments entered, settlements reached with the Insurer's prior written consent and including plaintiffs' legal costs;
- (ii) Defence Costs;
- (iii) Legal Representation Expenses;
- (iv) Bail Bond Costs;
- (v) Crisis Costs;
- (vi) Deprivation of Assets Expenses;
- (vii) Prosecution Costs;
- (viii) Public Relations Expenses;
- (ix) Reputation Protection Expenses;
- (x) aggravated, punitive and exemplary damages where insurable by law, the insurability of which is governed by the applicable law which most favours cover for aggravated, punitive and exemplary damages.
- (xi) pecuniary penalties payable under Extension 2.15;
- (xii) Compensation Orders

Loss does not include:

- (a) fines or penalties imposed by law other than pecuniary penalties payable under Extension 2.15, or any matter deemed uninsurable under the law applicable to this Policy;
- (b) taxes or sums payable in relation to taxes, except as provided under Extension 2.8;



## Elite Side A Directors & Officers Liability Insurance

- 3.19 Non-Indemnifiable Loss means Loss where a Company is unable to or does not indemnify an Insured due to:
- (i) legal prohibition; or
  - (ii) the Articles of Association, charter, bylaws, contract or similar documents of such Company, including but not limited to any Deed of Access and Indemnity between the Company and the Insured; or
  - (iii) insolvency under the Corporations Act 2001 or the equivalent law in any other jurisdiction governing a Company's insolvency; or
  - (iv) any refusal otherwise to indemnify.
- 3.20 Not-for-profit Entity means any organisation or body that is not carried on for the purposes of profit or gain to its individual members and is, by the terms of the constituent document(s) of the organisation or body, prohibited from making any distribution, whether in money, property or otherwise, to its members.
- 3.21 Outside Entity means;
- (i) any entity which is not a Subsidiary, and has no Securities traded on any exchange in the United States of America unless such entity is listed by endorsement to this Policy; or
  - (ii) any Not-for-profit Entity.
- 3.22 Policy means this policy and any endorsement thereto.
- 3.23 Policy Period means the period of time shown in Item 3 of the Schedule of this Policy.
- 3.24 Proposal means the proposal form submitted by the Company and/or any Insured in applying for this Policy and all information and documentation accompanying it.
- 3.25 Prosecution Costs means the legal and other professional fees, costs and expenses, incurred by an Insured with the prior written consent of the Insurer (which shall not be unreasonably delayed or withheld) to bring legal proceedings to obtain the discharge or revocation of:
- (i) an order disqualifying an Insured from holding office as a company Director or Officer; or
  - (ii) an Interim or interlocutory order:
    - (a) confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of such Insured; or
    - (b) a charge over real property or personal assets of the Insured; or
  - (iii) an order of a court imposing a restriction of the Insured's liberty; or
  - (iv) the deportation of an Insured following revocation of otherwise proper, current and valid immigration status for any reason other than the Insured's finally adjudicated conviction for a crime.



## Elite Side A Directors & Officers Liability Insurance

- 3.26 Public Relations Expenses means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an Insured may, in the reasonable exercise of its discretion, engage with the written consent of the Insurer, not to be unreasonably withheld or delayed, in order to prevent or limit adverse effects or negative publicity which may arise from any Claim or Investigation.

The sub-limit of liability for all Public Relations Expenses is the sub-limit specified in Item 9 of the Schedule.

- 3.27 Reputation Protection Expenses means the reasonable fees and related expenses of a public relations firm or consultant which an Insured may engage in order to disseminate the findings of a final adjudication in favour of the Insured in respect of a Claim. Such fees and expenses shall only be incurred with the written consent of the Insurer, not to be unreasonably withheld or delayed.

The sub-limit of liability for all Reputation Protection Expenses is the sub-limit specified in Item 10 of the Schedule.

- 3.28 Retired Director or Officer means any Insured (other than one who has been disqualified from holding office as a company director or officer) who has ceased to act in the capacity of an Insured during the Policy Period.

- 3.29 Securities means any equity or debt instrument issued by the Company.

- 3.30 Shadow Director means a Director or Officer or Employee of the Company (including as a consequence of serving on an Outside Entity) acting as a shadow director as defined in Section 251 of the Companies Act 2006 (UK) or equivalent legislation in any other jurisdiction, of any entity other than the Company.

