

**CONSTITUTION OF
QUEENSLAND RACING LIMITED**

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Corporations Act 2001

A Company Limited by Guarantee and not having a Share Capital

**CONSTITUTION OF
QUEENSLAND RACING LIMITED**

1. INTERPRETATION

1.1 In this Constitution:

"Advertising Notice" means the advertising notice to be placed in all metropolitan and Queensland state-wide newspapers by the Company in accordance with clause 17.2.

"Annual General Meeting" means the general meeting held each year as required by the Corporations Act and this Constitution.

"Auditor" means the Auditor of the company appointed in accordance with clause 24.

"Authorised Representative" means the representative of a class of Members appointed in accordance with clause 13 from time to time.

"Business Day" means a day which is not a Saturday, Sunday or a public holiday in Brisbane.

"category" when referring to Class A Members means a Metropolitan TAB Club, an Other TAB Club, a Participant's Association including those referred to in (d), (e), (f), (g) and (h) of the definition of Class A Members or a Committee such as that referred to in (c) of the definition of Class A Members.

"Chairman" means the chairman of the Board of Directors of the Company from time to time.

"Class A Members" means each of the following:

- (a) each of the Metropolitan TAB Clubs;
- (b) each of the Other TAB Clubs;
- (c) the Queensland Country Racing Committee;
- (d) the Australian Trainers' Association (Queensland Branch);
- (e) the Thoroughbred Breeders' Association of Queensland ABN 94 847 358 009;
- (f) the Thoroughbred Racehorse Owners' Association of Queensland ABN 12 408 715 441;
- (g) the Queensland Jockeys' Association Inc ABN 57 192 901 365;

(h) Queensland Bookmakers' Association ABN 31 010 051 902; and

(i) such other persons that are from time to time admitted to Class A Membership in accordance with clause 4.

"Class B Members" means the class of members consisting of all persons who are Directors of the Company from time to time.

"Class A Voting Right" means, subject to this Constitution, the right of all Class A Members to exercise one collective vote on Members' resolutions in accordance with the processes set out in this Constitution.

"Class B Voting Right" means the right of all Class B Members to exercise one collective vote on Members' resolutions in accordance with the processes set out in the Constitution.

"Company" means Queensland Racing Limited.

"Company Secretary" means the secretary of the Company.

"Corporations Act" means the *Corporations Act 2001*.

"Control Body" means a Control Body under the Racing Act, or a similar body under any Act passed in substitution of the Racing Act.

"Directors" or "Board of Directors" or "Board" means the directors of the Company.

"Director Candidates" means persons named on the Shortlist and to be considered by the Selection Committee in accordance with the provisions of clause 17.

"Financial Year" means the period from the date of establishment of the Company to the following 30 June, and after that, the period 1 July in a calendar year through to 30 June in the next calendar year or such other period of 12 consecutive months determined by the Board.

"Founding Directors" means the Directors referred to in clause 15.

"Independent Recruitment Consultant" means an independent recruitment consultant engaged by the Board of the Company.

"Initial Term" means the term of not less than three years:

(a) commencing on the date the Company is approved as the Control Body for thoroughbred racing pursuant to section 26 of the Racing Act; and

(b) ending at the first Annual General Meeting which takes place after the expiration of three years from the commencement of the Initial Term.

"Licensed Club" has the meaning given in the Racing Act.

"Member" means the Class A Members and the Class B Members.

"Member Representatives" means a representative of a category of Class A members appointed in accordance with clause 7.

"Metropolitan TAB Clubs" means for the time being:

- (a) The Brisbane Turf Club Limited;
- (b) The Queensland Turf Club Limited; and
- (c) such other TAB Licensed Club as may from time to time come into existence and which is nominated as a "Metropolitan TAB Club" by the Board when admitted to membership in accordance with clause 4.

"Minister" means the Queensland Government Minister with responsibility for the Racing Act.

"Notice of Meeting" means a notice provided in accordance with clause 25.

"Notice of Appointment" means a notice provided in accordance with clause 7.

"Office" means the registered office for the time being of the Company.

