

Statement of Peter Gerard Boyce

I, **Peter Gerard Boyce**, Alternate Director of Sunshine Coast Racing Pty Ltd ACN 120 875 363 ATF Sunshine Coast Racing Unit Trust, in the State of Queensland, state as follows:

- A. I am an Alternate Director of Sunshine Coast Racing Pty Ltd ACN 120 875 363 (**SCR**) ATF Sunshine Coast Racing Unit Trust (**Trust**). I was appointed to that position on 10 June 2010 pursuant to clause 13 of the Constitution of SCR.
- B. SCR is a company duly incorporated having its registered office at Racecourse Road, Deagon in the State of Queensland and obtaining its objects and functions from its Constitution and the Deed of Trust.
- C. SCR acts as the trustee for the Trust. The Deed of Trust is between SCR, Queensland Racing Limited ACN 116 735 374 (**QRL**) and Sunshine Coast Turf Club ABN 22 950 178 141.
- D. Attachment "**PGB-1**" is a copy of a Requirement to Provide Written Statement Notice dated 5 July 2013 (**Notice**) directed to me from the Queensland Racing Commission of Inquiry (**Commission**) and received under cover of a letter from the Commission dated 5 July 2013 (RQL.130.001.0019) and received on 5 July 2013. This Statement is provided in response to the Notice.
- E. For the purposes of responding to the Notice and preparing this Statement I have, in my position as Alternate Director of SCR, had access to the business records of SCR to obtain information to provide a response to the Notice. Unless otherwise stated, the matters set out in this Statement are based on my own knowledge or the information derived from the business records of SCR.
- F. I set out below my responses to each of the questions set out in the Notice.

Question 1. CONTRACT MANAGEMENT AND FINANCIAL ACCOUNTABILITY
(paragraph 3(a) of the Terms of Reference)

1.1 In respect of the procurement, contract management and financial accountability of the Relevant Entities during the Relevant Period what were the:

- (a) policies;
(b) processes;
(c) guidelines; and


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(d) measures which were used to ensure contracts which were awarded delivered value for money.

1.2 In respect of the policies, processes, guidelines and measures were they adhered to?

*1.3 Events surrounding all contractual arrangements between the **Relevant Entities** and Contour Consulting Engineers Pty Ltd ("**Contour**") including those contracts where Contour was contracted to manage contracts on behalf of the **Relevant Entities**.*

*1.4 In respect of contracts which were entered into between the **Relevant Entities** and **Contour**:*

(a) Whether each contract was underpinned by procurement practices;

(b) Whether, for each contract, payment policies and processes:

(i) were implemented; and

(ii) were adhered to.

1. In respect of the procurement, contract management and financial accountability of SCR, I am aware of the following policies, processes, guidelines and measures which were used to ensure contracts which were awarded delivered value for money:

(a) the Constitution (RQL.123.011.1049);

(b) the Deed of Trust (RQL.100.002.2275) and the Deed of Variation (RQL.100.002.2244);

(c) the SCR Purchasing Policy (RQL.114.004.0139);

Attachments "**PGB-[2]**" to "**PGB-[5]**" are copies of the abovementioned documents.

2. I cannot comment on whether these policies, processes, guidelines and measures were adhered to.

3. I cannot comment on the events surrounding the contractual arrangements between the Relevant Entities and Contour Consulting Engineers Pty Ltd (**Contour**). I cannot therefore make any comment on the contracts entered into with Contour.

Question 2. MANAGEMENT (paragraph 3(b) of the Terms of Reference)

2.1 As to the **Relevant Entities during the **Relevant Period**, the**

(a) management policies;

(b) management processes;

(c) management guidelines; and

(d) workplace culture and practices


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that were in place and whether each one:

(a) ensured integrity; and

(b) was adhered to.

2.2 The involvement of the boards or members of the boards of the **Relevant Entities** in the exercise of functions of:

(a) the executive management team; and

(b) other key management personnel, including the company secretary and those involved in integrity matters.

4. I cannot comment on the matters raised in question 2 of the Notice.

Question 3. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)

3.1 The corporate governance arrangements of Racing Queensland Limited in the **Relevant Period**.

3.2 Whether Racing Queensland Limited and its **Officers** operated and acted:

(a) with integrity;

(b) in accordance with the company's constitution;

(c) in the best interests of the company;

(d) in the best interests of the racing industry;

(e) consistently with policies made pursuant to sections 81 and 83(2) of the Racing Act 2000 by the Relevant Entities which were current during the Relevant Period; and

(f) consistently with legislation including the Racing Act 2000 and the Corporations Act 2001.

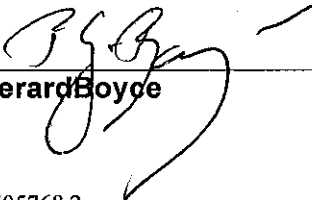
3.3 In the **Relevant Period** were there in place policies, rules and procedures within Racing Queensland Limited to:

(a) identify and manage conflicts of interest; and

(b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.

3.4 Within Racing Queensland Limited during the **Relevant Period** were there in place terms of employment in contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.

5. As an Alternate Director, my only real involvement with SCR and RQL/QRL was on one occasion attending a directors' meeting and otherwise just receiving Board papers. I was also involved in negotiating the leasing arrangements with respect to the Corbould Park track. From this involvement, it seemed to me that SCR was essentially under the control of RQL/QRL. The records of SCR were in the possession of RQL/QRL and SCR would have to follow the directions of RQL/QRL. For example, SCR would be told when meetings were


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going to be held and would be given the relevant documents for the meeting at the last minute. The board of SCR was generally unhappy with the situation with RQL/QRL and felt that it had no meaningful say in its operations.

6. Other than my comments above, I cannot comment on the matters raised in question 3 of the Notice.

Question 4. OVERSIGHT BY THE MINISTER, THE EXECUTIVE GOVERNMENT, THE CHIEF EXECUTIVE (paragraph 3(d) of the Terms of Reference)

4.1 Oversight of the operations of the **Relevant Entities** in the **Relevant Period** by:

- (a) the responsible Minister;
- (b) the Executive Government; and
- (c) the Chief Executive.

7. I cannot comment on the matters raised in question 4 of the Notice.

Question 5. EMPLOYMENT CONTRACTS: TUTTLE, ORCHARD, BRENNAN, REID(paragraph 3(c) of the Terms of Reference)

5.1 The events surrounding the renegotiation of employment contracts in 2011, for the following senior executives of Racing Queensland Limited:

- (a) Malcolm Tuttle;
- (b) Jamie Orchard;
- (c) Paul Brennan; and
- (d) Shara Reid (formerly Murray).

5.2 The events surrounding the payouts made under the above mentioned contracts on the voluntary termination in March 2012 of the employment of:

- (a) Mr Tuttle;
- (b) Mr Orchard;
- (c) Mr Brennan; and
- (d) Ms Reid.

5.3 The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and:

- (a) the responsibilities;
- (b) duties; and
- (c) legal obligations of those persons.

8. I cannot comment on the matters raised in question 5 of the Notice.


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Question 6. QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP
(paragraph 3(f) of the Terms of Reference)

6.1 The operations of the **Relevant Entities** in the **Relevant Period** with respect to the arrangements between Queensland Race Product Co Limited and Tatts Group (formerly UNiTAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet ("**Fee Arrangements**").

6.2 How Queensland Race Product Co Limited responded to the introduction of race information fees.

6.3 Whether there was legal or other expert advice obtained by the boards of the **Relevant Entities** as to the effect on fees payable by the Tatts Group to Queensland Race Product Co Limited as a consequence of race information fees being introduced.

6.4 Any action taken or not taken as a consequence of the legal or other expert advice and whether there were reasons for taking or for not taking action in accordance with the advice.

6.5 When the race information fees were introduced or at any other time in the **Relevant Period**, whether the directors and senior executives of the **Relevant Entities** acted in relation to the **Fee Arrangements**:

(a) in good faith;

(b) consistently with their responsibilities;

(c) consistently with their duties and legal obligations; and

(d) in the best interests of the company or companies of which they were directors or senior executives.

(e) Whether the actions of the directors and/or senior executives of the **Relevant Entities** relating to the **Fee Arrangements** were influenced by a conflict of interest when the race information fees were introduced or at any other time in the **Relevant Period**.

6.6 Whether, in relation to the **Fee Arrangements**, the directors and the senior executives of the **Relevant Entities** used their position to gain a personal advantage when the race information fees were introduced or at any other time in the **Relevant Period**.

9. I cannot comment on the matters raised in question 6 of the Notice.

Question 7. FUNDS TRANSFER IN FEBRUARY 2012; QUEENSLAND GOVERNMENT TO RACING QUEENSLAND LIMITED INFRASTRUCTURE TRUST ACCOUNT
(paragraph 3(g) of the Terms of Reference)

7.1 Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.

7.2 The basis upon which the transfer of funds was made.

7.3 Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.

10. I cannot comment on the matters raised in question 7 of the Notice.

Question 8. ANY OTHER RELEVANT MATTER


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8.1 Any other matter relevant to the Commission's Terms of Reference.

11. There is no other matter relevant to the Commission's Terms of Reference that I can comment on.
12. I make this statement conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1867* (Qld).

Dated 26 July 2013

Signed and declared by Peter Gerard Boyce at
Brisbane in the State of Queensland
this 26th day of July 2013
Before me:

Kathryn Anna Morris
Signature of person before whom the declaration is made

KATHRYN ANNA MORRIS
Full name and qualification of person before whom the
declaration is made JOURNALIST

Peter Gerard Boyce
Signature of declarant

Peter Gerard Boyce

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Queensland Racing
Commission of Inquiry

2226588 - R1

5 July 2013

Mr Peter Gerard Boyce
[REDACTED]

Dear Mr Boyce

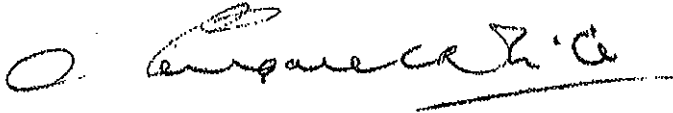
**REQUIREMENT TO PROVIDE WRITTEN STATEMENT TO RACING
COMMISSION OF INQUIRY**

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 26 July 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: Peter Gerard Boyce
Of: [REDACTED]

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 (which is published on the Commission website at www.racinginquiry.qld.gov.au) to the Commission on or before 26 July 2013, 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, or electronically to 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 *fifth* day of *July* 2013

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

SCHEDULE

Commission of Inquiry Act 1950

1. **CONTRACT MANAGEMENT AND FINANCIAL ACCOUNTABILITY** (paragraph 3(a) of the Terms of Reference)
 - 1.1 In respect of the procurement, contract management and financial accountability of the *Relevant Entities (defined below)* during the *Relevant Period (defined below)* what were the:
 - (a) policies;
 - (b) processes;
 - (c) guidelines; and
 - (d) measures which were used to ensure contracts which were awarded delivered value for money.
 - 1.2 In respect of the policies, processes, guidelines and measures were they adhered to?
 - 1.3 Events surrounding all contractual arrangements between the *Relevant Entities* and Contour Consulting Engineers Pty Ltd ("*Contour*") including those contracts where Contour was contracted to manage contracts on behalf of the *Relevant Entities*.
 - 1.4 In respect of contracts which were entered into between the *Relevant Entities* and *Contour*:
 - (a) Whether each contract was underpinned by procurement practices;

(b) Whether, for each contract, payment policies and processes:

(i) were implemented; and

(ii) were adhered to.

2. MANAGEMENT (paragraph 3(b) of the Terms of Reference)

2.1 As to the *Relevant Entities* during the *Relevant Period*, the

(a) management policies;

(b) management processes;

(c) management guidelines; and

(d) workplace culture and practices

that were in place and whether each one:

(a) ensured integrity; and

(b) was adhered to.

2.2 The involvement of the boards or members of the boards of the *Relevant Entities* in the exercise of functions of:

(a) the executive management team; and

(b) other key management personnel, including the company secretary and those involved in integrity matters.

3. CORPORATE GOVERNANCE (paragraph 3(c) of the Terms of Reference)

3.1 The corporate governance arrangements of Racing Queensland Limited in the *Relevant Period*.

3.2 Whether Racing Queensland Limited and its *Officers* operated and acted:

- (a) with integrity;
- (b) in accordance with the company's constitution;
- (c) in the best interests of the company;
- (d) in the best interests of the racing industry;
- (e) consistently with policies made pursuant to sections 81 and 83(2) of the *Racing Act 2000* by the Relevant Entities which were current during the Relevant Period; and
- (f) consistently with legislation including the *Racing Act 2000* and the *Corporations Act 2001*.

3.3 In the *Relevant Period* were there in place policies, rules and procedures within Racing Queensland Limited to:

- (a) identify and manage conflicts of interest; and
- (b) minimise the risk of directors and executives improperly using their position and information for personal or financial gain.

3.4 Within Racing Queensland Limited during the *Relevant Period* were there in place terms of employment in contracts restraining former directors and executives from seeking employment with Racing Queensland Limited's contractors and suppliers.

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- (a) the responsible Minister;
- (b) the Executive Government; and
- (c) the Chief Executive.

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- (a) Mr Tuttle;
- (b) Mr Orchard;
- (c) Mr Brennan; and
- (d) Ms Reid.

5.3 The actions of the directors and senior executives of Racing Queensland Limited referred to in paragraph 5.1 and 5.2 hereof and:

- (a) the responsibilities;
- (b) duties; and
- (c) legal obligations of

those persons.

6. **QUEENSLAND RACE PRODUCT CO LIMITED and TATTS GROUP** (paragraph 3 (f) of the Terms of Reference)

- 6.1 The operations of the *Relevant Entities* in the *Relevant Period* with respect to the arrangements between Queensland Race Product Co Limited and Tatts Group (formerly UNITAB) concerning fees paid by Tatts Group for Queensland wagering on interstate races through TattsBet ("*Fee Arrangements*").
- 6.2 How Queensland Race Product Co Limited responded to the introduction of race information fees.
- 6.3 Whether there was legal or other expert advice obtained by the boards of the *Relevant Entities* as to the effect on fees payable by the Tatts Group to Queensland Race Product Co Limited as a consequence of race information fees being introduced.
- 6.4 Any action taken or not taken as a consequence of the legal or other expert advice and whether there were reasons for taking or for not taking action in accordance with the advice.
- 6.5 When the race information fees were introduced or at any other time in the *Relevant Period*, whether the directors and senior

executives of the *Relevant Entities* acted in relation to the *Fee Arrangements*:

- (a) In good faith;
- (b) consistently with their responsibilities;
- (c) consistently with their duties and legal obligations; and
- (d) In the best interests of the company or companies of which they were directors or senior executives.
- (e) Whether the actions of the directors and/or senior executives of the *Relevant Entities* relating to the *Fee Arrangements* were influenced by a conflict of interest when the race information fees were introduced or at any other time in the *Relevant Period*.

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(paragraph 3(g) of the Terms of Reference)

- 7.1 Events surrounding the approved transfer of funds by the Queensland Government to the Racing Queensland Limited Infrastructure Trust Account in February 2012.
- 7.2 The basis upon which the transfer of funds was made.
- 7.3 Was any influence exercised by directors of Racing Queensland Limited in relation to having the transfer made.

8. ANY OTHER RELEVANT MATTER

8.1 Any other matter relevant to the Commission's Terms of Reference.

GLOSSARY

Officers - means:

- the directors of Racing Queensland Limited;
- the executive management team of Racing Queensland Limited;
- other key management personnel of Racing Queensland Limited;
- the company secretary of Racing Queensland Limited.

Relevant Entities - means:

- Racing Queensland Limited
 - before July 2010: Queensland Racing Limited, Greyhounds Queensland Limited and Queensland Harness Racing Limited;
 - before July 2008: Greyhound Racing Authority and Queensland Harness Racing Board;
- entities controlled by Racing Queensland Limited or the other entities mentioned above, including Queensland Race Product Co Limited.

Relevant Period means 1 January 2007 to 30 April 2012.