- 3.31 Subsidiary means any entity that the Company shown in Item 2 of the Schedule directly or indirectly:

- (a) controls a majority of the voting rights; or
- (b) controls the right to appoint or remove a majority of its board of Directors; or
- (c) holds more than half of the issued share capital

Subsidiary also means a joint venture or similar entity where a Company exercises effective management control but only to the extent of the Company's interest in that joint venture.

- 3.32 Transaction means any one of the following events:

- (i) the Company shown in Item 2 of the Schedule merges with or consolidates into any other entity (such that it is not the surviving entity); or
- (ii) the Company shown in Item 2 of the Schedule sells all its assets to any person or entity or persons or entities acting in concert; or
- (iii) any person or entity or persons or entities acting in concert acquire more than 50% of the issued share capital of the Company shown in Item 2 of the Schedule; or
- (iv) any person or entity or persons or entities acting in concert acquire control of the appointment of the majority of directors of the Company shown in Item 2 of the Schedule.

- 3.33 Wrongful Act means any actual or alleged, breach of trust, error, omission, misstatement, misleading statement, defamatory statement, libel, slander, neglect or breach of duty or any other matter claimed against an Insured whilst acting in the capacity of an Insured, including but not limited to any violation of the Corporations Act 2006, Sarbanes-Oxley Act of 2002 or any equivalent law, rule or regulation in any other jurisdiction, or an Employment Related Wrongful Act.



## Elite Side A Directors & Officers Liability Insurance

### 4. Exclusions

The Insurer shall not be liable to make any payment under this Policy:

4.1 based on, arising from or attributable to:

- (i) any dishonest or fraudulent act or omission of the Insured or an intentional breach of the law by the Insured; or
- (ii) any personal profit or advantage gained by the Insured to which such Insured was not legally entitled; or
- (iii) conduct involving a wilful breach of duty in relation to the Company; or
- (iv) any breach of Sections 182 or 183 of the Corporations Act (Cth)

provided that this exclusion shall only apply if it is established through a judgment or any other final adjudication (including any appeal thereof) or any written admission by such Insured that the relevant conduct occurred;

4.2 based on, arising from or attributable to any pending or prior litigation or other proceedings (including but not limited to civil, criminal, regulatory and administrative proceedings or investigations) involving an Insured and issued or otherwise begun before the date shown at Item 13 of the Schedule or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings;

4.3 based on, arising from, attributable to or substantially the same as any Wrongful Act or a series of related Wrongful Acts or other conduct alleged in any Claim, circumstance or investigation of which notice has been given under any policy existing or expired before or on the inception date of this Policy;

4.4 based on, arising from or attributable to any Claim brought or maintained by or on behalf of

- (a) the Company or
- (b) an Outside Entity against an Insured who is the director or officer of an Outside Entity

in the United States of America or its territories, except:

- (i) any Claim against an Insured:
  - (a) for contribution or indemnity if such Claim directly results from another Claim that is covered under this Policy; or
  - (b) which is a shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the active solicitation or active participation of an Insured (other than a whistleblower), Company or Outside Entity unless legally required to do so; or
  - (c) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction; or
- (ii) Defence Costs.

4.5 based on, arising from or attributable to any actual or alleged violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (USA) as amended or re-enacted, any related rules or regulations or any similar legislation in any other jurisdiction. This Exclusion does not apply to any similar Australian and New Zealand legislation.

4.6 based on, arising from or attributable to any public offering of any Securities during the Policy Period, provided that this Exclusion shall not apply where the total value of such placement or offering is equal to or lower than the sum shown at Item 14 of the Schedule;

For the purposes of determining the applicability of any Exclusion the Wrongful Act of an Insured shall not be



## Elite Side A Directors & Officers Liability Insurance

imputed to any other Insured.

### 5. Conditions

#### 5.1 Limit of Liability

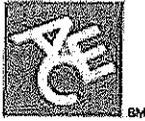
- (i) Other than in respect of Extension 2.1, the amount shown in Item 4 of the Schedule is the Insurer's maximum aggregate liability under this Policy, irrespective of the number of claims made under this Policy, the amount claimed, the number of Insureds who claim, or when such claims are made under this Policy. The Limit of Liability is not increased if any of Extension 2.4, Extension 2.5 and/or Discovery Period Clause 6 is operative.
- (ii) Any sub-limit specified in this Policy shall be the Insurer's maximum aggregate liability under such sub-limit irrespective of the number of claims made under this Policy, the amount claimed or the number of Insureds who claim. Any sub-limit shall be part of and not in addition to the Limit of Liability shown in Item 4 of the Schedule.
- (iii) If a single Wrongful Act or act or a series of similar or related Wrongful Acts or acts give rise to a claim under this Policy then all claims made after the expiry of this Policy arising out of such single Wrongful Act or act, or similar or related Wrongful Acts or acts, shall be treated as though first made during this Policy Period.
- (iv) If a single Wrongful Act or act, or a series of similar, continuous, repeated or related Wrongful Acts or acts, give(s) rise to more than claim under the Policy, then all such claims are deemed to be one claim under the Policy by the Insured.