"Other TAB Clubs" means for the time being:

- (a) The Townsville Turf Club ABN 75 509 244 921;
- (b) The Mackay Turf Club ABN 26 427 654 033;
- (c) The Rockhampton Turf Club ABN 51 815 034 474;
- (d) The Sunshine Coast Turf Club ABN 22 950 178 141;
- (e) The Ipswich Turf Club ABN 39 940 361 195;
- (f) The Toowoomba Turf Club ABN 61 398 954 669;
- (g) The Gold Coast Turf Club Limited ABN 22 426 910 791;
- (h) Tattersall's Racing Club Inc ABN 44 468 727 842;
- (i) Clubs licensed by Queensland Racing to conduct ten or more TAB Race Meetings, or, more than three but less than ten Metropolitan Race Meetings; and
- (j) such other TAB Licensed Club as may from time to time come into existence and which is nominated as an "Other TAB Club" by the Board when admitted to membership in accordance with clause 4.

"Participants' Association" means an association formed to represent and promote the interests of a group of persons having a common interest in the thoroughbred racing industry.

"Queensland Country Racing Committee" means the committee established pursuant to section 66 of the Racing Act.

"Racing Act" means the *Racing Act 2002* (Queensland).

"Removal Notice" means a notice provided in accordance with clause 8.2(b).

"Replacement Entity" means an entity described in clause 4.2.

"Revocation Notice" means a notice provided in accordance with clause 7.5.

"Selection Committee" means the Committee formed and convened in accordance with clause 17.

"Selection Criteria" means the criteria for the selection of directors set out in Appendix A.

"Shortlist" means the shortlist of Director Candidates formulated in accordance with clause 17.

"TAB Licensed Club" means a Licensed Club on which the TABQ offers wagering on the majority of races of thoroughbred horses conducted by the club in the current racing year, being the period from 1 August in a year to 31 July of the following year.

"TABQ" has the meaning given in the Racing Act.

1.2 "State" means the State of Queensland.

1.3 Unless the contrary intention appears in this Constitution, an expression used in a particular Part or Division of the Corporations Act that is given a special meaning for the purposes of that Part or Division has, in this Constitution where it deals with a matter dealt with by that Part or Division, the same meaning as in that Part or Division.

1.4 Words importing the singular include the plural (and vice versa) and words denoting a gender include all other genders.

1.5 Clause headings are inserted for convenience only and are not to be used in interpreting this Constitution.

1.6 Reference to legislation or to a provision of legislation includes any modification or re-enactment or any legislative provision substituted for it, and all regulations and subordinate legislation and statutory instruments issued under such legislation.

1.7 A reference to a clause number, unless the context otherwise requires, is a reference to a clause in this Constitution.

2. LIMITED COMPANY

2.1 The liability of the Members is limited to the payment of the amount prescribed by clause 26.3.

2.2 The name of the Company is "Queensland Racing Limited".

2.3 The registered office of the Company will be as the Board of Directors determines from time to time, but must always be in the State of Queensland.

3. OBJECTS

3.1 The objects for which the Company is established are, in addition to those powers conferred by section 124 of the Corporations Act, to exercise the powers and perform the functions of a Control Body.

3.2 The income and property of the Company must be applied solely towards the promotion of the objects of the Company as set forth in this Constitution and no portion of it can be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit to the Members.

4. MEMBERSHIP

4.1 Members are those persons who are:

- (a) Class A Members; or
- (b) Class B Members.

4.2 A Class A Member may from time to time be:

- (a) re-organised;
- (b) amalgamated with another entity; or
- (c) wound up,

and another entity with substantially similar purposes and objectives may carry on the activities of that Member (the "Replacement Entity").

4.3 The Replacement Entity is entitled to be admitted as a Class A Member, subject to Board approval. If the Replacement Entity can demonstrate to the Board that it has substantially similar purposes and objectives of the former Class A Member and its activities will include substantially all of the activities of the former Class A Member, then the Board shall approve the Replacement Entity as a Class A Member.

4.4 In the event that an entity becomes a TAB Licensed Club it will automatically be admitted as a Class A Member. The Board will nominate whether the new Class A Member is a "Metropolitan TAB Club" or an "Other TAB Club".

4.5 A Participants' Association may be admitted as a Class A Member if approved by the Board and by the Class A Members in a General Meeting of the Members of that Class. A resolution of the Class A Members to approve the admission of a new Class A Member:

- (a) must decide whether the Participants' Association has the right to appoint one Member's Representative; and
- (b) must be passed by a majority of 75% of the Class A Members present in person or by proxy and voting at the meeting of Class A Members.

4.6 The Board may prescribe the form of application for Membership.

4.7 The formation or coming into existence of a Replacement Entity does not change the right to the number of Member Representatives for Class A Members in that category set out in clause 7.1.