Terms of Reference: the terms of reference for the Commission are contained in *Commissions of Inquiry Order (No. 1) 2013* which is available on the Commission's website at www.racinginquiry.qld.gov.au/.

AMENDED AS AT 31 OCTOBER 2006

**CONSTITUTION
of
SUNSHINE COAST RACING PTY
LTD**

ACN 120 875 363

COOPER GRACE WARD

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31/10/06

CONSTITUTION

of

SUNSHINE COAST RACING PTY LTD ACN 120 875 363

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CORPORATIONS ACT

A Company Limited by Shares

CONSTITUTION

of

SUNSHINE COAST RACING PTY LTD
ACN 120 875 363

1. INTERPRETATION

1.1 In this Constitution, unless the contrary intention appears from the context:

- (a) **"Corporations Act"** means *Corporations Act 2001*;
- (b) **"the Company"** means **SUNSHINE COAST RACING PTY LTD**;
- (c) **"the directors"** and **"the board"** mean the board of directors of the Company, and, in the case where there is a sole director who is also the secretary, means that person;
- (d) **"the register"** means the register of members of the Company;
- (e) **"seal"** means the common seal of the Company (if any) and includes any official seal of the Company;
- (f) **"secretary"** means any person appointed to perform the duties of a secretary of the Company;
- (g) **"subsidiary"** has the meaning given to it by the Corporations Act;
- (h) **"in writing"** means written, typed or printed or partly written, typed or printed; and
- (i) **"prescribed rate"** means eight percent per annum, or the interest rate fixed by a resolution of the members.

1.2 In this Constitution, unless the context indicates to the contrary;

- (a) an expression used in a particular Chapter, Part or Division of the Corporations Act or Corporations Regulations that is given by that Chapter, Part or Division a special meaning for the purposes of that Chapter, Part or Division has, in any of this Constitution that deals with a matter dealt with by that Chapter, Part or Division the same meaning as in that Chapter, Part or Division;
- (b) words importing the singular include the plural (and vice versa) and words denoting a gender include all other genders;
- (c) clause headings are inserted for convenience only and are not to be used in interpreting this Constitution;
- (d) references to legislation or to any provision of any legislation include any modification or re-enactment or any legislative provision substituted for it, and all

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RQL.123.011.1051

regulations and subordinate legislation and statutory instruments issued under such legislation.

2. PROPRIETARY COMPANY

2.1 The Company is a proprietary Company.

2.2 The name of the Company is **SUNSHINE COAST RACING PTY LTD.**

2.3 The liability of the members is limited.

3. SHARES

3.1 The shares are under the control of the directors who, subject to the provisions of this Constitution, may issue, allot or otherwise dispose of them to anyone at such price on such terms and conditions, with such rights and privileges and at such times and in such classes as the directors may think fit, with full power to give to any person the call of any share during such time and for such consideration as the directors think fit. In particular, shares may be issued by the directors with any special rights or restrictions that the directors determine. A preference share may be issued on terms that it is, or at the option of the Company is liable to be, redeemed.

3.2 The share taken up by the first member of the Company is a subscriber's share, which is a redeemable preference share, issued at one dollar.

3.3 A holder of the subscriber's share has the right:

- (a) to receive notice of and to attend a general meeting of the Company;
- (b) to vote at a general meeting of the Company, on the basis of one vote for each share held;
- (c) in a winding up or reduction of capital of the Company, to repayment of the capital paid up in priority to all other shareholders;

but not:

- (d) in a winding up or reduction of capital of the Company, to participate in the distribution of surplus assets of the Company; or
- (e) to receive dividends.

3.4 The subscriber's share must not be redeemed except out of the proceeds of a fresh issue of shares made for the purpose of redemption.

3.5 The first issue of shares after incorporation must be made for the purpose of redeeming the subscriber's share and the subscriber's share must be redeemed by the Company at one dollar out of the proceeds.

4. SHARE CAPITAL AND VARIATION OF RIGHTS

4.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Corporations Act, shares in the Company may be issued by the directors with any special rights or restrictions that the directors determine.

4.2 Without limiting the generality of clause 4.1, the directors, by unanimous resolution, may issue shares of the following classes:

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- (a) QRL shares; and
 - (b) SCTC shares;
- 4.3 QRL shares will only be issued to Queensland Racing Limited.
- 4.4 SCTC shares will only be issued to Sunshine Coast Turf Club Inc.
- 4.5 Any subsequent issue of shares will be in accordance with clause 4.3 and 4.4.
- 4.6 The holders of QRL and SCTC shares have the right:
- (a) to receive notice of and attend any general meeting of the Company;
 - (b) to vote at any general meeting of the company, with the voting rights set out in clause 12.10;
 - (c) to receive dividends declared in respect of the shares they hold ;
 - (d) to repayment of capital on the shares and to participate in any distribution of surplus assets on a winding up or reduction of capital.
- 4.7 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class.
- 4.8 The provisions of this Constitution relating to general meetings apply so far as they are capable of application to every such separate meeting except that:
- (a) a quorum, is one or more people who, between them, hold or represent by proxy one-third of the issued shares of the class; and
 - (b) any holder of shares of the class, present in person or by proxy, may demand a poll.
- 4.9 Except as required by law, the Company is not required to recognise a person as holding a share upon any trust.
- 4.10 Despite anything to the contrary in this Constitution, while the Company has only one member, the quorum for all general meetings held, is one.
- 4.11 The Company is not required to recognise (whether it has notice of the interest or rights concerned) any equitable, contingent, future or partial interest in any share or unit of a share or (except as otherwise provided by this Constitution or by law) any other right in respect of a share except an absolute right of ownership in the registered holder.

5. SHARE CERTIFICATES

- 5.1 A person whose name is entered as a member in the register of members is entitled (without payment) to receive a certificate for the shares held by the person signed on behalf of the Company in accordance with the Corporations Act but, in respect of a share or shares held jointly by several persons, the Company need not issue more than one certificate.

5.2 Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all holders.

5.3 It is a condition of the issue of any shares in the Company that a certificate for the shares must be issued, completed and ready for delivery within two months of a request being made to the Company for the share certificates by the registered holders.

6. CALLS ON SHARES

6.1 The directors may make calls upon the members in respect of any money unpaid on the issue price of shares of the members and not by the terms of issue of those shares made payable at fixed times, except that, without the written consent of the member no call can:

- (a) exceed one-quarter of the sum of issue price of the shares; or
- (b) be payable earlier than one month from the date fixed for the payment of the last preceding call.

6.2 Each member must, upon receiving at least 14 days' written notice specifying the time(s) and place of payment, pay to the Company at that time(s) and place the amount called on the member's shares.

6.3 The directors may revoke or postpone a call.

6.4 A call is taken to have been made when the resolution of the directors authorising the call is passed and may be required to be paid by instalment.

6.5 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share.

6.6 If a sum called is not paid by the day for payment, interest is payable from the day appointed for payment to the time of actual payment. Interest is payable at a rate determined by the directors but not exceeding eight percent per annum. The directors may waive payment of the interest wholly or in part.

6.7 Any sum that becomes payable on allotment or at a fixed date is taken to be a call payable on the date on which the sum is payable, and the relevant provisions of this Constitution apply to non-payment as if a call had been properly made.

6.8 The directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

6.9 The directors may accept from a member the whole or a part of the amount unpaid on a share although no part of that amount has been called up.

The directors may authorise payment by the Company of interest upon the whole or any part of an amount accepted under clause 6.9, until the amount becomes payable. The interest rate will be as agreed between the directors and the member but must not exceed the prescribed rate.

7. TRANSFER OF SHARES

7.1 If a Shareholder ("Outgoing Shareholder") wants to sell or otherwise dispose of its shares or any interest in those shares, the Outgoing Shareholder must give a notice ("transfer notice") to the Company and the other Shareholders ("Continuing Shareholders") specifying particulars of the shares, the proposed price and other terms

of the transfer. If no sale price is specified, the price will be the value of the shares determined in accordance with clause 8.

7.2 The transfer notice will be irrevocable for a period of 60 days and the Continuing Shareholders may elect to purchase the Outgoing Shareholder's shares by giving written notice ("acceptance notice") to the Outgoing Shareholder and the Company within that 60 day period. The acceptance notice must specify the maximum number of the shares which the Continuing Shareholder is prepared to purchase.

7.3 If the Company receives acceptance notices in respect of more shares than the total number available the relevant number of shares which are available will be apportioned between the accepting Continuing Shareholders in the same proportions as the number of shares for which they have each applied bears to the aggregate number of shares specified in all of the acceptance notices.

7.4 By delivering an acceptance notice to the Company each Continuing Shareholder will be deemed to have agreed to purchase the number of shares specified in the acceptance notice (or the lesser number determined in accordance with paragraph 7.3).

7.5 If the Company does not receive acceptance notices in respect of all the shares specified in the transfer notice then the Company may at its discretion buy back any balance shares as the same price as would have been payable had it received acceptance notices for the shares.

7.6 The purchase price shall be payable on the completion date.

7.7 On the completion date the Outgoing Shareholder must:

- (a) deliver to the Continuing Shareholders:
 - (i) the relevant share certificate (if any);
 - (ii) a signed share transfer in favour of the Continuing Shareholders (or his nominee) free from encumbrances;
 - (iii) a signed resignation by that Shareholder's Principal from all positions held with the Company; and
 - (iv) all other documents required to complete the payment of duty and registration of the transfer; and
- (b) pay or procure payment of any amounts owed to the Company by that Shareholder or its Related Parties.

7.8 If the Outgoing Shareholder does not deliver signed transfers and the other declarations required to complete the stamping of the transfers, the Company may execute and sign all necessary transfers, declarations and forms on behalf of the Outgoing Shareholder.

7.9 If the Continuing Shareholders do not exercise their option to purchase all the shares offered, the Outgoing Shareholder does not have to sell any shares to the Continuing Shareholders but may sell the shares to a third party purchaser at any time within six months of the date of the transfer notice on terms and conditions no more favourable than those originally offered in the transfer notice, but only with the consent of the Continuing Shareholders which must not be unreasonably withheld.

7.10 If the Continuing Shareholders acquire the shares of the Outgoing Shareholder they will indemnify and keep indemnified the outgoing shareholder and its Principal ("indemnified parties") from any liability they may suffer or incur under guarantees or other securities they may have given as security for liabilities of the Company and will use all reasonable endeavours to have the indemnified parties released from those guarantees and other securities.

7.11 It will be a condition of approval of any transfer of shares to any third party that the transferee signs a deed in a form approved by the Board agreeing to be bound by the terms of this Agreement.

7.12 Any transfer duty payable on the transfer of shares to the Continuing Shareholders must be paid by the Continuing Shareholders but the parties will otherwise pay their own costs in relation to the transfer.

7.13 A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares.

7.14 The directors may, in their absolute and uncontrolled discretion, decline to register any proposed transfer of shares without assigning any reason for the refusal.

8. VALUATION OF SHARES

8.1 The value of the shares for the purposes of this agreement will be determined by the Directors as soon as practicable after the finalisation of the accounts of the Company for the relevant financial year. The value determined by the Directors will apply in respect of all dealings with Shares in the succeeding financial year.

8.2 The value of shares in the Company will be that proportion of the value of the net assets of the Company which is equal to the proportion which the shares being valued bear to the total number of issued shares in the Company at the date on which the goodwill is required to be valued

8.3 If the Directors cannot agree on the value of shares for the purposes of this Agreement, any of the parties may require that the shares should be valued by an independent accountant nominated by the person acting for the time being as the Queensland President of the Institute of Chartered Accountants.

8.4 The decision of any accountant appointed to value the shares will be final and binding on the parties and the fees and expenses charged by the accountant will be deemed to be an expense of the Company, incurred prior to the date of the valuation.

9. FORFEITURE OF SHARES

9.1 If a member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the directors may, at any time after that day during such time as any part of the call or instalment remains unpaid, serve a notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued.

9.2 The notice must state:

- (a) a further day (at least 14 days after the date of service of the notice) on or before which the payment must be made; and

(b) that, in the event of non-payment, the directors may forfeit the shares.

9.3 If the requirements of a notice are not complied with, the directors may forfeit the shares.

9.4 If shares are forfeited, the member also loses the member's right to any dividend not paid by the date of forfeiture.

9.5 A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and, at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the directors think fit.

9.6 A person whose shares have been forfeited ceases to be a member in respect of the forfeited shares, but remains liable to pay to the Company all money that, at the date of forfeiture, was payable by the member to the Company in respect of the shares (including interest at the prescribed rate from the date of forfeiture on the money for the time being unpaid if the directors think fit to enforce payment of the interest).

9.7 A statement in writing declaring that the person making the statement is a director or a secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the share.

9.8 The Company may receive the consideration given for a forfeited share on any sale or disposition of the share and may execute a transfer of the share in favour of the person to whom the share is disposed of or sold.

9.9 Upon the execution of the transfer, the transferee shall be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.

9.10 The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the share.

10. ALTERATION OF CAPITAL

10.1 The Company may, by resolution passed at a general meeting:

- (a) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (b) subdivide all or any of its shares into shares of smaller amounts but so that in the subdivision the proportion between the amount paid and the amount unpaid on each share amount is the same as it was before the subdivision; and
- (c) cancel shares that have been forfeited, and reduce its share capital by the amount of the shares so cancelled.

10.2 Subject to the Corporations Act, the Company may reduce its share capital, or any capital redemption reserve fund.

11. GENERAL MEETINGS

11.1 Any director may convene a general meeting at any time.

11.2 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 meeting; and
- (b) the general nature of the business to be transacted at the meeting.

11.3 A meeting of which notice has been given (other than a meeting convened on the requisition of members) may be postponed or cancelled by the board at any time up to 24 hours before the time fixed for the meeting.

12. PROCEEDINGS AT GENERAL MEETINGS

12.1 No business may be transacted at any general meeting unless a quorum of members is present while the business of the meeting is being considered.

12.2 For the purposes of this clause, the quorum of members is two. Where the Company has only one shareholder, the quorum is one.

12.3 For the purpose of determining whether a quorum is present, a person attending as a proxy, or as representing a corporation that is a member, is taken to be a member.

12.4 If a quorum is not present within half an hour from the time appointed for the meeting:

- (a) where the meeting was convened upon the requisition of members; the meeting is dissolved; or
- (b) in any other case:
 - (i) the meeting stands adjourned to such day and at such time and place as the directors determine or, if no determination is made by the directors, to the same day in the next week at the same time and place; and
 - (ii) if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting:
 - (A) two members constitute a quorum; or
 - (B) where two members are not present, the quorum shall be the one member present.

This clause does not apply where there is only one shareholder.

12.5 The chairman at any meeting will be the current Chairman of Queensland Racing Limited.

12.6 Where a general meeting is held and the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act the members present may elect one of their number to be chairman of the meeting.

12.7 The chairman may (with the consent of any meeting at which a quorum is present) and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

12.8 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.

12.9 Except as provided by clause 12.8, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

12.10 Regardless of the number of SCTC shares held, holders of SCTC shares have 20% of the votes. The holders of QRL shares have 80% of the votes.

12.11 At any general meeting a resolution put to the vote of the meeting is decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairman;
- (b) by at least two members present in person or by representative, attorney or proxy;
- (c) by a member or members present in person or by representative, attorney or proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

12.12 Unless a poll is demanded in accordance with clause 12.11 a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact (without proof) of the number or proportion of the votes recorded in favour of or against the resolution.

12.13 The demand for a poll may be withdrawn.

12.14 If a poll is properly demanded, it shall be taken at the time and in the manner directed by the chairman unless clause 12.15 applies and the result of the poll is the resolution of the meeting at which the poll was demanded.

12.15 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.

12.16 The chairman does not have a casting vote.

12.17 Subject to clause 12.22 and to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney or other duly authorised representative; and
- (b) on a show of hands every person present shall have one vote and on a poll every person present in person or by proxy or other duly authorised representative has one vote for each share held.

12.18 In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy or by attorney) is accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names are recorded in the register of members.

12.19 Where a member is in liquidation or has a receiver or administrator appointed or an appointment is such to prevent the board of directors of the member from exercising their judgement, the member's right to vote will be suspended during this time.