#### 5.2 Notification of Claims and Investigations

- (i) The Company or the Insured shall give written notice to the Insurer of any Claim or Investigation as soon as practicable.

In event of expiry of the Policy Period, notification of any Claim or Investigation must be given in any event no later than 90 days after the expiration of the Policy Period, or, in relation to a Claim first made against the Insured or Investigation first commenced during the Discovery Period if applicable no later than 60 days after expiry of the Discovery Period. Any notification must include a specific description of the Wrongful Act or other conduct and the parties involved.

- (ii) Notice and all information shall be sent in writing to the Insurer  
C/-  
Financial Lines Claims Manager  
ACE Insurance Limited  
28-34 O'Connell St  
SYDNEY NSW 2000 Australia



## Elite Side A Directors & Officers Liability Insurance

### 5.3 Conduct of Proceedings

- (i) Other than a Claim falling within clause 5.3(iii), it is the duty of the Insured, not the Insurer, to defend any Claim or Investigation against him or her notified under this Policy. The Insurer, however, will have the right to effectively associate with any Insured in respect of any Claim or Investigation.
- (ii) The Insurer will accept as reasonable and necessary the retention of separate legal representation to the extent required by an actual or potential conflict of interest between the several Insured and/or the Company.
- (iii) The Insurer shall have the right to defend any Claim brought against an Insured by or on behalf of any:
  - (a) Company; or
  - (b) Outside Entity,

unless such Claim is:

- (c) for contribution or indemnity if such Claim directly results from another Claim that would otherwise be covered under this Policy; or
- (d) a shareholder derivative action brought or maintained on behalf of the Company or Outside Entity without the solicitation or participation of an Insured, Company or Outside Entity unless legally compelled to do so; or
- (e) brought or maintained by a liquidator, receiver or administrative receiver, or similar person under the laws of any other jurisdiction.

With respect to such Claims the Insurer shall have no duty or obligation to communicate with any other Insured in relation to such Claim.

- (iv) Neither the Company nor the Insured shall do anything which could prejudice the Insurer in respect of a claim made under this Policy.
- (v) Where the Insured may make a claim under this Policy, neither the Company nor the Insured must make any admission of liability in respect of, or agree to settle, any Claim or Investigation or incur any Loss, without the prior written consent of the Insurer (which shall not be unreasonably withheld or delayed).
- (vi) The Company and each Insured must give the Insurer and any representatives appointed by the Insurer all information they reasonably require, and fully co-operate and assist in the conduct of any investigation into any claim under this Policy. This Condition does not apply to a Claim by the Company referred to in Condition 5.3(iii)(a) of this Policy.
- (vii) If there is a dispute between the Insurer and the Insured and/or the Company about whether to agree to a proposed settlement or about whether a Claim should continue to be defended (taking into account whether the Claim is likely on the balance of probabilities to be defended and such possibilities as may exist for settling the Claim), the Insurer may obtain an opinion from a Queen's Counsel or equivalent in the jurisdiction of the Claim to decide the issue. That decision shall be binding upon the Insurer and the Insured and/or the Company who shall act accordingly in relation to the proposed settlement or in continuing or not continuing to defend the Claim as the case may be.



## Elite Side A Directors & Officers Liability Insurance

### 5.4 Advancement of Defence Costs and Allocation of Loss

- (i) The Insurer shall advance Defence Costs on an ongoing basis prior to the final payment or settlement of any Claim and shall advance Legal Representation Expenses provided that any payment shall be repaid to the Insurer by the applicable Insured in the event that the Insured is not entitled to such payment.
- (ii) The Insurer shall advance Defence Costs and Legal Representation Expenses which the Company fails to advance or indemnify.
- (iii) In the event of:
  - (a) a Claim against an Insured which is not wholly covered by this Policy; and/or
  - (b) a Claim against an Insured being also made against the Company and/or one or more persons who are not Insureds;

the Insurer and the Insured (and/or the Company if applicable) shall then use their best endeavours to determine a fair and equitable allocation of Loss that is covered under this Policy and loss that is not covered by reference to the essential nature of, and reasons for, the Claim.