5. RIGHTS OF MEMBERS

5.1 At a meeting of Members:

- (a) the Class A Members have a Class A Voting Right;
- (b) the Class B Members have a Class B Voting Right.

5.2 Subject to clause 5.3, the Members of each class of Members shall determine how the class voting right is to be exercised on any resolution of Members.

5.3 At any general meeting of the Company:

(a) where there is a motion for an increase in the aggregate fees paid to Directors

(i) Class B Members have no voting rights and for that motion there is no Class B Voting Right (see clause 15.15); and

(ii) each Class A Member has the right to vote in accordance with Clause 15.15 and for that motion there is no Class A Voting Right (see Clause 12.2(a)).

(b) where there is a motion for the removal of a Class A Member, each Class A and Class B Member has the right to one vote and for that motion there is no Class A Voting Right or Class B Voting Right (see clause 12.2(a)).

5.4 The election of Directors will be determined in accordance with clauses 15, 16 and 17.

6. CESSATION OF MEMBERSHIP

6.1 A person ceases to be a Member if any of the following circumstances occur:

(a) The Member resigns as a Member by giving the Board notice, effective from the date specified in the notice;

(b) The Member being a Class B Member ceases to be a Director;

(c) The Member being a Class A Member is formally wound up or otherwise formally ceases to carry on its activities;

(d) The Member being a Class A Member and a Licensed Club under the Racing Act, ceases to be a Licensed Club;

(e) The Member being a Class A Member is removed by unanimous vote of Members (excluding that Member) in general meeting.

7. APPOINTMENT OF MEMBER REPRESENTATIVES

7.1 Subject to Clause 7.6, Class A Members have a right to appoint Member Representatives as follows:

(a) the Metropolitan TAB Clubs collectively have the right to appoint two representatives; 2

(b) the Other TAB Clubs collectively have the right to appoint four representatives; 4

(c) the Queensland Country Racing Committee has the right to appoint two representatives; 2

(d) the Australian Trainers' Association (Queensland Branch) has the right to appoint one representative; 1

(e) the Thoroughbred Breeders' Queensland Association has a right to appoint one representative; 1

(f) the Queensland Racehorse Owners' Association has a right to appoint one representative; 1

(g) the Queensland Jockeys' Association Inc has the right to appoint one representative; 1

(h) the Queensland Bookmakers' Association has the right to appoint one representative; and 1

7.2 a Participants' Association which is admitted as a new Class A Member by Resolution passed under Clause 4.5, the one representative (if approved in that resolution). In order to validly appoint its Member Representative or Representatives a Class A Member or Members must send a Notice of Appointment to the Company Secretary which sets out the following:

- (a) The name of the Member Representative;
- (b) The name of the Member or Members; and
- (c) The term of the appointment.

7.3 A Notice of Appointment must be sent to the Company Secretary within 48 hours of the date of appointment of the Member Representative.

7.4 Where a Notice of Appointment received by the Company Secretary does not specify the term of the appointment, the appointment will be a standing one.

7.5 A Member or Members may revoke the appointment of a Member Representative by sending a Revocation Notice to the Company Secretary which sets out the following:

- (a) The name of the Member Representative whose appointment is being revoked;
- (b) The name of the Member or Members; and
- (c) The date from which the appointment is to be revoked which cannot be a date earlier than three Business Days after the Notice of Revocation is given to the Company Secretary.

7.6 No change to the number of representatives of each category of Class A Members as stated in clause 7.1 shall be made without the approval by resolution passed at a general meeting of Members of the Class by:

- (a) a majority of 75 percent of Class A Members present in person or by proxy and voting at the meeting of Class A Members; and
- (b) a majority of 75 percent of all Class A Members of the category whose number of representatives will be affected.

At that meeting the Class A Members shall have the right to vote as provided by clause 12.2(a)(ii).

8. REMOVAL OF MEMBER REPRESENTATIVE

8.1 In circumstances where a Member Representative:

- (a) is found guilty of a criminal offence;
- (b) wilfully refuses or neglects to comply with the provisions of this Constitution;

(c) in the opinion of the Board, is guilty of any dishonest, corrupt, fraudulent improper or dishonourable action or practice in connection with racing;

(d) is guilty of any conduct which in the opinion of the Board is unbecoming of a Member Representative or prejudicial to the interests of the Company,

(i) the Board may take the following steps

8.2

(a) Where the Board determines that the circumstances set out in clause 8.1 apply to a Member Representative the Board, before issuing a Removal Notice under clause 8.3, must give to each Member whose Member Representative is guilty of the conduct referred to in clause 8.1 a notice requiring that each Member show cause why a Removal Notice should not be served.