12.20 A resolution passed by all other members while a member is suspended from voting in accordance with clause 12.19 or 12.21 will be deemed to be a unanimous resolution.

12.21 The following decisions require a unanimous resolution of shareholders:

- (a) changes to the Board representation;
- (b) changes to the voting rights of directors;
- (c) changes to the voting rights of members; and
- (d) the issue of any shares after the first 100 shares.

12.22 A member is not entitled to vote at a general meeting unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid.

12.23 An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered, and shall be referred to the chairman of the meeting, whose decision is final.

12.24 An instrument appointing a proxy must:

- (a) be in writing under the hand of the appointer or of the appointer's attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised;
- (b) contain:
 - (i) the member's name;
 - (ii) the Company's name;
 - (iii) the proxy's name or the name of the office held by the proxy; and
 - (iv) the meetings at which the proxy may be used.

12.25 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.

12.26 An instrument appointing a proxy is taken to confer authority to demand or join in demanding a poll.

12.27 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:

Sunshine Coast Racing Pty Ltd

I/we, _____, of _____,
 being a member/members of the Company, appoint _____ of _____ or, in their
 absence, _____
 of _____

31/10/06

as my/our proxy to vote for me/us on my/our behalf at the *annual general meeting/*general meeting of the Company to be held on the day of 2006 and at any adjournment of that meeting.

+This form to be used *in favour of/*against the resolution.

Signed this day of 2006.

*Strike out whichever is not desired

+To be inserted if desired.

12.28 An instrument appointing a proxy is not valid unless the instrument, and the original or notarially certified copy of the power of attorney or other authority under which the instrument is signed, is deposited, 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, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting. Where the time to lodge falls on a day which is not a business day in the place where the registered office of the Company is located, this clause requires the deposit of the document at the same time on the next business day.

12.29 For the purpose of clause 12.28, 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 within the time referred to in clause 12.28.

12.30 A vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid despite:

- (a) the revocation of the instrument (or of the authority under which the instrument was executed) or of the power; or
- (b) the transfer of the share in respect of which the instrument or power is given,

if no intimation in writing of any of those events has 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.

12.31 Where there is only one shareholder, a minute signed by the shareholder or its duly appointed representative is conclusive evidence of the passing of the minute contained in it.

12.32 Subject to the Corporations Act, the Company may pass a resolution without a general meeting being held if all members entitled to vote on the resolution sign a document containing a statement they are in favour of the resolution set out in the document. If a share is held jointly, each of the joint members must sign.

Separate copies of a document may be used for signing by members if the wording of the resolution and statement is identical in each document.

The resolution is passed when the last member signs.

12.33 Where a general meeting of the company is held to consider a matter that the Corporations Act requires to be approved by a resolution at a general meeting with no votes being cast in favour of the resolution by any person who is to receive a benefit or consideration or an associate of whom is to receive a benefit or consideration, any such

person is prohibited from casting a vote in favour of the resolution and any vote purported to be cast by or on behalf of such person must be treated as not cast.

13. APPOINTMENT, REMOVAL AND REMUNERATION OF DIRECTORS

13.1 Until otherwise determined by the Company in general meeting the board of directors will comprise of four directors appointed by Sunshine Coast Turf Club Inc and two directors appointed by Queensland Racing Limited.

13.2 The chairman of a meeting of directors will be the current Chairman of Queensland Racing Limited.

13.3 Directors hold office until one of the following occur:

- (a) they are removed by determination of the body appointing them;
- (b) they die or resign;
- (c) they become of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (d) their office becomes vacant under the provisions of this clause; or
- (e) they are prohibited from being a director under any provision of the Corporations Act or any order or notice made or given under or pursuant to the Corporations Act.

13.4 Each shareholder has the power at any time, and from time to time, to appoint any person to be a director of the Company to fill a casual vacancy arising from the death, removal or other event by which a person who is an appointee of that shareholder ceases to be a director of the Company.

13.5 A director may at any time resign by written notice to the chairman of directors or the secretary or presenting it at the registered office of the Company. The notice may specify a date from which it is effective, but the date must not be earlier than the date of delivery of the notice. On the date specified in the notice, or delivery of the notice if no date is specified, that director ceases to be a director.

13.6 The directors may be paid remuneration determined by the Company in general meeting.

13.7 The directors may also be paid all travelling, accommodation and other expenses properly incurred in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise in connection with the discharge of their duties as a director.

13.8 There is no shareholding qualification for a director.

13.9 A director may hold any office in the Company (other than auditor) in conjunction with the office of director and on such terms as to remuneration or otherwise as the directors may allow, or as the Company determines.

13.10 If the sole director who is also the secretary of the Company ceases to hold office for any reason, then, subject to the Corporations Act, the members by ordinary resolution must appoint a replacement.

14. POWERS AND DUTIES OF DIRECTORS

14.1 Subject to the Corporations Act and to any other provision of this Constitution, the business of the Company is managed by the directors, who may pay all expenses incurred in promoting and forming the Company, and may exercise all such 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.

14.2 The directors may by resolution, exercise all the powers of the Company to borrow money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person.

14.3 All cheques, promissory notes, bankers drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by:

(a) if the Company has a sole director who is also the secretary, that person in accordance with the Corporations Act or in such other lawful manner as the director determines; or

(b) in any other case, any two directors or in any other manner the directors determine.

15. PROCEEDINGS OF DIRECTORS

15.1 The directors may meet together for the despatch of business and adjourn and otherwise regulate their meetings as they think fit.

15.2 A director may at any time, and a secretary must on the requisition of a director, convene a meeting of the directors.

15.3 Subject to this Constitution, questions arising at a meeting of directors shall be decided by a majority of votes of directors present and voting.

15.4 At any meeting of the Board where all directors are present, the directors appointed by Sunshine Coast Turf Club Inc will have one vote each and the directors of Queensland Racing Limited will have two votes.

15.5 At any meeting of directors, the directors will vote in accordance with clause 15.4. However, where at a meeting of directors not all the directors are present, if there is only one director representing QRL, that director has the number of votes equal to the number of directors who are present for SCTC who themselves have one vote each, and where at a meeting the number of directors present for QRL exceeds the number of directors present for SCTC, the number of votes the QRL directors shall have is one vote each and the SCTC director is entitled to two votes.

15.6 In case of an equality of votes, the chairman of the meeting has a casting vote.

15.7

(a) 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 avoided, 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, but the nature of the director's interest must be disclosed by the director at a meeting of the directors and the secretary must record each declaration in the minutes of the meeting.

(b) 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.

(c) A general notice that a director is a member of a specified Company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that Company or firm is taken to be a sufficient declaration of interest in relation to any contract or arrangement so made. Any director may as director or shareholder vote in respect of any contract or arrangement in which they are interested and may attest the affixing of the seal of the Company to and execute any document on behalf of the Company in respect of any contract or arrangement.

15.8 Each director with the approval of the Board has power to nominate any person to act as alternate director in his or her place during any absence from Queensland or inability to act or attend as director, and to remove the alternate director. The alternate director is subject to the conditions existing with reference to other directors and must discharge all the duties and may exercise all the authorities, and powers of the director he or she represents. An instrument appointing an alternate director must be delivered to the Company. If the director making the appointment ceases to be a director, the alternate ceases to be an alternate director.

(a) The quorum for a directors' meeting shall be not less than one director of QRL and one director of SCTC.

15.9 The chairman of the directors meetings will be the current Chairman of Queensland Racing Limited.

15.10 Where a meeting of directors is held and the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act the directors present may elect one of their number to be a chairman of the meeting.

15.11 The directors may delegate any of their powers to a committee or committees of some of the directors.

15.12 A committee exercises the powers delegated in accordance with any directions of the directors and a power so exercised is taken to have been exercised by the directors.

15.13 The members of a committee may elect one of their number as chairman of their meetings.

15.14 Where a meeting of a committee of directors is held and:

(a) a chairman has not been elected; or

(b) the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the members present may elect one of their number to be chairman of the meeting.

15.15 A committee may meet and adjourn as it thinks proper.

15.16 Questions arising at a meeting of a committee must be determined by a majority of votes of the members present and voting.

15.17 In the case of an equality of votes, the chairman, in addition to a deliberative vote (if any), has a casting vote.

15.18 If all the directors (for the time being in Australia) have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the directors held on the day and at the time at which, the document was last signed by a director.

For the purposes of this clause, two or more separate documents containing statements in identical terms each of which is signed by one or more directors together are taken to constitute one document.

A reference in this clause to all the directors does not include a reference to a director who, would not be entitled to vote on the resolution at a meeting of directors.

15.19 All acts done by any meeting of the directors or of a committee of directors or by any person acting as a director are valid as if the person had been duly appointed and was qualified to be a director or to be a member of the committee (even if it is afterwards discovered that there was some defect in the appointment of a person to be a director or a member of the committee, or to act as a director, or that a person so appointed was disqualified).

15.20 Where there is a sole director of the Company who is also the secretary, the director's signature upon a minute is conclusive evidence of the passing of the minute contained in it.

16. MEETINGS USING TECHNOLOGY

16.1 The board may conduct meetings of the board in any way allowed under the Corporations Act.

16.2 General meetings may be conducted in any way allowed under the Corporations Act.

17. MANAGING DIRECTOR

17.1 The directors may from time to time appoint a director as managing director for a period and on terms they think fit, and may revoke the appointment.

17.2 A managing director may receive remuneration (whether by way of salary, commission or participation in profits) as agreed with that person or, if there is no agreement, as determined by the directors.

17.3 The directors may, determine the role and powers of the managing director.

17.4 The directors may at any time withdraw or vary any of the powers conferred on a managing director.

18. BORROWING POWERS

Without in any way limiting the powers of directors,

(a) the directors may from time to time with a resolution of the board, raise or borrow (including the power to raise or borrow from some one or more of them) any sum or sums of money for the purpose of the Company upon such terms and conditions and at such rate of interest as they think fit; and

(b) the directors may raise or secure the repayment of such moneys in such manner and on such terms and conditions in all respects as they think fit and in particular by the issue of debentures charged upon all or any part of the property of the Company (both present and future) including, as far as they lawfully can, the uncalled capital for the time being or otherwise as they determine.

19. SECRETARY

A secretary of the Company holds office on the terms decided by the directors.

20. SIGNING

20.1 Documents may be signed on behalf of the Company in any way permitted by law, including:

- (a) under seal attested by two directors, or a director and the secretary or another person appointed by the directors, or the director if the Company has a sole director;
- (b) by two directors, or a director and the secretary or another person appointed by the directors;
- (c) if the Company has a sole director, by that director; or
- (d) by any electronic or digital means permitted by law.

20.2 The Company is not required to have a seal.

20.3 If the Company has a seal, it must be used only by the authority of the directors. Every document to which the seal is affixed must be signed in accordance with clause 20.1(a).

21. INSPECTION OF RECORDS

21.1 The directors may determine when, where and on what conditions the accounting records and other documents of the Company will be open for inspection of members.

22. DIVIDENDS AND RESERVES

22.1 The directors determine whether a dividend is payable and the amount, time and method of payment. Methods of payment include the issue of shares, the grant of options and the transfer of assets.

22.2 The directors may authorise the payment of interim dividends.

22.3 Interest is not payable on unpaid dividends.

22.4 Subject to the rights of persons entitled to shares with special rights as to dividend, dividends may be paid in relation to shares as the directors see fit.

22.5 The directors may deduct from any dividend all money (if any) presently payable by the member to the Company on any account.

22.6 Any dividend, interest or other money payable in respect of shares may be paid by cheque sent through the post directed to:

- (a) the address of the holder as shown in the register of members, or in the case of joint holders, to the address shown in the register as the address of the joint holder first named in that register; or
- (b) to such other address as the holder or joint holders in writing direct(s).

22.7 Any one of two or more joint holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as joint holders.

22.8 The directors may, in their absolute discretion, determine that dividends be paid in respect of any shares of a particular class to the exclusion of all other classes of shares. If any dividends are declared without the declaration specifying a particular class of shares in respect of which the dividend is being declared then the dividend is taken to have been declared only in respect of ordinary shares issued in the Company as at the date of the dividend being declared.

23. CAPITALISATION OF PROFITS

23.1 Subject to clause 23.2, the Company in general meeting may resolve to capitalise the whole or a part of any reserve account or the profit and loss account or otherwise available for distribution to members and that sum can be applied in any of the ways mentioned in clause 23.2 for the benefit of members in the proportions to which those members would have been entitled to a distribution of that money as a dividend.

23.2 The ways in which an amount capitalised under clause 23.1 may be applied are:

- (a) in paying up amounts unpaid on shares held by members; and/or
- (b) in paying up in full unissued shares or debentures to be issued to members as fully paid.

23.3 The directors must give effect to the resolution and to the extent necessary to adjust the rights of the members among themselves.

24. NOTICES

24.1 A notice may be given by the Company to any member either by:

- (a) serving it on the member personally; or
- (b) 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; or
- (c) forwarding it by facsimile transmission at the facsimile number shown in the register of members (if any) or the facsimile number supplied by the member for the giving of notices; or
- (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 member for the giving of notices; or
- (e) in any other way allowed by the Corporations Act.

24.2 Where a notice is sent by post, service is taken to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected, in the case of a notice of a meeting, on the day after the date of its posting and, in any other case, at the time at which the letter would be delivered in the ordinary course of post.

24.3 Where notice is forwarded by facsimile transmission, service 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 24.1.

24.4 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 in respect of that electronic mail.

24.5 A notice may be given to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.

24.6 A notice may be given to a person entitled to a share in consequence of the death or bankruptcy of a member by:

- (a) serving it personally; or
- (b) sending it by post addressed to the person by name, or by the title of representative of the deceased or assignee of the bankrupt, or by any like description;

at the address (if any) supplied for the purpose by the person or, if an address has not been supplied, at the address to which the notice might have been sent if the death or bankruptcy had not occurred.

24.7 Notice of every general meeting shall be given in the manner authorised by this clause to:

- (a) every member who is entitled to notice of a general meeting; and
- (b) the auditor for the time being of the Company.

24.8 No other person is entitled to receive notices of general meetings.

25. WINDING UP

25.1 If the Company is wound up, the liquidator may, with the sanction of the resolution of the board, divide among the members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.

25.2 The liquidator may, with the sanction of a resolution of the board, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, but so that no member is compelled to accept any shares or other securities in respect of which there is any liability.

26. INDEMNITY

Officers Auditors and Agents of Company to be indemnified

26.1 An officer, auditor or agent for the time being of the Company is indemnified out of the assets of the Company against any liability incurred by the person as officer, auditor or agent if that indemnity does not amount to a breach of Part 2D.2 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, in which judgment is given in favour of the person, or in which the person is acquitted.

No officer liable for wrongs of other officer

26.2 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.

Abrogation of indemnity

26.3 Nothing contained in this Constitution shall be construed to lessen or abrogate any indemnity or protection given to Directors or officers of the Company by law.

27. BUY-BACK AUTHORIZATION

27.1 The Company is authorized to buy-back its own shares in accordance with the Corporations Act.

I the first shareholder of the Company, adopt this Constitution.

Signature of first shareholder



DATED *25 July 2006*

CJC10028968 1247453v8 (Incorp)

25/07/06

"PAB-3"



COOPER GRACE WARD
LAWYERS

DEED OF TRUST

**SUNSHINE COAST RACING UNIT
TRUST**

COOPER GRACE WARD
Lawyers
Level 23, Central Plaza Two
66 Eagle Street, Brisbane 4000

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Fax (61-7) 3221 4356
www.cgw.com.au

MADE THE

15th

DEED OF TRUST

DAY OF November 2006

BETWEEN

SUNSHINE COAST RACING PTY LTD ACN 120 875 363, a Company duly incorporated having its registered office at Racecourse Road, Deagon in the State of Queensland (the Trustee)

QUEENSLAND RACING LIMITED ACN 116 735 374, a Company duly incorporation having its registered office at Racecourse Road, Deagon in the State of Queensland (QRL).