- (iv) Any dispute as to allocation under sub-paragraph (iii) above as to a fair and equitable allocation will be determined by Counsel (to be mutually agreed or, in default of agreement, to be selected by the then President of the Law Society, or equivalent organisation, for the State or Territory out of which the Policy was issued) after submissions by the parties. Counsel's determination will be binding on the Insurer and the Insured as to the fair and equitable allocation. The costs of obtaining this opinion will be paid by the Insurer and will not form part of the Defence Costs.

### 5.5 Takeovers and Mergers

If during the Policy Period a Transaction takes place then:

- (i) the Company shown in Item 2 of the Schedule shall give written notice of such to the Insurer within 30 days of the effective date of such Transaction; and
- (ii) the cover provided under this Policy shall apply only to Wrongful Acts committed, or investigations in respect of conduct, prior to the effective date of such Transaction.

### 5.6 Other Insurance

- (i) If any Non-Indemnifiable Loss is insured under any other policy entered into by the Insured including but not limited to the underlying policies shown in Item 15 of the Schedule, whether prior or current, then to the extent permitted by the *Insurance Contracts Act 1984*, this Policy, subject to its limitations, conditions, provisions and other terms, will only cover Non-Indemnifiable Loss to the extent that the amount of such Loss is in excess of the amount of such other insurance.
- (ii) If any Non-Indemnifiable Loss is insured under any other policy effected on behalf of the Insured or under which the Insured is a beneficiary (but not a policy to which clause 5.6(i) above applies) including but not limited to the underlying policies shown in Item 15 of the Schedule, whether prior or current, then to the extent permitted by the *Insurance Contracts Act 1984*, this Policy, subject to its limitations, conditions, provisions and other terms, will only cover Non-Indemnifiable Loss to the extent that the amount of such Loss is in excess of the amount of such other insurance.
- (iii) Neither Clause 5.6(i) or 5.6(ii) above applies to such other insurance that is written specifically as excess insurance over the Limit of Liability, or Additional Excess Limit for Non-Indemnifiable Loss as provided in Extension 2.1, of this Policy

excess



## Elite Side A Directors & Officers Liability Insurance

- (iv) In respect of any Non-Indemnifiable Loss insured under any policy or policies referred to in clause 5.6(i) and/or 5.6(ii), the Insured agree that he, she or they will, before claiming under this Policy, first claim indemnity for such Loss from the insurer or insurers of such other policy or policies
- (v) If the insurer or insurers under any such policy referred to in 5.6(i) and/or 5.6 (ii) above refuse to pay or advance Non-Indemnifiable Loss, or delay in deciding to do so, for any reason, then the Insured is entitled to claim on this Policy in respect of such Loss. In such a situation, the Insurer will pay or advance such Non-Indemnifiable Loss on the terms and conditions of this Policy, and will retain any right of the insured in accordance with clause 5.7 below.

### 5.7 Recovery

In the event the Insurer makes any payment under this Policy, the Insurer shall be subrogated to all of the Insured's rights, including but not limited to an action against the Company for non-payment of indemnity due by the Company to the Insured, and the Insured shall co-operate with the Insurer in securing such rights. Neither the Company nor any Insured shall do anything to prejudice the Insurer's ability to assert such rights. Unless the recovery action is against the Company in the name of the Insured, the Company shall provide the same co-operation.

The Insurer shall not exercise any rights of subrogation against an Insured unless it is established by a court or by final adjudication or by a written admission that such Insured has committed a criminal or dishonest act or intentional breach of law or obtained any profit or advantage to which such Insured was not legally entitled.

### 5.8 Authorisation

The Company shown in Item 2 of the Schedule hereby agrees to act on behalf of all Insureds with respect to the payment of premiums and the receiving of any return premium that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy (except that the Insured shall be entitled to elect a Discovery Period) and each Insured agrees that the Company shall so act on their behalf, other in respect of notice of any Claim by the Company.

### 5.9 Non-assignment

No change in, modification of, or assignment of interest under this Policy shall be effective unless agreed in writing by the Insurer.