(b) If within 14 days of the date of giving the notice under clause 8.2(a), the Member or Members fails to:

(i) show cause to the satisfaction of the Board why the Member Representative should not be removed as its Member Representative for that category of Members; or

(ii) remove the Member Representative itself under clause 7.5,

the Board may serve a Removal Notice on the Class A Member or Members advising them:

(iii) the name of the Member's Representative whose appointment is being removed;

(iv) the name of the Member or Members which that Member Representative represents; and

(v) the date upon which the Member Representative's appointment is to be removed which date cannot be a date earlier than the date the Removal Notice is given.

8.3 Where a Removal Notice is issued by the Board, the Class A Member or Members who appointed the Member Representative may not appeal the decision.

9. ANNUAL GENERAL MEETING

9.1 Subject to the Corporations Act the Annual General Meeting must be held each year no later than five months after the end of the previous financial year.

10. GENERAL MEETINGS

10.1 A general meeting may be convened by the Board at any time and must be convened within two calendar months of receiving a requisition in writing from at least 75% of the Class A Members.

10.2 At least 28 days written notice of a general meeting must be given to all Members who are entitled to receive such a notice.

10.3 A notice of a general meeting must contain all information required by the Corporations Act, including:

- (a) the place, the day and the hour of the meeting; and
- (b) the general nature of the business to be transacted at the meeting.

11. PROCEEDINGS AT GENERAL MEETINGS

11.1 No business can be transacted at any Annual General Meeting or general meeting unless a quorum of Members is present in person or by proxy, attorney or Authorised Representative at the time when the meeting is due to commence.

11.2

(a) A quorum of members is the Class A Member Authorised Representative and the Class B Member Authorised Representative except for motions to be considered at meetings of the Company referred to in subparagraphs (b), (c) or (d) of this Clause 11.2;

(b) at a meeting of the Company at which a motion to remove a Member under clause 6.1(e) is proposed a quorum of Members for the purpose of that motion is all Members other than the one the subject of the removal motion, present in person or by proxy;

(c) at a meeting of the Company at which a motion to increase the remuneration of Directors is proposed, a quorum of Members for the purpose of that motion will be the majority of Class A Members present in person or by proxy;

(d) at a meeting of a Class of Members of the Company the quorum for that motion only shall be the majority of the Members of that Class present in person or by proxy;

(e) if a quorum is not present within half an hour from the time appointed for the meeting, the meeting:

- (i) if convened upon the requisition of Members, is dissolved; or
- (ii) in any other case, the meeting is adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the Chairman may determine.

11.3 If a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting, the Authorised Representative or Members (as applicable) present constitute a quorum.

11.4 The Chairman may, with the consent of the Members present at any meeting at which a quorum is present (and must if so directed by those Members), adjourn the meeting from time to time and from place to place 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.

11.5 When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting but it is not otherwise necessary to give notice of an adjournment or the business to be transacted at an adjourned meeting.

11.6 In the case of an equality of votes, the Chairman of the meeting has a second or casting vote except:

- (a) on a resolution to amend the Constitution;
- (b) on the election or removal of Directors; and
- (c) on a resolution to increase the Directors' remuneration.

11.7 Unless a poll is demanded, a declaration by the Chairman is conclusive evidence of the result, provided the declaration reflects a show of hands. Neither the Chairman nor the minutes need to state the number or proportion of votes recorded in favour or against.

11.8 If a poll is duly demanded it must be taken in such manner and time as the Chairman directs, and the result of the poll is the resolution of the meeting at which the poll was demanded. If a poll is demanded on the election of a Chairman or on a question of adjournment, it must be taken immediately.

12. VOTING

12.1 (a) The Class A Voting Right is exercisable only by the Authorised Representative appointed by the Class A Members.

(b) The Class B Voting Right is exercisable only by the Authorised Representative appointed by the Class B Members.

(c) On a resolution, the Authorised Representatives of the Class A Members and the Class B Members have one vote each.

12.2 (a) A Member may only vote at a meeting of the Company:

(i) on the removal of a Member being a Class A Member under clause 6.1(e);

(ii) on a resolution considered by its class of Members; or

(iii) on a motion to increase Directors' fees referred to in clause 15.15.