SUNSHINE COAST TURF CLUB INC. ABN 22 950 178 141, an Incorporated Association having its principal place of business at 170 Pierce Avenue, Meriden Plains in the State of Queensland (SCTC).

BACKGROUND

- A. By this Deed it is intended to establish the Sunshine Coast Racing Unit Trust
- B. The initial Unitholders (the **Subscribers**) have agreed to subscribe for the number of units set out opposite their names in the First Schedule.

1. DECLARATION OF TRUST

The Trustee declares that it will hold the Fund and Income upon trust for the Unitholders upon the Trusts and subject to the provisions of this Deed.

2. DEFINITIONS AND INTERPRETATION

2.1 In this Deed unless there is something in the subject or context inconsistent with the provisions of this clause:

Accrual Period or Year means each period of a Year ending on 30 June together with the period from the date of execution of this Deed until 30 June next following the date of execution and the period from 1 July immediately preceding the date of termination until that date of termination.

Corporation means any body corporate.

Distribute in relation to any distribution of or dealing with Income of capital of the Fund means to pay, transfer, apply or set aside the income or capital.

Eligible Persons means:

- the subscribers and any other person who becomes a Unitholder.
- If any of the Unitholders is a corporation, any other corporation which is related to it within the meaning of the Corporations Law and any other corporation which has the same directors and/or shareholders as the corporate Unitholder;

Fixtures means the following fixtures located on the Land:

- main grandstand building, including race callers tower;
- administration building;
- licensees pay office/kiosk;
- sand roll buildings;
- day stall buildings with hose down bays;

- day stall buildings;
- vet building;
- farrier building;
- main turnstile/klip klop building;
- course mangers residence;
- workshop;
- stable;
- activites centre/parents room;
- can bar;
- toilets/snack bar;
- public bar;
- main tote building; and
- Site Improvements.

Fund means:

- the application moneys;
- all amounts paid by any person for or in respect of units;
- the Land and any additional land acquired pursuant to the terms of the Trust;
- the money investments and property from time to time representing the property referred to above; and
- any income of the Fund accumulated by the Trustee.

Income or Net Income means the amount determined in accordance with section 95 of the Income Tax Assessment Act 1936 excluding any amount included in section 95 Net Income pursuant to section 207-20(1) of the Income Tax Assessment Act 1997 unless the Trustee otherwise declares in writing on or before the last day of any Year in which case Income or Net Income means the Net Income produced from the Fund in that Year and any declaration by the Trustee may be in respect of a particular Year, any longer period which the Trustee considers appropriate or for an indefinite period (for example, until the Trustee determines otherwise).

Land means the land described as Lot 200 on SP 189338, County of Canning, Parish of Bribie to be acquired by the Trustee and being the land shown as Lease A of 50.358 hectares, Area 2 of 19.876 hectares, and Area 3 of 15.886 hectares more or less.

Ordinary Resolution means a resolution that has been passed by Unitholders who together hold more than 50% of the Ordinary Units held by Unitholders in attendance at a unitholders' meeting.

Ordinary Units means all units other than Special Units.

Partly Paid Units means any units issued by the Trustee where the Trustee does not require the Unitholder to pay the full amount owing for the units immediately.

Perpetuity Date means the 80th anniversary of the date of this Deed or such earlier date as the Unitholders determine by Unanimous Resolution pursuant to clause 15.

Rectification Notice means a notice delivered to a Unitholder who is in default pursuant to Section 35 of the Deed.

Redemption Notice means a notice given by a Unitholder requesting the Trustee to redeem units.

Redemption Price means the price payable for units redeemed by the Trustee.

Register means the Register of Unitholders.

Site Improvements means the Improvements to the following Fixtures:

- running rails;
- miscellaneous course structures;
- miscellaneous sheds;
- perimeter fencing;
- bitumen hardstand; and
- nursery shed.

Trust means the Trust constituted by this Deed.

Trustee means the Trustee of this Deed.

Unanimous Resolution means a resolution passed by 100% of Unitholders entitled to vote at a meeting of Unitholders.

Units means the units created by or issued pursuant to this Deed but, unless specifically provided to the contrary does not include Special Units.

Unitholders means everyone who is for the time being registered as the holder of units.

References to clauses or subclauses are references to clauses or subclauses of this Deed.

References to statutes, regulations and by-laws (laws) include reference to all laws which amend consolidate or replace the laws referred to and also include any notices, ordinances or orders issued under any of those laws.

Headings and any list of contents have been inserted for convenience only and will not be taken into account in interpreting the provisions of this Deed.

Reference to institutes, associations, bodies and authorities (institutions) will, if that institution ceases to exist or is reconstituted, renamed or replaced or its powers or functions are transferred to any other body, be deemed to refer to the institution established or constituted in its place or which substantially succeeds to the powers or functions of the institution referred to.

2.2 Severance:

If any of the provisions of this Deed are judged invalid, unlawful or unenforceable for any reason by a Court of competent jurisdiction, such invalidity, unenforceability or illegality (unless deletion of such provision or provisions would substantially alter the intention of the parties) will not affect the operation, construction or interpretation of any other provision of this Deed, with the intent that the invalid or unenforceable or illegal provisions will be treated for all purposes as severed from this Deed.

3. UNITS

3.1 The beneficial interest in the Fund will be divided into and comprise units which have attached to them the rights designated at the date of issue.

3.2 Each unit entitles the Unitholder in common with the other Unitholders to a beneficial interest in the whole Fund but will not entitle the Unitholder to any particular property which forms part of the Fund and, except as provided in this Deed, no Unitholder will be entitled to call for the transfer to that Unitholder of any property comprised in the Fund.



- 3.3 The beneficial interest in the Fund constituted by the payment, or promise to pay, the application moneys, or any part of the application moneys, by the Subscribers will be divided into the number and classes of units set forth in the First Schedule.

4. ISSUE OF ADDITIONAL UNITS

- 4.1 The Trustee may at any time issue additional units to any Unitholder or to any Eligible Person on any terms the Trustee determines. Existing Unitholders are entitled to take up the additional units pro rata to their existing unitholding in priority to anyone else.
- 4.2 If the Trustee wishes to issue additional units, the Trustee must give notice to all Unitholders of the number of units to which each Unitholder is entitled and the price of the units and must specify a reasonable time (being not less than 21 days) for the recipient to apply and pay any application moneys.
- 4.3 A Unitholder may apply for the issue of units to which it is entitled by applying in writing to the Trustee and paying the amount required within the period specified in the Trustee's notice.
- 4.4 The Trustee will forthwith upon the receipt of application for further units and based upon the most recent valuation (provided that valuation is not more than three years old) advise of the number of units to which each Unitholder is entitled. The Unitholders agree that the Trustee issues the number of units to which each is entitled on the basis of such valuation and the Trustee agrees that unless the Unitholders unanimously agree otherwise, the Trustee will obtain the valuation of the property if the last valuation is more than three years old. The cost of such valuation will be borne by the Fund.
- 4.5 If any Unitholders do not apply for all additional units to which they are entitled, the Trustee may offer the units not taken up to other Unitholders who have applied for their full entitlement.
- 4.6 If any units are not taken up after the preceding provisions of this Section have been complied with the Trustee may offer those units to anyone it considers appropriate.
- 4.7 Subject to first obtaining the consent of a Unanimous Resolution of Unitholders the Trustee may also issue units to Unitholders by way of a bonus issue out of any undistributed Net Income or from any capital profits or reserve.
- 4.8 Any additional units may be issued subject to special or limited rights and/or in such classes as may be designated by the Trustee.
- 4.9 Units of any class may be reclassified by the Trustee provided the Trustee has first obtained the consent in writing of the holders of not less than 75 per cent of the units of that class.

5. PARTLY PAID UNITS

- 5.1 The Trustee may issue units without requiring immediate payment and in that event the following provisions apply.
- 5.2 The Partly Paid Units may be issued subject to the condition that the unpaid amount is to be paid by fixed instalments or on the basis that the Trustee may make calls for payment of the balance owing.
- 5.3 The Trustee has a first and paramount lien on every partly paid unit for all money called or payable in respect of that unit. The Trustee's lien extends to all amounts payable in respect of that unit.
- 5.4 If a Unitholder fails to pay any call or instalment on the day appointed for payment, the Trustee may serve a notice requiring payment of the unpaid amount within 14 days.
- 5.5 If any money demanded in a notice remains unpaid on the date for payment, the units may at any time after that be forfeited.



- 5.6 A forfeited unit may be redeemed in accordance with this Deed or sold or otherwise disposed of on such terms as the Trustee thinks fit.
- 5.7 A person whose units have been forfeited remains liable to pay all money payable at the date of the forfeiture.
- 5.8 The proceeds of any redemption sale or disposal will be received by the Trustee and applied in the following order:
 - (a) firstly, in payment of any reasonable expenses incurred in effecting the redemption, sale or disposal;
 - (b) secondly, in payment of any amount in respect of which a lien exists; and then
 - (c) any residue will be paid to the Unitholder.

6. REDEMPTION OF UNITS

- 6.1 Any Unitholder may give notice in writing to the Trustee requesting that the Trustee redeem all or some of that Unitholder's units. The notice will be irrevocable for a period of 60 days (subject to clause 6.7).
- 6.2 In any Redemption Notice the Unitholder may nominate a Redemption Price or may stipulate that the notice is subject to the Trustee obtaining a valuation for the units that is satisfactory to the Unitholder.
- 6.3 If the Redemption Notice nominates a Redemption Price, the Trustee (with the approval of a Unanimous Resolution of Unitholders) may redeem the units at that price within 60 days of receipt of the Redemption Notice.
- 6.4 If no Redemption Price is nominated, or the Redemption Price nominated is not acceptable to the Trustee then the Trustee must cause a valuation to be carried out as at the date of the Redemption Notice. If a valuation of the Fund has been carried out within three months preceding the date of the Redemption Notice, that valuation may be used to determine the value of the units in which case, the Unitholder is not required to pay any amount toward the cost of that valuation.
- 6.5 If the Trustee has to obtain a valuation it may first require the Unitholder to lodge an amount as security for the cost of the valuation. If the Unitholder fails to pay the amount requested within 14 days, the Redemption Notice is deemed to be ineffective.
- 6.6 When a valuation is provided, the Trustee must give a copy to the Unitholders as soon as practical.
- 6.7 If the Redemption Notice was subject to a satisfactory valuation, the relevant Unitholder may revoke the Redemption Notice in writing within seven days of receiving a copy of the valuation.
- 6.8 If the Unitholder does not revoke the Redemption Notice under clause 6.7 the Trustee may agree to redeem the units within 60 days of the date of the Redemption Notice (or at any later time if the Redemption Notice has not previously been revoked) for the Redemption Price determined in accordance with clause 6.10. The Trustee must give written notice of its decision to the Unitholder.
- 6.9 If a Unitholder delivers a Redemption Notice and the Trustee causes a valuation of the Fund to be carried out, the cost of obtaining the valuation is payable by that Unitholder (irrespective of whether the units are redeemed by the Trustee). If the Unitholder has lodged any security for payment of valuation costs, the Trustee may apply the money (or as much as is necessary) in payment or part payment of the valuation costs without being required to obtain any further consent or approval from the Unitholder.

- 6.10 The price payable for the units will be the price nominated in the Redemption Notice or the value of the units at the date of the Redemption Notice determined in accordance with Section 11 of this Deed (if the nominated price is not accepted by the Trustee).
- 6.11 A Unitholder whose units are redeemed must pay all expenses incidental to any realisation of trust assets for the purpose of funding the redemption and all expenses incurred in relation to the redemption including legal expenses and stamp duty.
- 6.12 The Redemption Price must be paid within 30 days of the Trustee giving notice to the Unitholder of its intention to redeem the units. The Trustee may deduct any money or expenses payable by the Unitholder pursuant to clauses 6.9 and 6.11 and any other money owing by the Unitholder to the Trustee on any account.

7. REGISTRATION PROCEDURES

- 7.1 The Trustee must keep a Register of Unitholders containing all details considered necessary by the Trustee
- 7.2 Applications for units must be in writing.
- 7.3 Changes in address must be notified to the Trustee.
- 7.4 No notice of any trust need be entered in the Register and the person from time to time entered in the Register as the Unitholder will be the only person recognised by the Trustee as entitled to the units registered in his or her name or to exercise the rights and privileges of the registered holder. The Trustee is not bound by or compelled in any way to recognise (even when having notice) any equitable interest in any unit. Units held by a Unitholder as the trustee of a particular trust may be identified in the register as being held on trust.
- 7.5 If any unit certificate is lost or damaged the Trustee may issue a replacement unit certificate.

8. TRANSFER OF UNITS

- 8.1 Every Unitholder is entitled, with the approval in writing of the Trustee (which the Trustee may refuse without assigning any reason) to transfer any or all of the units held by that Unitholder to an Eligible Person or to any other person approved by a Unanimous Resolution of Unitholders.
- 8.2 Every instrument of transfer must be executed by both the transferor and the transferee and the transferor is deemed to remain the holder of the units until the name of the transferee is entered in the Register as the holder of such units. Every instrument of transfer must be stamped.
- 8.3 If the Trustee approves any transfer it must make the appropriate entry of the transfer in the Register and issue a new unit certificate.
- 8.4 If any Unitholder (the transferor) wishes to sell or dispose of any units (other than to an Eligible Person) the transferor must give a notice (the transfer notice) to the Trustee and all other unitholders specifying particulars of the relevant units, the price at which the transferor wishes to sell or dispose of the units and any other terms of the proposed sale or disposition.
- 8.5 Once served on the Trustee a transfer notice will be irrevocable for three months.
- 8.6 Within 21 days of receipt of the transfer notice any Unitholder may give a notice to the Trustee (an acceptance notice) which specifies the number of units that the Unitholder is prepared to purchase and whether the Unitholder accepts the price nominated in the transfer notice or requires that the units be valued.
- 8.7 Subject to clauses 8.11 and 8.16, if any Unitholders deliver acceptance notices which accept the price nominated in the transfer notice (unconditional acceptance notices) the transferor must deliver to the Trustee signed transfers of the relevant units within 14 days of being notified by the Trustee of receipt of the acceptance notices.



- 8.8 Subject to clauses 8.11 and 8.16 and provided that not all of the relevant units have been purchased by Unitholders who have delivered unconditional acceptance notices, if any Unitholders deliver acceptance notices which require that the units be valued (conditional acceptance notices) or if no price is specified in the transfer notice, the Trustee must obtain a valuation of the units as soon as is reasonably practical. If a valuation of the Fund has been carried out within three months preceding the date of the transfer notice, that valuation may be used by the Trustee and the transferor is not required to pay any amount toward the cost of the valuation.
- 8.9 Subject to clauses 8.11 and 8.16 within 30 days of being notified by the Trustee of the valuation, the transferor must deliver to the Trustee signed transfers of units to the Unitholders who have delivered conditional acceptance notices.
- 8.10 Subject to clauses 8.11, if the Trustee receives acceptance notices in respect of not more than the total number of units available then the Unitholders who deliver the notices are entitled to purchase all of the units specified in their acceptance notices.
- 8.11 If the Trustee receives:
- (a) unconditional acceptance notices in respect of more units than the total number available; or
 - (b) conditional acceptance notices in respect of more units than are available to Unitholders who accept conditionally,
- then the relevant number of units which are available in each case will be apportioned between the accepting Unitholders in the same proportions as the number of units for which they have each applied bears to the aggregate number of units specified in all of the unconditional acceptance notices or conditional acceptance notices (as the case requires).
- 8.12 By delivering an acceptance notice to the Trustee each Unitholder will be deemed to have agreed to purchase the number of units specified in the acceptance notice (or the lesser number determined in accordance with clause 8.11) at the price specified in the transfer notice (in the case of an unconditional acceptance) or the lesser of the price specified in the transfer notice or the value of the units (in the case of a conditional acceptance).
- 8.13 On or before the date on which the transferor is required to deliver a signed transfer of the units to the Trustee each accepting Unitholder must pay the amount of the purchase price to the Trustee who must account to the transferor for the money. The Trustee may deduct any amounts owing by the transferor to the Trustee on any account. If the transferor fails to deliver signed transfers and the other declarations and forms required the Trustee may execute and sign all necessary documents on behalf of the transferor.
- 8.14 All costs incurred by the Trustee in obtaining a valuation of the units are payable by the transferor. If the costs are paid by the Trustee, it may recover the amount paid from the transferor on demand. The transferor and the accepting Unitholders must otherwise pay their own costs of and incidental to the transfers, apart from stamp duty assessed on the transfers, which will be paid by the person to whom the units are transferred.
- 8.15 If the Trustee does not receive acceptance notices in respect of all the units specified in the transfer notice then the Trustee may at its discretion redeem any balance units in which case the Redemption Price will be the lowest purchase price (per unit) paid by any of the accepting Unitholders.
- 8.16 If the Trustee does not receive acceptance notices in respect of all the units specified in the transfer notice and does not elect to redeem any unsold units, the transferor is not required to transfer any of the units to accepting Unitholders (although it may still do so) and at any time within six months of the date of the transfer notice it may sell or dispose of all of the units (or the units not sold to accepting Unitholders) to any person on the same terms and conditions as are specified in the transfer notice but not otherwise.