### 5.10 Policy Interpretation

This Policy shall be governed by the law of the Commonwealth of Australia and the State or Territory in which the Policy was issued. Any dispute regarding the interpretation of this Policy, except as provided under clause 5.4(iv) only, shall be subject to the exclusive jurisdiction of the courts of New South Wales.

### 5.11 Acknowledgement by and obligations of the Company

By acceptance of this Policy, the Company acknowledges that it has entered into the Policy in the interests of the Company and its business interests by offering the Insured the protections afforded under it. The Company undertakes and agrees to indemnify the Insured and pay, to the fullest extent permitted by law, its Constitution, Articles of Association and/or any indemnification agreements, all Loss on behalf of the Insured, including the advancement of Defence Costs and Legal Representation Expenses. A failure of or refusal by the Company to indemnify for or pay Loss shall not prejudice the rights of any Insured under this Policy.



## Elite Side A Directors & Officers Liability Insurance

### 6. Discovery Period

- (i) If the Company shown in Item 2 of the Schedule does not renew this Policy, an Insured may purchase the Discovery Period in Item 12(a) of the Schedule.
- If the Insurer refuses to renew this Policy, the Company shown in Item 2 of the Schedule or an Insured may purchase the Discovery Period in Item 12(b) of the Schedule.
- (ii) The Discovery Period shall only apply to:
- (a) any Claim first made against the Insured before or during the Discovery Period, but only in respect of Wrongful Acts committed prior to expiry of the Policy Period; or
  - (b) any Investigation first commenced before or during the Discovery Period, but only in respect of actual or alleged conduct undertaken prior to expiry of the Policy Period.
- (iii) The right to purchase the Discovery Period as set out above must be exercised by notice to the Insurer in writing within 60 days of expiration of the Policy Period, and is only effective upon payment of the additional premium.
- (iv) The Insurer's offer of renewal terms, conditions, limits of liability or premium different from those of the expiring Policy shall not constitute a refusal to renew.
- (v) The Company or an Insured shall not have the right to purchase the Discovery Period if a Transaction takes place.

### 7. Severability, Non-Avoidance and Non-Cancellation

The Proposal shall be construed as a separate proposal by each Insured and with respect to statements and particulars in the Proposal no statements made or information possessed by any Insured shall be imputed to any other Insured to determine whether cover is available for that other Insured.

Where there is any non-disclosure or misrepresentation which is not fraudulent, the Insurer irrevocably waives any right to cancel the Policy or to reduce its liability under the Policy in respect of any Claim or Investigation arising from the matter not disclosed or misrepresented.

Where there is any fraudulent non-disclosure or misrepresentation to the Insurer, the Insurer irrevocably waives any right to avoid or cancel the Policy but the person or persons who engaged in, or was or were aware of, the fraudulent non-disclosure or misrepresentation shall not be entitled to any indemnity under this Policy.

~~NO - CANCELLATION~~ CASE.



## Elite Side A Directors & Officers Liability Insurance

### Privacy Statement

ACE Insurance Limited ("ACE") is committed to protecting your privacy. ACE collects, uses and retains your personal information in accordance with the National Privacy Principles. Our detailed privacy policy is available on our website at [www.aceinsurance.com.au](http://www.aceinsurance.com.au).

ACE collects your personal information (which may include health information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim. We collect the information to assess your application for insurance, to provide you or your organisation with competitive insurance products and services and administer them and to handle any claim that may be made under a policy. If you do not provide us with this information, we may not be able to provide you or your organisation with insurance or to respond to any claim.

We may disclose the information we collect to third parties, including contractors and contracted service providers engaged by us to deliver our services or carry out certain business activities on our behalf (such as assessors and call centres), other companies in the ACE group, other insurers, our reinsurers, and government agencies (where we are required to by law). These third parties may be located outside Australia.

You agree to us using and disclosing your personal information as set out above. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer.

From time to time, we may use your personal information to send you offers or information regarding our products that may be of interest to you. If you do not wish to receive such information, please contact our Privacy Officer using the contact details provided below.

If you would like to access a copy of your personal information, or to correct or update your personal information, please contact our customer relations team on 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).

If you have a complaint or want more information about how ACE is managing your personal information, please contact the Privacy Officer, ACE Insurance Limited, GPO Box 4907, Sydney NSW 2001, Tel: 1800 815 675 or email [customer.relations@ace-ina.com](mailto:customer.relations@ace-ina.com).