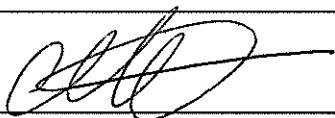


Statement of Raphaelae Nicaud

I, **Raphaelae Nicaud** of 123 Eagle Street, Brisbane in the State of Queensland, do solemnly and sincerely declare that:

1. I am employed by Mercer (Australia) Pty Ltd ("Mercer") as a Principal in the Talent arm of Mercer's business.
2. I have previously provided to the Queensland Racing Commission of Inquiry ("Commission") a Statutory Declaration in response to the Requirement to Produce Documents and Provide a Written Statement served upon Mercer. I have sworn this Statement to supplement that Statutory Declaration and to address certain additional matters raised by the Commission.
3. In or around April 2013 Racing Queensland Limited ("Racing Queensland") engaged Mercer Consulting (Australia) Pty Ltd ("MCAPL") to provide remuneration advice for the position of Chief Executive Officer ("CEO") of Racing Queensland ("2013 Advice"). MCAPL is a subsidiary of Mercer.
4. I oversaw and have subsequently reviewed the work carried out by my colleague Ms Lily Kan in relation to the 2013 Advice. In undertaking an assessment of the appropriate remuneration for the position of CEO of Racing Queensland, MCAPL undertook the following tasks:
 - a. Reviewed organisational and position documentation provided by Racing Queensland;
 - b. Conducted discussions with certain employees of Racing Queensland to gain an understanding of the organisational context, the higher level strategic objectives, priorities and challenges of the organisation and the Board's expectations of the CEO role;
 - c. Evaluated the role using the Mercer CED Job Evaluation methodology to generate a work value outcome;
 - d. Reviewed the work value outcome for the role as CEO against similar positions in Mercer's database to check for equity and consistency;
 - e. Sourced remuneration data from Mercer's General Market database; and
 - f. Provided recommended remuneration levels for the position.
5. Mercer was not engaged by Racing Queensland in 2011 to provide similar advice in relation to the appropriate remuneration of the then CEO, Director of Integrity Operations, Director of Product Development or Corporate Counsel and Company Secretary. Had Mercer been engaged to provide such advice, the process that Mercer would have employed would have been the same as that identified in the preceding paragraph.



Raphaelae Nicaud



Witness

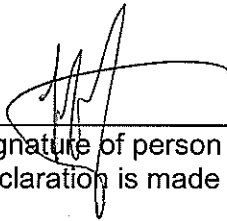
6. In preparing the 2013 Advice MCAPL was not able to obtain precise comparable remuneration figures from interstate racing bodies as such figures are not publically available. Whilst some of the interstate racing bodies publish in their annual reports bands of remuneration levels for senior officers or the total remuneration paid to all senior officers, the precise remuneration of each position is unclear.
7. Accordingly, in preparing the 2013 Advice MCAPL relied upon its extensive remuneration databases, which are compiled from Mercer's industry experience and surveys. Using its assessment of the work value outcome for the role as CEO of Racing Queensland, MCAPL can then compare that role with comparable roles in other organisations. By doing this, MCAPL can benchmark the appropriate remuneration for the role as CEO of Racing Queensland against current market rates.

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

Dated: 22 August 2013

Signed and declared by Raphaele Nicaud
at Brisbane in the State of
Queensland this 22nd day of August 2013

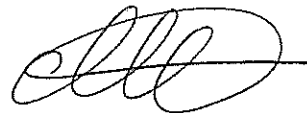
Before me:



Signature of person before whom the
declaration is made

MICHAEL PATRICK HENNESSY
REGISTERED PSYCHOLOGIST

Full name and qualification of person before
whom the declaration is made



Signature of declarant