- 8.17 Whenever a person is required to deliver a signed transfer of units the person must also deliver all declarations and other documents required from that person to complete the stamping of the transfer.
- 8.18 When the Trustee receives any notice, document or valuation relating to any of the provisions of this clause it must provide a copy to all Unitholders affected by it as soon as is reasonably practical.

9. VOTING RIGHTS

- 9.1 At any meeting of Unitholders, the Unitholders will vote in accordance with clause 24.4.
- 9.2 Where a Unitholder is in liquidation or has a receiver or administrator appointed or an appointment is such to prevent the board of directors, or committee of management of the Unitholder from exercising their judgement, the Unitholder's right to vote will be suspended during this time.
- 9.3 A resolution passed by all other Unitholders while a Unitholder is suspended from voting in accordance with clause 9.2 will be deemed to be a unanimous resolution for the purposes of this Deed.

10. CHARGING OF UNITS

- 10.1 Unitholders must not mortgage, charge or otherwise encumber their units in any way without first obtaining the consent of the Trustee.

11. VALUATION OF THE FUND

- 11.1 The Trustee may at any time, and must if requested by an Ordinary Resolution of the Unitholders, cause a valuation of the property of the Fund to be made by an independent accountant or expert. If the Trustee fails to appoint an accountant or other expert within a reasonable time of being required to do so, the Unitholders may by an Ordinary Resolution request the person acting for the time being as the President of the Queensland Law Society to nominate an accountant or other expert. The value of a unit will be determined by dividing the value of the Fund less all outstanding liabilities by the number of units issued at the date of valuation.
- 11.2 Before the Trustee obtains a valuation it must give notice to all Unitholders of the valuer or expert appointed and, within a reasonable time of receiving the valuation, the Trustee must provide a copy to the Unitholders.
- 11.3 Whenever a valuation is carried out, any Unitholder may make submissions to the valuer or other expert but the valuer or expert is not obliged to seek any submissions or to delay the valuation pending receipt of submissions.
- 11.4 Any valuer or expert appointed to carry out a valuation of the Fund may engage other consultants or experts to assist with the valuation.

12. COLLECTION AND HANDLING OF INCOME

- 12.1 The Trustee must collect all dividends, interest, rents and other revenue from the investments of the Fund.
- 12.2 The Trustee will pay out of the gross income of the Fund all costs and disbursements, commissions, fees and taxes payable by the Trustee and other proper outgoings in respect of the Fund.

13. DISTRIBUTION OF INCOME

- 13.1 The Trustee must in each Year determine the Net Income of the Fund after allowing for all expenses.
- 13.2 The Trustee may, at any time before the end of any Year, determine with respect to the Net Income of the Fund:
- (a) to distribute the Net Income or any part of it to the Unitholders in proportion to the respective number of units held by them at the date of distribution. The proportion due to the holder of a partly paid unit is that proportion of the amount due to the holder of a fully paid unit which the amount actually paid up in respect of the partly paid unit bears to the nominal value of that unit; or
 - (b) to accumulate any portion of it.
- 13.3 If the Trustee does not exercise its discretion to distribute and accumulate all the Net Income in any Year then the Net Income not distributed or accumulated shall be deemed to be held by the Trustee for the persons registered as the holders of units on the last day of the relevant Year in proportion to the units held by them. The proportion due to the holder of a partly paid unit is that proportion of the amount due to the holder of a fully paid unit that the amount actually paid up in respect of the partly paid unit bears to the nominal value of that unit.
- 13.4 The following rules apply to any determination made pursuant to clause 13.2 and in relation to clause 13.3.
- (a) Any accumulation is conditional upon the law in force in relation to this Deed giving effect to an accumulation at the end of the Year.
 - (b) Any determination by the Trustee to accumulate income may be made in respect of a particular Year, any longer period which the Trustee considers appropriate, or for an indefinite period (for example, until the Trustee determines otherwise).
 - (c) If at the end of any Year the aggregate amount in respect of which determinations have been made pursuant to clause 13.2 exceeds the Net Income of the Fund for the Year the amount of the excess will firstly be deducted from the amounts which the Trustee has determined to accumulate and, if there is any remaining excess, the Trustee is deemed to that extent to have applied the capital of the fund pursuant to clause 16.
 - (d) Any determination may be made:
 - (i) in writing signed by the Trustee;
 - (ii) by a resolution of trustees or of directors of any corporate trustee;
 - (iii) by any other means permitted under this Deed;
 - (iv) by crediting an amount to a Unitholder in the books of the Fund; or
 - (v) by paying a cheque or cash to or for the benefit of a Unitholder.
 - (e) The Trustee has complete discretion when making any determination and is not required to give any reasons. No Unitholder is entitled to any distribution of Net Income except pursuant to a determination made by the Trustee or pursuant to some other specific provision of this Deed.
 - (f) The Trustee may make interim distributions of Net Income at any time during each Year.
 - (g) In determining the Net Income of the Fund or making any determination to pay, apply, transfer or set aside or to accumulate Net Income the Trustee may identify an amount by reference to its description in the Income Tax Assessment Act 1936 and may account separately for such amount and/or may make a determination to pay, apply, transfer or set aside or accumulate in respect of the whole or part of such amount. The Trustee may

also make a determination to pay, apply transfer or set aside or to accumulate the whole or a part of such amount notwithstanding that expenses were incurred by the Trustee in connection with its derivation.

- 13.6 Any amount set aside for the Unitholders or held for the Unitholders pursuant to any other provision of this Deed will not form part of the Fund but will be held as a separate trust fund for the Unitholders absolutely with power to the Trustee (pending payment) to invest and deal with such fund or any resulting Net Income in the manner provided for in this Deed in relation to the Fund.
- 13.6 Each Unitholder in whose favour the Trustee may distribute the Net Income of the Fund or who is otherwise entitled to share in the Net Income will have an immediate and indefeasible vested interest in that part of the Net Income.

14. RESERVES

- 14.1 The Trustee may establish a reserve and before making any payment of Net Income under clause 13 may set aside any amount as a reserve (the General Reserve).
- 14.2 The Trustee may in its discretion draw against the General Reserve for all or any of the following purposes:
- (a) to make or increase any distribution to Unitholders;
 - (b) to meet expenses of any unusual character;
 - (c) in maintaining the value of the Fund in the event of depreciation or loss on any investment; or
 - (d) generally as a reserve against any liabilities or contingencies.

15. PERIOD OF TRUST AND TERMINATION OF TRUST

- 15.1 This Trust will terminate and vest on the Perpetuity Date.
- 15.2 If by a Unanimous Resolution the Unitholders resolve that the Trust will be terminated at a date earlier than the Perpetuity Date, then the Trustee must terminate and vest the Trust on the earlier date.

16. DISTRIBUTIONS OF CAPITAL

- 16.1 Upon termination of the Trust the following provisions have effect.
- (a) Subject to this clause 16.1, the Trustee must as soon as practicable realise the property constituting the Fund, and divide the net proceeds among the Unitholders in proportion to their unit holding at the date of the giving of notice under clause this clause 16.1. The Trustee may at the request of any Unitholder transfer any assets of the Fund in specie in satisfaction or part satisfaction of the entitlement of the Unitholder.
 - (b) The Trustee must give to each Unitholder not less than one month's notice of the impending distribution.
 - (c) The Trustee may postpone the realisation of any part of the Fund for any period it considers appropriate.
- 16.2 The Trustee may (with the sanction of an Unanimous Resolution of Unitholders) at any time pay or distribute part of the capital of the Fund to Unitholders in proportion to the units registered in their names at the date of the payment or distribution.

17. POWERS OF TRUSTEE

17.1 The Trustee may:

- (a) enter into and perform agreements for the purpose of acquiring the Land, the buildings, Fixtures, the racetracks and fences owned and used by SCTC in connection with the activities of Thoroughbred horse racing including options to purchase, and to subdivide, erect buildings, make improvements, develop, improve or otherwise exploit the Land in accordance with the powers contained in this Deed;
- (b) enter into agreements for the purpose of acquiring any other land to be used for the purpose of an association with the Land or any part of it for the purposes for which the Land or any part of it is used;
- (c) expend money and enter into contracts, agreements or arrangements for the purposes of ongoing development and maintenance of the areas marked as Lease A, Areas 2 and 3 on Plan 060655 contained in Annexure A and any other land acquired by the Trustee under clause 17.1(b);
- (d) expend money for the purposes of establishing maintaining and/or improving the Land and any other land acquired by the Trustee under clause 17.1(b) for the purposes of Thoroughbred horse racing with stables, clubhouse, administration offices, horse training, equestrian facilities, veterinary hospital facilities, quarantine facilities, horse sales, farriers' workshop facilities, horse transportation facilities, caretaker's residence, produce store, licensed function rooms, facilities for seminars, conferences and trade displays for the area shown on the Land including integrated office facilities and any other services or facilities the Trustee considers beneficial or desirable from time to time;
- (e) construct or engage contractors to construct stables, training facilities, cross country track and accommodation including hotels and conference facilities for the areas shown as Area 2 and Area 3 of the Land in Annexure A and any other land acquired by the Trustee under clause 17.1(b);
- (f) make application and obtain approvals for any local, state or federal authority or body for purposes associated with the development of the Land or any part of it and any other land acquired by the Trustee under clause 17.1(b) and to carry out all such acts and expend all such monies as are required for the purposes of any consent, approval, permit, licence or other form of approval granted by any such authority or body;
- (g) reconfigure, subdivide, amalgamate or otherwise deal with interests in and parts of the Land and any other land acquired by the Trustee under clause 17.1(b) including registration of community Title Schemes under the *Body Corporate and Community Management Act 1997* or any act amending or in substitution for that Act;
- (h) grant and accept easements to facilitate access to, from or across the Land and any other land acquired by the Trustee under clause 17.1(b) from or to other lands or for purposes associated with the development of the Land;
- (i) grant a lease or leases upon conditions acceptable to the Trustee or to any person, firm, club, association or corporation over the Land or any part of the Land and any other land acquired by the Trustee under clause 17.1(b) for any purposes associated with the purposes specified in this clause 17.1 for terms permitted by law and subject to the rights of SCTC under clauses 17.4 and 17.5;
- (j) invest in investments in which Trustees are authorised by the law of any State or Territory of Australia to invest trust funds;
- (k) purchase shares, notes or debentures or other securities of any company or any corporation carrying on business in Australia or elsewhere whether there is a liability in respect of any such shares and in Governmental and semi-Governmental securities;



- (l) Invest in deposits at call or for return with any bank, finance company, permanent building society, financial institution, company or person on such terms and conditions as the Trustee may decide;
 - (m) purchase or carry on any business in connection with the development of the Land or any part or parts of the Land and any other land acquired by the Trustee under clause 17.1(b); or
 - (n) deal in any way with property and, without in any way limiting the foregoing, the purchase, leasing, hiring or other acquisition of any personal property and any share or interest therein, the entering into of any contract for the sale or purchase of any property (whether real or personal, and including statutory licences) including land or any interest in the Land and any other land acquired by the Trustee under clause 17.1(b) created through registration of a plan of subdivision or of a community titles scheme and the taking or granting of options, entitlements or rights, the taking, acquisition or receipt of settled funds, interests in estates of deceased persons, book or other debts or choses in action, provided that such dealing is for the purposes of subclauses 17.1(a) to (m).
- 17.2 Subject to this Deed, the Trustee has the exclusive right to manage and control the Fund and all the powers over and in respect of the assets of the Fund which it could exercise if it were the absolute and beneficial owner.
- 17.3 The Trustee does not have any power or authority to enter into any contract that would bind or render liable the Unitholders personally or call upon them for any payment other than the amounts required to be paid on or in respect of the units issued to them.
- 17.4 The Trustee acknowledges that before it may enter into a lease over the part of the Land described as Lease A for Lot 2 on SP189338 (the Leased land) to anyone other than SCTC it must first offer to SCTC a lease of the Leased land to SCTC upon the same terms and conditions as it is prepared to offer a lease of the Leased land to any other person. If SCTC does not within a period of 30 days from the date of such offer accept the Trustee's offer of the lease of the Leased land it may offer a lease of the Leased land to anyone else upon the same terms and conditions as it has been offered to SCTC.
- 17.5 If as a result of any negotiations which may take place between the Trustee and an offeree of a lease of the Leased land the terms and conditions of the proposed lease of the Leased land become more advantageous to a proposed lessee than applied when the Trustee offered to SCTC a lease of the Leased land, before the Trustee may agree to lease the Leased land to any other party with whom it is having negotiations it must offer to SCTC the opportunity to lease the Leased land upon those revised terms and conditions. If SCTC does not accept within 14 days of the date of the offer of the revised conditions upon which the Trustee would lease the Leased land to SCTC then the Trustee will be at liberty to lease the Leased land upon those terms and conditions to anyone else.
- 17.6 The Trustee acknowledges that before it may enter into a Contract for the sale of the freehold of the Land or any other land acquired by the Trustee under clause 17.1(b) or any part of it with anyone other than SCTC it must first offer to sell the land in question to SCTC upon the same terms and conditions as it is prepared to offer to any other person. If SCTC does not accept the Trustee's offer within a period of 30 days from the date the offer is made the Trustee may offer to sell the land in question to anyone else on the same terms and conditions it has been offered to SCTC.
- 17.7 If as a result of any negotiations which may take place between the Trustee and any offeree of the freehold of the Land or any other land acquired by the Trustee under clause 17.1(b) or any part of it the terms and conditions of the proposed sale become more advantageous to a proposed purchaser than those offered to SCTC before the Trustee may agree to sell the freehold to any other party with whom it is having negotiations it must offer to SCTC the opportunity to purchase upon those revised terms and conditions. If SCTC does not accept within 14 days from the date of the offer then the Trustee will be at liberty to sell the land in question upon not more advantageous terms and conditions to anyone else.