(b) A Member may vote in person or by proxy. Each Member has one vote whether on a show of hands or on a poll.

13. AUTHORISED REPRESENTATIVE

13.1 Each class of Members may appoint and remove from time to time one Authorised Representative by notice in writing to the Company Secretary.

13.2 (a) The Authorised Representative of the Class A Members shall be selected by ordinary resolution of the Member Representatives.

(b) The Authorised Representative of the Class B Members shall be selected by ordinary resolution of the Class B Members.

14. PROXIES

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; and

(b) contain:

- (i) the Member's name; and
- (ii) the meetings at which the proxy may be used.

14.2 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.

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

14.4 An instrument appointing a proxy must be in the following form or in a form that is as similar to the following form as the circumstances allow:

Queensland Racing Limited

I, , of
being a member/members of the Company, appoint of or, in their absence,
of as my proxy to vote for me on my behalf at the *Annual General Meeting/*general meeting of the
Company to be held on the day of 200 and at any adjournment of that
meeting.

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

Signed this day of 200 .

*Strike out whichever is not desired

+To be inserted if desired.

14.5 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 previous business day.

14.6 For the purpose of clause 13.7, 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 13.7.

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

- (a) the previous death or unsoundness of mind of the principal; or
- (b) the revocation of the instrument (or of the authority under which the instrument was executed) or of the power,

- (c) 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

15. APPOINTMENT, REMOVAL & REMUNERATION OF DIRECTORS

15.1 The Board will consist of not less than five nor more than seven Directors.

15.2 The first Founding Directors will be:

- (a) Robert Geoffrey Bentley;
- (b) Anthony John Hanmer;
- (c) Michael George Lambert;
- (d) William Patrick Ludwig; and
- (e) William Bernard Andrews.

who will hold office until the Annual General Meeting of the Company following the Initial Term, unless they cease to hold office sooner in accordance with this Constitution or the Corporations Act.

15.3 After the Initial Term an election of Directors must take place every year in accordance with clause 17.

15.4 Two Directors must retire at each of the first and second Annual General Meetings following the Initial Term, and one Director must retire at the third Annual General Meeting following the Initial Term.

15.5 At the fourth Annual General Meeting following the Initial Term and at all subsequent Annual General Meetings, one third of the Directors in office shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not exceeding one third of the Directors must retire by rotation. The Directors to retire by rotation at each Annual General Meeting are those to have been longest in office since their election, but as between Directors who have been in office at an equal length of time, those to retire must in default of an agreement between them, be determined by lot in any manner determined by the Chairman.

Director only

15.6 A retiring Director may act until the conclusion of the Annual General Meeting at which he or she retires.

15.7 Each Director retiring from office in accordance with clause 15.5 is eligible to apply to become a Director under clause 17.

15.8 The Company may by ordinary resolution remove any Director before the expiration of his or her period of office. The office of a Director becomes vacant if the Director:

- (a) dies;
- (b) is convicted of a criminal offence;
- (c) becomes bankrupt or makes any arrangement or composition with his or her creditors generally;

- (d) becomes prohibited from being a director of a company by reason of any order made under the Corporations Act;
- (e) ceases to be a Director by operation of any provision of the Corporations Act;
- (f) ceases to be a Member;
- (g) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Corporations Act relating to mental health;
- (h) resigns as a Director by notice in writing to the Company;
- (i) is absent from three consecutive meetings of the Board without having previously obtained leave of the Board; or
- (j) ceases to be an eligible individual under the Racing Act.

15.9 For the avoidance of doubt in circumstances where a casual vacancy arises due to any of the reasons set out in clause 15.8, the Board may appoint a Director to fill the vacancy. That Director shall hold office until the conclusion of the next Annual General Meeting of the Company but is eligible to apply to become a Director under clause 17.

15.10 The Directors are entitled to be remunerated for their services.

15.11 The Directors are also entitled to be paid their reasonable travelling and accommodation and other expenses incurred in consequence of their attendance at Directors' meetings and otherwise in the execution of their duties as Directors.

15.12 The remuneration accrues from day to day and is apportionable accordingly.

15.13 A Director is entitled to be remunerated from the date he or she is appointed to the Board. The amount to which each Director is entitled shall be determined by the Board or any sub-committee of it.

15.14 The Directors may be paid such aggregate remuneration as is from time to time determined by the Company in general meeting, and that remuneration accrues from day to day. The remuneration may be divided among the Directors in such proportion as they from time to time agree, and in default of agreement, equally.