18. ADDITIONAL POWERS OF TRUSTEE

- 18.1 Without prejudice in any way to the provisions of clause 17 the powers of the Trustee include the following powers, provided the powers exercised are for the purposes of subclauses 17.1(a) to (l):
- (a) to institute, prosecute, compromise and defend legal proceedings;
 - (b) to insure assets of the Fund;
 - (c) to acquire and accept for the Fund any property notwithstanding that it is owned by the Trustee or the trustees of some other fund, and to invest and lend moneys of the Fund in conjunction with moneys from other funds and trusts;
 - (d) to sell, mortgage, grant options over or otherwise deal with any assets of the Fund including, without limiting the generality of the power, to the Unitholders or any one of them;
 - (e) to attend and vote at meetings of any company;
 - (f) to build, demolish, alter, repair, extend rebuild, improve, reconstruct and develop any property;
 - (g) to lend money from the Fund to any person with or without interest and with or without taking security upon such terms and conditions as the Trustee decides, including on the security of a second or subsequent mortgage;
 - (h) generally to manage and turn to account the investments of the Fund;
 - (i) to carry on any business either alone or in partnership. It is declared that:
 - (i) in the management conduct and control of the business the Trustee has power to do all things which it could do if the business belonged to it absolutely;
 - (ii) the Trustee is free from all responsibility and will be fully indemnified out of the Fund in respect of any loss arising in relation to the business;
 - (iii) the Trustee may employ or concur in employing anyone in any business at a remuneration the Trustee shall deem fit;
 - (j) to give guarantees and indemnities for the payment of money or the performance of any contract, liability or guarantee incurred or entered into by any other party, to guarantee and/or indemnify (either alone or jointly), or to become liable for the payment of money or for the performance of any obligations by any other party and for the purpose of securing the payment of any money or the performance of any obligations for which the Trustee may become liable under any guarantor or indemnity, to mortgage, encumber or charge the Fund or any part of it;
 - (k) to apply for, purchase or otherwise acquire any patents, trademarks, or other intellectual property rights and to use, exercise, develop, or grant licences in respect of the property or rights acquired;
 - (l) to enter into partnership or any arrangement for sharing of profits;
 - (m) to acquire shares, debentures or other securities, units in any unit trust or beneficial interests under any trust;
 - (n) to enter into any arrangements with any Government or authority;
 - (o) to purchase, take on lease or in exchange, hire and otherwise acquire any real and personal property and any rights or privileges which the Trustee may think necessary or convenient for the purposes of its business;

- (p) to borrow or raise or secure the payment of money for any purpose in relation to the Trust. No lender shall be concerned to enquire into the necessity or the application of the money borrowed. This power includes, without limiting its generality the power to borrow and raise money from the Unitholders or any one of them and to charge the assets of the Fund or some of them, to secure the liability;
- (q) to open and operate accounts with banks and other financial institutions including joint and partnership accounts and accounts where the trustee may be operating the account as trustee of more than one trust fund and to sign, make, draw, execute, endorse, discount, hypothecate or otherwise negotiate cheques, bills of exchange, promissory notes, drafts and orders for the payment of money in any manner the Trustee thinks fit, and to authorise other persons to operate on any account and sign, draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments;
- (r) to sell or dispose of the undertaking of the Trust or any part for whatever consideration the Trustee may think fit and in particular for shares, debentures, or securities of any company or in exchange for units in a unit;
- (s) to take or hold mortgages, liens and charges to secure payment of the purchase price for any property of the Fund sold by the Trustee or any money due to the Trustee;
- (t) to exercise the powers of the Trustee anywhere in the world as principal, agent, contractor, or trustee through trustees or agents or otherwise;
- (u) to take and act upon the opinion of a legal practitioner without being liable to any of the persons beneficially interested in respect of any act done by the Trustee in accordance with the opinion;
- (v) to permit any asset of the Fund to be held or registered in the name of any nominee;
- (w) every Trustee which is a corporation may exercise or concur in exercising any discretion or power by a resolution of the corporation or its board of directors or may delegate the power to exercise any discretion or power;
- (x) to delegate any of the Trustee's powers or discretions in its absolute discretion, and the power to delegate includes the power to appoint a delegate as its attorney either in a general or limited capacity and to execute any powers of attorney or other instruments necessary to effect the delegation;
- (y) to make gifts or advances to any persons;
- (z) to appoint anyone to act as the manager in respect of the Fund (the Manager) in which case:
 - (i) the Manager will assume responsibility for the management and administration of the Trust;
 - (ii) the Trustee may delegate to the Manager all necessary powers and discretions to facilitate the management of the Trust;
 - (iii) the Trustee must make available funds and resources from the Fund as required by the Manager to discharge its obligations; and
 - (iv) the Manager may be removed by the Trustee by giving not less than 30 days notice in writing. Any Manager who is removed shall be entitled to an indemnity from the Trustee in respect of liabilities incurred in the proper exercise of the duties of the Manager up to the date of removal;
- (aa) to enter into any arrangement with the Commonwealth of Australia, the government of any State of Australia or any other government or semi-government body or authority which would be of advantage to the Fund and in particular which may provide a grant, subsidy or other benefit;

- (bb) to mix the trust fund including income and any other money and property held by the trustee pursuant to this deed with other money or property held by the trustee pursuant to or under any other trust (mixed funds); and
- (cc) to invest mixed funds in any way in which the trustee is permitted to invest assets of the Trust Fund by law or by this deed and to exercise all powers authorities and discretion's with respect to the mixed funds which the trustee may exercise pursuant in relation to the Trust Fund pursuant to this deed or by law.

19. TRUSTEES REMUNERATION

- 19.1 The Trustee may charge and be paid out of the Fund and/or the Income any remuneration at the rate the Unitholders may consider reasonable.

20. INDEMNITY AGAINST TRUST PROPERTY

- 20.1 The Trustee is entitled to be indemnified out of the assets of the Fund and out of the Net Income against liabilities incurred by it in the execution or attempted execution or as a consequence of the failure to exercise any of the trusts authorities powers and discretions under the Trust Deed.

21. TRUSTEE NEED NOT ACT PERSONALLY

- 21.1 The Trustee is not required to act personally but may engage any contractors, solicitors, accountants, employees or any agents to transact all or any business of the Trust.

22. RETIREMENT AND REMOVAL OF TRUSTEE

- 22.1 A Trustee is removed from office if:
- (a) It is removed as required by law;
 - (b) being a company, it is wound up or if a receiver is appointed to the possession of any of its assets;
 - (c) being an individual, an act or event occurs which would cause the Trustee to be disqualified from being a Director of a company under the Corporations Act 2001; or
 - (d) the Unitholders remove the Trustee by Unanimous Resolution.
- 22.2 The Trustee may retire by giving one month's written notice to the Unitholders.
- 22.3 On the removal or retirement of a Trustee, the Unitholders by Unanimous Resolution may appoint a new Trustee. The new Trustee must be a company and must have the same board composition as the outgoing Trustee.
- 22.4 The Unitholders may at any time by Unanimous Resolution appoint one or more additional or co-trustees.
- 22.5 On retirement or removal, the outgoing Trustee must vest the Fund or cause it to be vested in the new Trustee, and deliver to the new Trustee all records and other property relating to the Fund.
- 22.6 Where two or more Trustees are appointed as the initial Trustees, a Trustee who resigns or is removed from office is discharged from the Trusts provided that there is at least one continuing Trustee.

23. ADMINISTRATION ACCOUNTS AND AUDITS

- 23.1 The Trustee will engage accountants to prepare proper financial accounts for the Fund.
- 23.2 The financial statements for each financial year must be provided to all Unitholders and will be binding on the Unitholders and the Trustee except in the case of any error that is notified to the Trustee within 3 months of the financial statements being distributed.
- 23.3 The annual accounts will not be audited unless the Unitholders decide otherwise by an Unanimous Resolution.
- 23.4 Any Unitholder may inspect the books of the Trustee at its office during normal business hours provided the Unitholder gives reasonable notice.

24. MEETINGS OF UNITHOLDERS

- 24.1 The Trustee or the holders of ordinary units may convene a meeting of Unitholders.
- 24.2 Unless otherwise agreed by all Unitholders, at least seven days' notice must be given of every meeting.
- 24.3 The Chairman at any meeting will be the current Chairman of the Board of the Trustee.
- 24.4 At any meeting voting will be by a show of hands unless a poll is demanded by any Unitholder. Upon a poll every Unitholder present in person or by proxy will have one vote for every unit held.
- 24.5 The quorum necessary for a meeting will be at least two Unitholders.
- 24.6 Any Unitholder may appoint a proxy to attend and vote at meetings of Unitholders. The appointment must be in writing and must be delivered to the Trustee prior to the commencement of the meeting.
- 24.7 Any Unitholder, which is a corporation, may vote by a representative who is authorised in writing.
- 24.8 In the case of joint holders of units, the vote of the senior joint holder who tenders a vote whether in person or by proxy must be accepted to the exclusion of the votes of the other joint holders. For the purpose of this clause seniority will be determined by the order in which the names are entered in the Register.
- 24.9 Any resolution of the Unitholders signed by the holders of all units issued at the date of the resolution will have the same effect as a resolution passed at a meeting. The resolution may consist of several documents in like form, each signed by one or more Unitholders.

25. VARIATION OF TRUSTS

- 25.1 The Trustee may by Deed or in any other manner permitted by this Deed with the approval of a Unanimous Resolution of Unitholders make any amendment to this Deed. However no amendment may be made that will infringe any law against perpetuities or affect the beneficial entitlement to any amount set aside for any Unitholder prior to the date of the amendment

26. PERSONS BOUND

- 26.1 All Unitholders are entitled to the benefit of and will be bound by the terms and conditions of this Deed and any variations.
- 26.2 The Trustee may refuse to register any person as the holder of units in the Trust unless that person has first executed a covenant (in a form acceptable to the Trustee) to be bound by and observe the terms of this Deed.



27. TRUSTEES RELATIONSHIP TO UNITHOLDERS

- 27.1 Nothing in this Deed will constitute or be deemed to constitute the relationship of principal and agent between the Trustee and the Unitholders nor the relationship of partners as between the Trustee and the Unitholders or as between the Unitholders.
- 27.2 The Trustee is not entitled to any indemnity from a Unitholder and the right of indemnity of the Trustee will be limited to the indemnity out of the Trust Fund.

28. GENERAL PROVISIONS RELATING TO THE TRUSTEE

- 28.1 Despite anything to the contrary in this Deed the Trustee may, in connection with the Land and any other land acquired by the Trustee under clause 17.1(b):
- (a) deal with any property of the Fund or lend or advance any moneys to the Trustee in its personal capacity or in its capacity as trustee of any other trust or to any company or partnership notwithstanding that the Trustee is a shareholder, director, member or partner or that a director or shareholder of the corporate Trustee or a relative of any Trustee or of a director or shareholder of any corporate trustee may benefit;
 - (b) buy transfer, acquire, hire or lease any real or personal property or to borrow any moneys from the Trustee in its personal capacity or in the capacity of trustee of any other trust fund or from any company or partnership notwithstanding that the Trustee is a shareholder, director, member or partner of the company or partnership or that a director or shareholder of a corporate trustee or a relative of any Trustee or of any director or shareholder of any corporate Trustee may benefit;
 - (c) carry on any profit-making undertaking or scheme in partnership with the Trustee in its personal capacity or in the capacity of trustee of any other trust fund or with any company or partnership notwithstanding that the Trustee is a shareholder, director, member or partner of the company or partnership or with a relative of any Trustee or with any director or shareholder of any corporate Trustee;
 - (d) exercise all the powers and discretions vested in the Trustee notwithstanding that the Trustee may be a Unitholder or that any director or shareholder (or relative of a director or shareholder) of a corporate trustee may derive a benefit directly or indirectly or has or may have a direct or indirect personal interest (in any capacity) in the mode or result of the exercise of the power or discretion and generally to deal with the Trustee in its personal capacity in all respects as if there were two separate parties to the dealings;
 - (e) give any guarantee or indemnity and mortgage, charge, encumber or pledge the assets of the Fund notwithstanding that the Trustee in its personal capacity or a director or shareholder or relative of a director or shareholder of the Trustee may derive a benefit directly or indirectly as a consequence.

29. NOTICES

- 29.1 The address for service of the Trustee is its registered office or any other address as is notified to Unitholders.
- 29.2 The address for service of a Unitholder is the Unitholder's address as shown in the Register.
- 29.3 Any notice to be served on the Trustee or a Unitholder under this Deed must be delivered or sent by pre-paid mail to the receiving party's address for service or may be transmitted by facsimile where that party has a facsimile service connected at the address for service. Any notice sent by mail will be deemed to be received on the second working day after the day on which it is posted. A notice transmitted by facsimile will be deemed to be received on the date of transmission unless the receiving party advises within 24 hours of the transmission that the transmission or any part was incomplete or unreadable.



30. GOVERNING LAW

30.1 The construction and interpretation of this Deed shall be governed by the laws in force in the State of Queensland.

31. INDEMNITY AGAINST DUTIES

31.1 Where the Trustee is requested to exercise any power, discretion or duty and considers that transfer duty or some other duty tax or impost (Duty) may be payable as a consequence, the Trustee may refuse to exercise the power, duty or discretion until the Trustee is satisfied that all Duty which may be payable has been paid or until it receives an appropriate indemnity from any Unitholder or other person from whom it requests an indemnity indemnifying the Trustee against all liability in respect of any Duty.

32. DEFAULT BY UNITHOLDERS

32.1 Without in any way limiting the operation of any other provisions of this Deed, a Unitholder will be in default if:

- (a) a Unitholder fails to pay any money required to be paid to the Trustee or another Unitholder under this Deed on the due date for payment;
- (b) a receiver or manager is appointed to the whole or part of the property of a Unitholder;
- (c) a composition, arrangement or assignment is entered into between a Unitholder and its creditors;
- (d) a Unitholder which is a natural person is declared bankrupt or a Unitholder which is a corporation is wound up; or
- (e) the Unitholder is in breach of any of the provisions of this Deed.

32.2 If the Trustee becomes aware that a Unitholder is in default, the Trustee may serve a Rectification Notice on that Unitholder which specifies particulars of the default and requires that the Unitholder rectify the default within 30 days (or such other time as the Trustee considers appropriate).

32.3 A default on the part of the Unitholder will not be deemed to have been waived if a Rectification Notice is not served.

32.4 The Trustee must also give all other Unitholders a copy of the Rectification Notice.

32.5 If the Unitholder who is in default fails to comply with the Rectification Notice within the time stipulated then, unless a Unanimous Resolution of Unitholders resolves otherwise, the defaulting Unitholder is deemed to have delivered a transfer notice to the Trustee pursuant to clause 8.4 on the last day of the period specified in the Rectification Notice. The transfer notice is deemed to be in respect of all of that Unitholder's units and is deemed not to nominate any purchase price for the units.

32.6 If the Unitholder is deemed to have delivered a transfer notice under clause 32.5, the provisions of clause 8 will apply.

32.7 Nothing in this Section will in any way limit or prejudice the rights of the Trustee or other Unitholders to take action against the defaulting Unitholder in respect of a default.

33. COUNTERPARTS

33.1 This Deed may be executed in any number of counterparts. All of the counterparts will be deemed to constitute one document.

FIRST SCHEDULE

Number of Units of Fund
as originally constituted: 13,000,000

Initial Unit Holders	Units Subscribed	Class of Units	Application Money
QUEENSLAND RACING LIMITED	11,000,000	ORD	\$11,000,000
SUNSHINE COAST TURF CLUB INC.	2,000,000	ORD	\$2,000,000

SECOND SCHEDULE
SUNSHINE COAST UNIT TRUST
UNIT CERTIFICATE

(Constituted by Trust Deed dated the day of 2006).

THIS IS TO CERTIFY that
of
is the registered holder of units in the abovenamed Trust subject to and with the benefit of the terms
and conditions of the Trust Deed constituting the Trust.

Details of such units are set out below and were entered in the Register of Unit Holders on the
day of 2006.

Register Folio No.	No. of Units Held (words and figures)	Class Paid to	Certificate (if any) Number
-----------------------	--	------------------	--------------------------------

Signed for and on behalf of the Trustee of the said Trust by

.....
Director/Secretary of the
Corporate Trustee

This Certificate must be delivered to the Trustee on application to transfer any of the units comprised
herein.

ANNEXURE A



CALOUNDRA ROAD

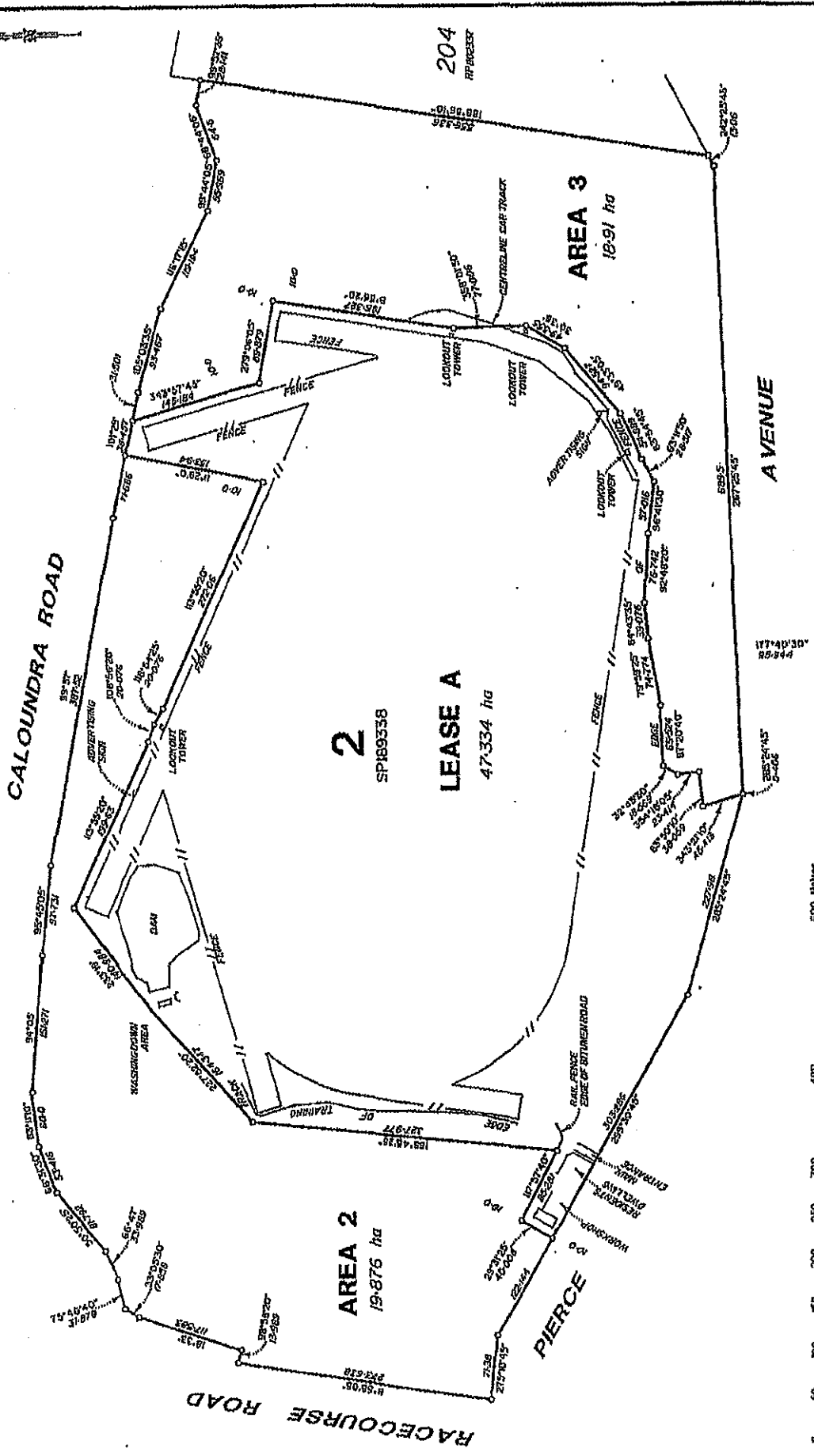
AREA 2
19-876 ha

2
SPI89338

LEASE A
47-334 ha

AREA 3
18-91 ha

PIERCE AVENUE



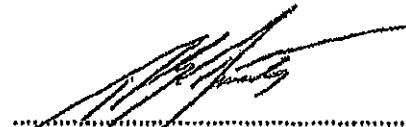
<p>QUEENSLAND RACING</p> <p>PROPOSED LEASE PLAN LOT 208 ON SPI89338 PARISH OF BRIDE</p>		<p>Assemblage: Lot 208 Area 2, Lease A, Area 3 Total Area 77.116 ha</p>		<p>Assembled Components: Area 2, Lease A, Area 3</p>		<p>Designed X/JH Drawn A/SB Date 18/07/2006 Scale 1:4000</p>		<p>Ken Hicks 200 AUSTRALIAN</p> <p>Director, No. 0600956</p>		<p>Drawn 8</p>
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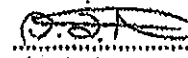
SIGNED AS A DEED

SIGNED SEALED AND DELIVERED on behalf of SUNSHINE COAST RACING PTY LTD ACN 120 875 363 as Trustee in accordance with its Constitution by a director and a director/secretary in the presence of:

C. Cameron
Witness


Carly Jane Cameron
Name of Witness (print)


Director
Robert Geoffrey Bentley
Name of Director (print)

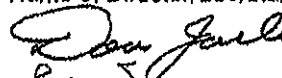

Director/Secretary

Shara Louise Murray
Name of Director/Secretary (print)


SIGNED SEALED AND DELIVERED on behalf of SUNSHINE COAST TURF CLUB INC. ABN 22 950 178 141 as Unitholder in the presence of:


Witness

NEIL ROBERT McNEILL
Name of Witness (print)


DONALD LEITH ABBOTT
DONALD STUBBLY JACKSON
Sue Murray
WILLIAM PATRICK CAMPBELL WIMOT
Officer
DONALD LEITH ABBOTT

.....
Name of Officer (print)
LESLIA JOY BEEVES

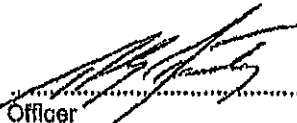

Officer

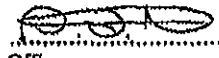
.....
Name of Officer (print)

SIGNED SEALED AND DELIVERED on behalf of QUEENSLAND RACING LIMITED ACN 116 736 374 as Unitholder in the presence of:

C. Cameron
Witness

Carly Jane Cameron
Name of Witness (print)


Officer
Robert Geoffrey Bentley
Name of Officer (print)


Officer
Shara Louise Murray
Name of Officer (print)

CJC10028968 1247104v14

**DEED OF VARIATION
THE SUNSHINE COAST RACING
UNIT TRUST**

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

LMD10071366 3156616v3

PARTIES

QUEENSLAND RACING LIMITED ACN 116 735 374 a company duly incorporated and carrying on business at Racecourse Road, Deagon, in the State of Queensland (**QRL**)

and

SUNSHINE COAST TURF CLUB INC ABN 22 950 178 141 an incorporated association carrying on business at Corbould Park, 170 Pierce Avenue, Caloundra, in the State of Queensland (**SCTC**)

and

SUNSHINE COAST RACING PTY LTD 120 875 363 a company duly incorporated and carrying on business at Racecourse Road, Deagon, in the State of Queensland (**Trustee**)

BACKGROUND

- A. The Trustee is the trustee of the Trust.
- B. The Trustee holds the Land on trust for the Unitholders subject to the Deed of Trust.
- C. The Unitholders are tenants of the Land under the Leases.
- D. The Unitholders as tenants are responsible under the Leases for Structural Work to the Lessor's Property on the Land up to a certain value and the Trustee as Lessor is responsible for the costs of Structural Work to the Lessor's Property on the Land over a certain value.
- E. The Unitholders as tenants pay minimal rent under the Leases.
- F. The Trustee and the Unitholders wish to ensure that the Trustee has sufficient funds available for it to carry out Structural Work to the Lessor's Property on the Land in the event that the financial position of the Unitholders as tenants are not sufficient to pay the costs of Structural Work to the Lessor's Property on the Land that may be required from time to time.
- G. The Trustee will establish and the Unitholders will contribute to a sinking fund for Structural Work to the Lessor's Property on the Land on the terms of this Deed.
- H. The Trustee may amend the Deed of Trust under clause 25.1 of the Deed of Trust.

AGREEMENT

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document:

Leases mean the leases granted by the Trustee to the Unitholders on or about the date of this deed.

Lessor's Property has the meaning given to it in the Leases.

QRL means Queensland Racing Limited ACN 116 735 374.

SCTC means Sunshine Coast Turf Club Inc ABN 22 950 178 141.

Structural Work has the meaning given to it in the Leases.

Trust means the Sunshine Coast Racing Unit Trust.



Deed of Trust means the Deed of Trust dated 1 November 2006 between the QFL and SCTC as unitholders and SCR as trustee.

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) a reference to a person is to be construed as a reference to an individual, body corporate, unincorporated association, partnership, joint venture or government body;
- (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;
- (g) monetary references are references to Australian currency;
- (h) the Schedule and Annexures form part of this document;
- (i) a reference to an Item is a reference to an Item in the Schedule to this document;
- (j) headings are included for convenience only and do not affect interpretation of this document;
- (k) the definitions and interpretations contained in the Deed of Trust are incorporated in this document;
- (l) unless expressly stated otherwise, all terms used in this deed which are not defined have the same meaning as in the Deed of Trust; and
- (m) unless expressly stated otherwise, all terms used in this deed which are not defined have the same meaning as in the Leases.

2. VARIATION OF TRUST

- 2.1 The Trustee declares and the Unitholders agree that the Deed of Trust is amended by the insertion of clause 3 of this Deed as new clause 34 of the Deed of Trust from the date of this Deed.
- 2.2 This deed is not intended to vary the rights, interests or entitlements of any default income or capital beneficiary in a manner that would constitute a resettlement of the Trust or result in a trust acquisition or trust surrender.

3. SINKING FUND

- 3.1 The Trustee will establish a sinking fund for the accumulation of funds from contributions by the Unitholders.
- 3.2 The Trustee will establish a separate interest bearing bank account and will deposit all contributions to the bank account.
- 3.3 All interest earned on the sinking fund will be distributed to the Unitholders. The Unitholders must contribute any distribution of interest back to the sinking fund.



- 3.4 The sinking fund must only be used for Structural Works to improvements on the Land in accordance with the Leases.
- 3.5 All improvements made to the Land paid for from the sinking fund are the property of the Trustee and form part of the Lessor's Property under the Leases.
- 3.6 The Unitholders will contribute to the sinking fund an amount calculated as:

Contribution = (Net Income of the Trust x 25/100) x Unitholders' Proportions

Where:

Contribution means the amount to be contributed by each Unitholder to the sinking fund.

Net Income has the meaning given to it in the Deed of Trust but not taking into account any amounts received by the Trust by way of grant, donation or sponsorship and where this is expressed as a negative amount, for the purposes of the determining the amount of the Contribution, this will be expressed as a positive amount.

Unitholders' Proportions means the proportion of units in the Trust owned by the Unitholders against the total number of units issued in the Trust as at the date of the distribution of the Income to the Unitholders.

- 3.7 The Unitholders must contribute to the sinking fund annually on the date which is three months after the Net Income is determined. A Unitholder may, in the event of extraordinary cash flows difficulties defer that payment to 30 June in the current financial year by notice in writing to the Trustee.
- 3.8 In the event that the Trust is wound up or on the Perpetuity Date, the sinking fund will be distributed to the Unitholders in the same proportion as the Unitholders own units in the Trust.
- 3.9 The Unitholders are not entitled to any reimbursement or distribution of funds from the sinking fund if the Leases end or are terminated.
- 3.10 Any new improvement constructed and paid for solely on the Land by a Unitholder is and remains that Unitholders' asset notwithstanding that it may be fixed to the Land.



EXECUTED AS A DEED on 19 April 2010

SIGNED on behalf of SUNSHINE COAST RACING PTY LTD ACN 120 875 363 as TRUSTEE FOR THE SUNSHINE COAST RACING UNIT TRUST 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] Director/Secretary

[Signature] Witness

19/4/2010 Date

SIGNED on behalf of SUNSHINE COAST TURF CLUB INC ABN 22 950 178 141 by two officers in the presence of

[Signature] Officer

[Signature] Witness

[Signature] Officer

19/4/2010 Date

SIGNED on behalf of QUEENSLAND RACING LIMITED ACN 116 735 374 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] Director/Secretary

[Signature] Witness

19/4/2010 Date

LMD10071366 3156616v3





**SUNSHINE COAST RACING PTY LTD
(ACN 120 875 363)**

PURCHASING POLICY

Owner

Finance Department

Stakeholders

Corporate Wide

Revision History

Version	Date	Description of Change
1.01	April 2007	First draft (Adam Carter)

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SUNSHINE COAST RACING PTY LTD

PURCHASING POLICY

Introduction

This policy has been prepared to provide guidelines and procedures to be followed by officers of Sunshine Coast Racing Pty Ltd when undertaking and managing purchasing activities to meet the organisation's operational requirements and also meet the objectives of the policy.

Sunshine Coast Racing Pty Ltd ACN 120 875 363 is a company duly incorporated having its registered office at Racecourse Road, Deagon in the State of Queensland (the Trustee), and obtaining its objects and functions from, the Deed of Trust and its Constitution. Sunshine Coast Racing Pty Ltd acts as the trustee for the Sunshine Coast Racing Unit Trust. The Deed of Trust is between Sunshine Coast Racing Pty Ltd (SCR), Queensland Racing Limited ACN 116 736 374 (QRL) and Sunshine Coast Turf Club Inc ABN 22 950 178 141 (SCTC).

Sunshine Coast Racing Pty Ltd is required to conduct its financial activities with probity and accountability, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission (ASIC).

Key Principles

In conducting its purchasing activities it is the policy of Sunshine Coast Racing Pty Ltd to adhere, at all times, to the key principles of:

1. Value for money;
2. Quality of product, service, and support;
3. Open and fair competition;
4. Acceptability of outcomes;
5. Use of Queensland product where price competitive, and where quality standards are met; and
6. Suppliers are compliant with all taxation requirements.

Policy

These principles have been applied in developing policy for the following key purchasing activities:

- Capital works projects;
- Consulting services;
- Sponsorship contracts;
- Information technology;
- Other capital expenditure; and
- Day to day purchasing of services and supplies.



There is also a focus on using preferred suppliers as explained in this report in further detail. The procurement system should result in the following benefits:

- Reduce operating costs;
- Reduce risk;
- Increase control; and
- Improve cash flow visibility

Capital Works Projects

Sunshine Coast Racing Pty Ltd establishes an annual program of capital works, within a specified budget, following consideration of proposals from management and advice from relevant officers within the organisation.

The policy of Sunshine Coast Racing Pty Ltd, in relation to the implementation of approved projects, is briefly addressed below:

- Once projects are given preliminary approval through the annual capital budgeting process, Sunshine Coast Racing management will be required to provide detailed design and costing information, and a project plan, prepared by a suitably qualified and experienced independent consultant. Sunshine Coast Racing Pty Ltd may, at its discretion, instigate an assessment of this documentation by its own consulting engineers. Any variation to the estimate used in applying for inclusion in the capital works program must be disclosed and explained. Variations of greater than 10% from the preliminary estimate are to be referred back to the Board of Sunshine Coast Racing Pty Ltd.
- Assuming the project cost following detailed design is contained within 10% of the preliminary estimate, and Sunshine Coast Racing Pty Ltd is satisfied with the standard of documentation provided, final approval will be given for the project to proceed (Company Secretary or Finance Manager);
- After final approval has been given, SCR management will be instructed that they can establish formal contractual arrangements for the construction works, in accordance with the approved budget. In establishing these contracts management must pay regard to the key purchasing principles contained within this policy; and
- Following completion of the project, the management will provide the SCR Board with a report, which addresses the outcomes of the project, including cost to budget, quality of product, and timeliness.

Consulting Services

Sunshine Coast Racing Pty Ltd uses consulting services in a number of aspects of its operations including legal, information technology, human resource management, financial management, business development and marketing.

These consultancies vary from short-term "one-off" contracts, to longer-term arrangements, which may encompass a series of different activities (e.g. marketing and promotional work).

For short-term "one-off" contracts the following policy guidelines are to apply:

- The six key purchasing principles outlined above are to be applied at all times;
- For contracts under \$10,000 in value, preferred supplier arrangements* can be used. That is, where a purchasing officer is satisfied that a consultant that has provided a high quality service in the past, has the necessary expertise to undertake the work, and is available in an appropriate timeframe, that consultant can be appointed without a formal competitive process being undertaken. If such a person is not available, three quotes from prospective consultants should be obtained and evaluated;

(* Please note that where preferred supplier arrangements are referred to later in this document for other categories of purchasing, similar procedures to those above will apply)

- For contracts between \$10,000 and \$100,000, quotations or tenders should be called from at least three "preferred" contractors. The requirement for at least three "preferred" contractors for contracts between \$10,000 and \$100,000 may be waived by the Board. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles. The evaluation of the proposals should be undertaken by two accountable officers, and be approved by a delegated officer (Company Secretary or Finance Manager);
- For contracts over \$100,000, the requirement for an open tender process on contracts in excess of \$100,000 may be waived by the Board. If a public tender is required, tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers, and be approved by a delegated officer.