15.15 Notwithstanding clauses 12.2 and 15.14 when there is on the agenda of a General Meeting of the Company a motion to increase the aggregate fees payable to the Directors, the Class A Members are the only Members who may vote on that motion and each Class A Member has one vote whether on a show of hands or on a poll.

16. CHAIRMAN

16.1 The initial Chairman of the Company will be Mr Robert Bentley, who shall hold office until the Annual General Meeting following the Initial Term.

16.2 The Chairman must retire following the Annual General Meeting following the Initial Term but may offer himself or herself for re-election as the Chairman.

16.3 Subject to this Constitution and the Corporations Act, any Director of the Company may offer himself or herself for election as Chairman.

16.4 Following the Initial Term the election of the Chairman will be determined by the Board following each director selection process in accordance with clause 17.

17. SELECTION OF DIRECTORS

17.1 Seven months prior to the conclusion of the Initial Term a director selection process must take place in accordance with the provisions of this clause 17. Thereafter a director selection process must be initiated each calendar year in accordance with the provisions of this clause 17.

17.2 Not less than seven months prior to the Annual General Meeting, the Company must by public notice (an "Advertising Notice"), advertise for Directors to fill positions which will be vacated on the Board of the Company at the next Annual General Meeting. The Company will send a copy of the Advertising Notice to each of the Class A Members and the Class B Members.

17.3 Not less than five months prior to the Annual General Meeting a Shortlist of the applications received in response to the Advertising Notice must be prepared by the Independent Recruitment Consultant by reference to the Selection Criteria contained in Appendix A. The number of Director Candidates on the Shortlist is to be decided by the Independent Recruitment Consultant. However the Shortlist shall be no less than the number of director positions plus two.

17.4 Not less than four months prior to the Annual General Meeting and subject to the application of the Selection Criteria and probity checks being conducted on all Director Candidates, the Shortlist will be provided to the Class A Members and the Class B Members (other than those who are Director Candidates) for consideration and determination of their preferred Director Candidates.

17.5 Each of the Class A Members and the Class B Members (other than those Class B Members who are Director Candidates) shall determine the order of preference of the Director Candidates in accordance with Part I of Appendix B, before the Selection Committee meets under clause 17.6.

17.6 Not less than eight weeks prior to the Annual General Meeting, a Selection Committee must be convened by the Chairman. The Selection Committee will be comprised of:

- (a) Member Representatives from the Class A Members; and
- (b) Class B Members who are not Director Candidates.

17.7 The Chairman shall chair the meeting of the Selection Committee.

17.8 The meeting shall first discuss the short list and try to agree who is to be the preferred candidate or candidates to fill the vacancy.

17.9 If no agreement is reached on the preferred candidate or candidates after such time as the Chairman considers reasonable, the Selection Committee shall follow the ballot procedure in accordance with Part II of Appendix B for the selection of Directors.

17.10 Where a meeting of the Selection Committee is convened pursuant to clause 17.6, that meeting must continue until such time as the Directors to be elected have been determined or the Chairman adjourns the meeting.

17.11 The decision of the Selection Committee shall effect the election of those Directors from the close of the next Annual General Meeting. The Chairman shall, at the Annual General Meeting announce the election of those Directors selected.

18. POWERS AND DUTIES OF THE DIRECTORS

18.1 The management of the Company is the responsibility of the Board and the Board may exercise all powers of the Company as are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting.

18.2 The Board may make By-laws that are not inconsistent with the Constitution and the Corporations Act for the general management and running of the Company.

18.3 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its property or any part of it, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company.

19. PROCEEDINGS OF THE BOARD

19.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A Director may at any time, and the Secretary must, on the requisition of a Director, summon a meeting of the Board.

19.2 Where a meeting of Directors is held and:

- (i) a chairman has not been elected; or
- (ii) the Chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present must elect one of their number to be the chairman of the meeting.

19.3 Subject to this Constitution, questions arising at any meeting of the Board will be decided by a majority of votes, and a determination by a majority of the members of the Board is a determination of the Board.

19.4 In case of an equality of votes, the Chairman of the meeting has a second or casting vote.

19.5 The quorum necessary for the transaction of the business of the Board is three.

19.6 The continuing members of the Board may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the number fixed by or pursuant to this Constitution as the quorum of the Board, the continuing Directors may act for the purpose of filling a casual vacancy to that number or of summoning a general meeting of the Company, but for no other purpose.