For longer-term consultancy arrangements (e.g. the ongoing purchase of external legal services that cannot be delivered in-house), which may involve the use of a preferred supplier or suppliers for a range of individual tasks over an extended period of time, the following guidelines are to be followed:

- The purchasing officer may select a consultant for a range of tasks from a panel of preferred suppliers for the type of work involved;
- Prior to such a selection, a competitive process, adhering to the six key purchasing principles of Sunshine Coast Racing Pty Ltd, to appoint the panel of preferred suppliers must have been undertaken, be appropriately documented, and be signed-off by a delegated officer;
- In selecting the preferred supplier from the panel, the purchasing officer must clearly document the reasons for the selection, and be accountable for that selection. The selection must be approved by a delegated officer; and
- Individual consultancy contracts over \$100,000 in value are not to be entered into under these preferred supplier arrangements. For such consultancies, an open tender process subject to board approval, as described above, must be followed.

Sponsorship Contracts

Sunshine Coast Racing Pty Ltd may enter into sponsorship contracts of a cash and exchange-of-goods and/or services ("contra") nature.

In establishing these contracts, officers must adhere to Sunshine Coast Racing Pty Ltd's key purchasing principles, particularly those of "accountability of outcomes", and "compliance with all taxation requirements". With these principles in mind, a Sponsorship Agreement pro-forma (refer to Appendix A) is to be prepared for all sponsorship arrangements, regardless of whether they involve a cash payment, or are solely contra in nature.

The sponsorship agreement is to clearly specify the goods and/or services that are to be delivered by both Sunshine Coast Racing Pty Ltd and the sponsor, and identify the value of these supplies so that GST obligations, including Tax Invoicing, can be satisfied.

All sponsorship agreements are to be authorised by an officer of Sunshine Coast Racing Pty Ltd with appropriate delegation, and a copy is to be provided to the Finance Section so that Tax Invoices can be prepared, and GST liabilities and credits accounted for.

Information Technology

Given the advancing nature of IT and the need to upgrade hardware and systems applications on an ongoing basis, it is the policy of Sunshine Coast Racing Pty Ltd to acquire such items through leasing arrangements. In this regard the following is to apply:

- A tender process, through a preferred supplier arrangement, is to be undertaken for the establishment of a medium to long-term lease contract for the supply of computer equipment, and other general office equipment where appropriate;

- This contract is to be reviewed on an annual basis to ensure the key principles of "value for money" and "quality of service and support" are being satisfied;
- Where a requirement to add items to the schedule covered by the lease has been identified, the purchasing officer must ensure the purchasing principles are adhered to. For items under \$10,000, preferred supplier arrangements can be used. For items \$10,000 or over, three quotes must be obtained unless waived by the board. Appropriate documentation to support the purchasing decisions must be maintained at all times; and

The IT Section is also required to develop and maintain an *IT asset replacement strategy*, incorporating a list of all hardware and software under lease (or purchased), and information on the condition and expected useful life of individual items.

Other Capital Expenditure

Motor Vehicles

Sunshine Coast Racing Pty Ltd may maintain a fleet of vehicles provided for both work and private use. These vehicles are to be leased through an appropriate lease provider under the following arrangements:

- the leasing of a new vehicle must be approved by the Company Secretary or Finance Manager; and
- The type and model of the vehicle, and any optional extras, must be commensurate with the status and nature of the role performed by the officer for which the car is being acquired, and be in accordance with the entitlements the officer has under his/her contract of employment;
- All vehicles are to be replaced after two years, or having travelled 40,000 kms, whichever comes first, unless the Company Secretary or Finance Manager agrees to an extension of the leasing term.

Other capital purchases

All other capital purchases (e.g. office machines) made by Sunshine Coast Racing Pty Ltd are to adhere to the following guidelines:

- The six key purchasing principles outlined above are to be applied at all times;
- For items under \$10,000 in value, preferred supplier arrangements can be used;
- For capital items between \$10,000 and \$100,000, quotes should be called from at least three "preferred" suppliers unless waived by the board. The selection of these three preferred suppliers, and subsequent evaluation of their proposals, should take into account the six key purchasing principles;
- For capital items over \$100,000, the requirement for an open tender process on contracts in excess of \$100,000 may be waived by the Board. If a public tender is required, tenders are to be evaluated, in accordance with the six key purchasing principles, by a panel of no less than two accountable officers; and
- For all capital purchases of \$10,000 or more, a lease versus buy analysis is to be undertaken.

Day to day Purchasing of Services and Supplies.

Policy in relation to the day to day purchasing of services and supplies is as follows:

- For items supplied on a continuous basis (e.g. stationery, consumables, printing) preferred supplier arrangements may be used. Purchasing officers must ensure that the key purchasing principles are adhered to, especially "value for money" and "quality of service";
- In this regard, officers are required to conduct a competitive process for the selection of a panel of preferred suppliers, for continuous supplies, on an annual basis. Documentation must be prepared and

maintained in respect of preferred supplier selection, and the subsequent selection of a supplier from the panel for particular purchases;

- However, for any individual supply or service, which would normally form part of a continuous supply by an individual, that is to cost the organisation \$100,000 or more, an open competitive process must be undertaken. That is, any individual supply which is to cost \$100,000 or more, cannot form part of a continuous purchasing contract made under preferred supplier arrangements unless waived by the board;
- For non-continuous supplies and services (e.g. "one-off" printing jobs) preferred supplier arrangements can be used for purchases under \$10,000, on the basis that Sunshine Coast Racing Pty Ltd's key principles are satisfied. At least three competitive quotes must be obtained for any purchase of \$10,000 or more unless waived by the board.

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Preferred Suppliers

As much as possible, Sunshine Coast Racing Pty Ltd should consolidate its suppliers and utilise preferred suppliers for either off-the-shelf goods/services where there are several sources of supply and the purchase is low risk or where there is an established relationship with a proven record of success. The advantages of using preferred suppliers are that it streamlines and simplifies purchasing, reduces administrative costs and promotes cost savings through volume discounts and exclusivity arrangements. Other benefits are that it minimises costs and risk for suppliers through not being required to regularly prepare and submit quotations.

1.1. Indicative Supplier Listing

An indicative listing of preferred suppliers has been identified and is available from Finance - accounts payable through discussions with management. The list should be considered as a first cut as further work will be required to refine this list to ensure that regular purchases are defined by a supplier.

1.2. Selection of Preferred Suppliers

The selection of preferred suppliers should be based on selection criteria that could include:

- Technical capability and experience
- Financial capacity and viability
- System and management responsibility incorporating product and service compliance with agreed industry standards
- People
- Business/organisation factors
- Favourable referee reports (a successful track record to deliver)
- Sunshine Coast Racing's 6 key principles:
 1. Value for money;
 2. Quality of product, service, and support;
 3. Open and fair competition;
 4. Accountability of outcomes;
 5. Use of Queensland product where price competitive, and where quality standards are met; and
 6. Suppliers are compliant with all taxation requirements.

ITEM	Managers	Company Secretary	Finance Manager/Accountant	Managing Director	Board of Directors
Overall Delegation	<\$2,000	<\$2,000	<\$10,000	<\$100,000	>\$100,000
Standard Purchase Orders	<\$2,000 Own Profit Centre Only – budgeted	<\$2,000 Own Profit Centre Only - budgeted	To Budget	To Budget	If outside of aggregate annual budget
Emergency Purchase Orders	<\$2,000	<\$2,000	To Budget	To Budget	Same as above
Requisition Miscellaneous Purchases (Credit Cards)	x	<\$2,000	To Budget	To Budget	Same as above
Petty Cash	<\$100	<\$100	<\$300	<\$300	<\$300
Capital Expenditure Purchase Orders and Request Forms	x	x	Forecast projects if <\$10,000 or if satisfied Chairman has previously approved the project	Any single project <\$100,000 where included in approved annual budget	Any single project above \$100,000
Domestic (Interstate) travel	x	To budget and advise MD	To budget and advise MD	To budget	If outside of aggregate annual budget
International Travel	x	x	x	To Budget	If outside of aggregate annual budget
Official Hospitality	<\$100 Senior Management Team	<\$300	<\$300 or other functions as approved by Chairman	To Budget	Yes
Employment of new staff	x	Negotiation only if resignation and within same salary range and approval from Board	Employment letters and contracts assuming Board approval	Yes	Yes
Execution of Contractual Agreements (All contracts to be reviewed by Legal Compliance Counsel/Company Secretary for updating of Contracts register and asses if any legal advice required)	To be executed by 2 Directors of the Company or a Director and a Company Secretary of the Company (S127(1) – Corporations Act 2001).				

The same delegations above apply to the payment of invoices with one exception:

- An invoice can be approved by a person with a lesser delegation provided the original purchase order was approved appropriately and the invoice does not exceed an amount that exceeds 10% of the original purchase order.



It should be noted that as a business rule, staff are not allowed to circumvent their delegation by raising multiple orders to purchase a good or service for an amount that exceeds their delegation limit.

Delegations

All expenditures for goods and services are to be authorised by a duly delegated officer. These delegations are as follows:

- Over \$100,000
 - Board of Directors
- Up to \$100,000
 - Managing Director
- Up to \$10,000
 - Finance Manager
 - Accountant
- Up to \$2,000
 - Company Secretary

Capitalisation of expenditure

Expenditure on discreetly identifiable plant and equipment items of \$2,000 and above will be capitalised where the future benefit of that expenditure exceeds one year at the time of purchase. All land purchases must be capitalised.

The Finance Manager may approve the capitalisation of services expenditures of \$2,000 and above where those services have a future benefit exceeding one year. All assets which are <\$2,000 must be expensed in the year of purchase and recorded in the portable and attractive items register. All other service expenditures shall be written off in the financial year the expenditure was incurred.

Compliance with Commonwealth Government GST & Australian Business Number legislation

The Commonwealth Government implementation of GST and Australian Business Number legislation, has given rise to some additional obligations in respect of purchasing. These are as follows:

- Organisations are required to withhold 48.5% of any payment to a supplier of goods or services that does not provide an ABN. In response to this, it is the policy of Sunshine Coast Racing Pty Ltd that no supplies be purchased from entities that are unable to quote an ABN;
- All suppliers to Sunshine Coast Racing Pty Ltd are to be advised that they must be able to provide a "Tax Invoice" in the form specified by the GST legislation, to enable Sunshine Coast Racing Pty Ltd to claim input credits. Under law, the supplier must supply Sunshine Coast Racing Pty Ltd with a Tax Invoice within 28 days of request. Sunshine Coast Racing staff should not enter into contractual arrangements with suppliers unless satisfied that the supplier will be able to provide a suitable Tax Invoice; and
- When obtaining quotes or prices from potential suppliers, purchasing officers must satisfy themselves that the prices quoted are GST inclusive.

Documentation and the Role of the Finance Department

The Finance Department plays the lead role in ensuring Sunshine Coast Racing Pty Ltd meets its obligations under the Corporations Act 2001, Australian Accounting Standards and Australian Equivalent to International Financial Reporting Standards A-IFRS and Australian Securities and Investment Commission-ASIC through the development and implementation of appropriate accounting policies and controls.

While the Department will work to ensure operational areas within the organisation are meeting their obligations under the purchasing guidelines, senior managers also have a role to play in monitoring the purchasing activities of their staff.



With regard to documentation, all acquisitions need to be supported by evidence that appropriate purchasing principles and guidelines have been followed. In this regard:

- All purchases for non-continuous supplies must be accompanied by purchase orders that have been signed-off by a duly delegated officer. Additionally, copies of sponsorship agreement pro-formas must be provided to the Finance Manager on a timely basis; and
- The delegated officer must be satisfied that Sunshine Coast Racing Pty Ltd's purchasing policy has been adhered to, and that appropriate documentation that supports the six key principles (value for money, open and fair competition etc) has been gathered, and is available for audit scrutiny if required. The managers of organisational areas have responsibility for ensuring supporting documentation is maintained and is accessible.

Enquiries regarding these purchasing principles should be directed to the Company Secretary or Finance Manager.

Payment Methods

Direct Debit

1.3. Business Condition

Purchases that occur at set times throughout the year for set dollar amounts.

1.4. Business Rule

Invoices for goods or services that fall under this category include:

1. Rentals
2. Leases

Payments will be made via direct debit at the time dictated by the invoice.

1.5. Dependencies

Payments must be fixed frequency and price.

Cheque

1.6. Business Condition

One-off purchases that can not be paid through any other alternative option.

1.7. Electronic Funds Transfer (EFT)

All other purchases will be paid by Electronic Funds Transfer (EFT) unless previously authorised by Finance Manager

Payment Summary

A summary of the different methods for paying Invoices is provided below:

Payment Types	Business Condition
EFT	Used for standard purchasing from preferred suppliers Used for emergency purchases from preferred supplier in response to an emergency situation
Direct Debit	Used for purchases that occur at set times throughout the year for set dollar amounts
Cheque	Used for miscellaneous purchases on a "case-by-case" basis only
Credit Cards	Used for purchases made with non-preferred suppliers for dollar amounts up to delegated authority.
Petty Cash	Used for miscellaneous purchasing of items with a value of less than \$100 unless authorised by Finance Manager

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Summary of Key Controls

As a high level summary, the key controls associated with the procurement system are:

- Only deal with suppliers who have a valid ABN
- Three quotes required for amounts >\$10,000 where a preferred supplier is not used
- Tax invoices to be obtained at all times
- Required signatures for goods received
- Vendor creation, deletion or addition must be performed by the Accounts Payable Officer and the bank account details are required in accordance to the Sun Security matrix to be entered by an accounts receivable officer who does not have the ability to raise purchase orders or make payments in SUN. The change of details form is located Accounts Payable\FORMS\Change of Details form.xls
- Invoices are only paid after the prior approval of a purchase order (excluding credit card statement payments and direct debits) and after goods have been received
- Established delegation limits with a 10% tolerance level up to a limit of \$100
- Credit card holders can make transactions greater than their delegation limit provided a purchase requisition with appropriate approval has been obtained first

In addition to the above, Sunshine Coast Racing Pty Ltd should perform an annual supplier analysis to review expenditure to determine that value for money is being achieved.

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SPONSORSHIP AGREEMENT

BETWEEN:

(The Sponsor)

AND SUNSHINE COAST RACING PTY LTD, a Company established Corporations Act 2001

(The Sponsored)

WHEREAS The Sponsor has agreed to provide sponsorship in accordance with this agreement.

AND The Sponsored has agreed to provide services in return for the sponsorship.

This Agreement provides:

1. The Sponsor will provide the following sponsorship to the Sponsored:

Details of Sponsorship [If insufficient space annex details]

- Money (here detail the sum of any monies to be paid to the Sponsored)
- Support (here detail all support services including the value thereof to be supplied to the Sponsored)

2. The Sponsored will provide the following services to the Sponsor: [If insufficient space annex details]

- Services (here detail all services including their value to be supplied by the Sponsored in return for the sponsorship)

3. It is hereby acknowledged that:

- (a) The Sponsored will issue a recipient created tax invoice to the Sponsor to meet Goods and Services Tax obligations in relation to the supply of money and for support;
- (b) The Sponsor will issue a recipient created tax invoice to the Sponsored to meet Good and Services Tax obligations in relation to the supply of services.

DATED this _____ day of _____ 20__

SIGNED AS AN AGREEMENT

SPONSOR

Full name of authorised officer

Signature of authorised officer

Signed in the presence of



SPONSORED

SUNSHINE COAST RACING PTY LTD

Full name of authorised officer

Signature of authorised officer

Signed in the presence of

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