19.7 A resolution in writing signed by all Directors in Australia for the time being entitled to receive notice of a meeting of the Board is as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Directors.

19.8 The Board may delegate any of its powers and/or functions to one or more sub-committees consisting of such of the Directors as the Board thinks fit and the Board may also appoint the chairman of any such sub-committee.

19.9 Each sub-committee must keep proper minutes of its meetings and the provisions regulating proceedings of the Board apply to the proceedings of subcommittees also.

19.10 A sub-committee may meet and adjourn as the members of it think proper.

19.11 Sub-Committees are appointed by the Board only and may only make recommendations to the Board. No decision of a sub-committee is binding on the Company unless it is ratified by the Board.

19.12 Every act done by any meeting of the Board or of a sub-committee or by any person acting as a Director is, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or in the formation or constitution of a sub-committee or any of them were disqualified, as valid as if every such person had been duly appointed and was qualified to be a Director or the formation or constitution of the sub-committee as the case may be.

20. MEETINGS USING TECHNOLOGY

20.1 A Directors meeting or meeting of any sub-committee may be called or held using any technology allowed under the Corporations Act and consented to by all the Directors.

20.2 The consent referred to in clause 20.1 may be a standing one. A Director may only withdraw their consent within a reasonable period before the meeting.

21. NO ALTERNATE DIRECTORS

21.1 No director may appoint any other person to be an alternate director of the Company.

22. DIRECTORS CONTRACTING WITH THE COMPANY

22.1 No Director is disqualified by his or her office from contracting with the Company (whether as vendor or purchaser or otherwise), nor can any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be 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.

22.2 The declaration must be made at a meeting of the Directors at which the contract or arrangement is determined if the Director's interest then exists, or in any other case at the first meeting of the directors after the acquisition of the Director's interest.

22.3 A general notice that a Director is a member of a specified company or firm and is to be regarded as interested in any subsequent transaction with the company or firm is sufficient disclosure under this clause if:

(a) the notice states the nature and extent of the interest of the Director in the company or firm; and

(b) when the question of confirming or entering into the transaction is first taken into consideration the extent of the Director's interest in the company or firm is not greater than is stated in the notice; and

(c) the notice is given at the meeting of Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

22.4 The giving of a declaration or a general notice under this clause does not entitle a Director to be present or to vote at a meeting in relation to a particular contract unless a resolution of the Board under clause 22.5 has first been passed.

22.5 A Director who has a material interest in a matter that is being considered at a Directors Meeting must not be present at the meeting while the matter is being considered and must not vote on the matter unless clauses 22.2 and 22.3 have been satisfied and the Directors who do not have a material interest in the matter have passed a resolution in accordance with section 195 of the Corporations Act.

22.6 Subject to a Director having complied with this clause, the Director may affix and witness the affixing of the Common Seal of the Company to any contract in which he or she is interested.

23. COMPANY SECRETARY

23.1 The Secretary of the Company holds office on the terms decided by the Directors and in accordance with the Corporations Act.

23.2 The Secretary must cause minutes to be made and entered of:

(a) the names of Directors and other persons present at all meetings of the Company and of the Board; and

(b) all proceedings at all meetings of the Company and of the Board or of any committee or subcommittee constituted by the Board.

23.3 The minutes must be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

23.4 The Secretary of the Company will attend all meeting of Member Representatives and should keep minutes of those meetings and decisions of those meetings.

23.5 The Secretary of the Company must retain the voting papers of the Authorised Representatives of the Class A Members for a period of six months after the date of the General Meeting of which the vote was cast and at the request of any Class A Member shall make available for inspection and provide a copy of the voting paper to that Class A Member.

24. ACCOUNTS

24.1 The Auditor of the Company is appointed by the Company in general meeting and holds office in accordance with the Corporations Act.

24.2 The Board must cause:

(a) proper accounting and other records to be kept;

(b) copies of yearly financial statements (including every document required by law to be attached to them) accompanied by a copy of any auditor's report to be distributed to Members as required by the Corporations Act; and

- (c) a statement of financial position, a statement of financial performance and a statement of cash flow for the preceding financial year of the Company to be prepared to a date not more than twelve months before the date of the meeting and sent to every Member with the notice for each Annual General Meeting.

25. NOTICES

25.1 A Company may give the Notice of Meeting to a Member either by:

- (a) serving it on the Member personally;
- (b) by sending it by post to the Member at the address shown in the register of members or the address supplied by the member for the giving of notices;
- (c) forwarding it by facsimile transmission at the facsimile number shown in the registers of Members (if any) or the facsimile number supplied by the member for the giving of notices;
- (d) forwarding it by electronic mail to the electronic mail address shown in the register of Members (if any) or the electronic mail address supplied by the members for the giving of notices; or
- (e) in any other way allowed by the Corporations Act.

25.2 A Notice of Meeting sent by post is taken to be given seven days after it is posted.

25.3 A Notice of Meeting sent by facsimile will be deemed to be effected on the date the Company receives a facsimile transmission report confirming receipt of the notice at the facsimile number for the member referred to in clause 25.1.

25.4 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 the electronic mail.

25.5 Notice of every Meeting shall be given in any manner authorised by this Constitution to:

- (a) every Member except those Members who have not supplied to the Company an address for the giving of Notices to them; and
- (b) the auditor or auditors for the time being of the Company.

25.6 No other person is entitled to receive Notices of Meetings.

26. WINDING-UP

26.1 Upon the winding up or dissolution of the Company if any property remains after satisfaction of all its debts and liabilities, that property shall not be paid to or distributed among the Members of the Company but shall be given or transferred to a Control Body for thoroughbred racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then to an institution having similar objects of the Company as determined by a Judge of the Supreme Court of Queensland.

26.2 In the event that the Company ceases to be a Control Body under the Racing Act, the Board will forthwith call a general meeting of Members to resolve to wind up the Company and will deal with the assets of the Company in accordance with clause 26.1.

26.3 Every Member of the Company undertakes to contribute to the assets of the Company to a maximum of \$10 in the event of the Company being wound up while he or she is a Member or within one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

27. INDEMNITY

27.1 Every Director, Secretary and other officer of the Company is indemnified out of the assets of the Company against any liability incurred by the person as officer except where the Company is prohibited from indemnifying the person under the provisions of the Corporations Act. The indemnity may extend to a liability for costs and expenses incurred by a person in defending proceedings, whether civil or criminal, irrespective of their outcome.

27.2 The Company may pay premiums in respect of contracts insuring persons who are or have been officers or auditors of the Company against liabilities incurred by them as officers or auditors and liability for costs and expenses incurred in defending proceedings (whether criminal or civil) whatever their outcome except in circumstances where the Company is prohibited from doing so under the Corporations Act.

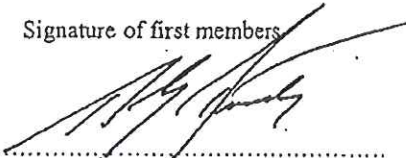
27.3 A Director, manager, secretary or other officer of the Company is not liable for:

- (a) the act, neglect or default of any other Director or officer;
- (b) any loss or expenses incurred by the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company;
- (c) the insufficiency or deficiency of any security in or upon which any of the moneys of the Company are invested;
- (d) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects are deposited or left; or
- (e) for any other loss or damage which happens in the execution of the duties of his office,

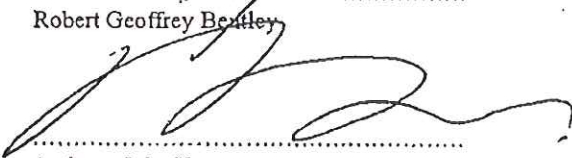
unless the same happens through his or her own negligence, wilful default, breach of duty or breach of trust.

We the first members of the Company, adopt this Constitution.

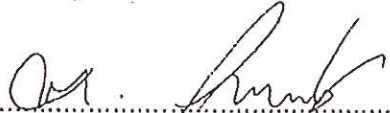
Signature of first members



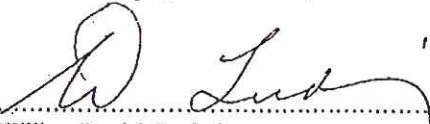
Robert Geoffrey Bentley



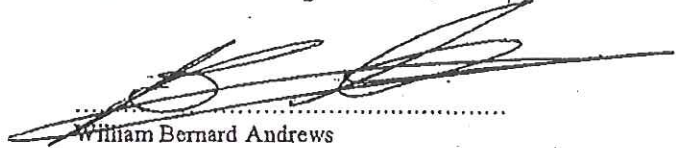
Anthony John Hanmer



Michael George Lambert



William Patrick Ludwig



William Bernard Andrews

DATED 26 April 2006.