



BRISBANE
RACING CLUB

Constitution of BRISBANE RACING CLUB LIMITED

ACN 133 679 786

(As amended on 29 July 2009)

EAGLE FARM & DOOMBEN

BRISBANE RACING CLUB LIMITED

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ABN: 80 133 679 786 ACN: 133 679 786

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CONSTITUTION OF BRISBANE RACING CLUB LIMITED

1. INTERPRETATION

1.1 In this Constitution:

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

BTC means Brisbane Turf Club Limited ACN 094 664 507;

BTC Director subject to this Constitution (including clause 11.7) means a Director nominated from the Board of BTC in accordance with this Constitution;

By-Laws means any By-laws of the Company for the time being in force;

Company means *Brisbane Racing Club Limited*;

Corporations Act means the *Corporations Act 2001*;

CPI means the Consumer Price Index for Brisbane (All Groups) published by the Australian Bureau of Statistics. If the CPI no longer exists it means an index that a person nominated by the President or Acting President for the time being of the Law Society of Queensland decides reflects changes in the cost of living in Australia;

Doomben Racecourse means that part of the land and improvements of the Company known as Doomben Racecourse located in Brisbane, Queensland essential for the conduct of race meetings by the Company at that venue;

Directors or **Board of Directors** or **the Board** means the Directors of the Company;

Eagle Farm Racecourse means that part of the land and improvements of the Company known as Eagle Farm Racecourse located in Brisbane, Queensland essential for the conduct of race meetings by the Company at that venue;

Eligibility Date means on or before 1 May 2009, as determined in the Merger Implementation Deed; **Financial Year** or **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 year through to 30 June in the next year or any other period of 12 consecutive months determined by the Board;

GST has the same meaning as in the GST Act;

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999*;

Member means a member of the Company;

Members' Facility means the areas designated as Members' Facilities by the Board for the time being;

Members' Parking Area means the areas designated as Members' Parking Areas by the Board for the time being;

Merger Implementation Date means 1 July 2009 or such other date as is agreed under the Merger Implementation Deed as the Merger Implementation Date;

Merger Implementation Deed means the deed of that title between BTC and QTC;

QTC means Queensland Turf Club Ltd ACN 079 598 235;

QTC Director subject to this Constitution (including clause 11.7) means a Director selected from the Board of QTC in accordance with this Constitution.

- (a) Unless the contrary intention appears in this Constitution, an expression that is given a special meaning for the purposes of any part of the Corporations Act has that same meaning when used in this Constitution.
- (b) Words importing the singular include the plural (and vice versa) and words denoting a gender include all other genders and "a person" includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust.
- (c) Clause headings are inserted for convenience only and are not to be used in interpreting this Constitution.
- (d) Reference to legislation or to any provision of any legislation include 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.
- (e) The chairperson may be referred to as chairman or chairperson.
- (f) The terms "Company" and "Club" can be used interchangeably.
- (g) A reference to something being "written" or "in writing" includes that thing being represented or reproduced in any mode in a visible form
- (h) A notice or document required by this Constitution to be signed may be authenticated by any other manner permitted by the *Corporations Act*, any law or any other means specified as being reasonably reliable by the By-laws.
- (i) A reference to a "copy" includes a reference to any reprographic reproduction (including a scanned image).

2. LIMITED COMPANY

- 2.1 The liability of the Members is limited by guarantee.
- 2.2 The name of the Company is **BRISBANE RACING CLUB LIMITED**.
- 2.3 The registered office of the Company will be as the Board of Directors determines from time to time.

3. OBJECTS

- 3.1 The objects for which the Company is established are, and where necessary subject to clause 3.2:

- (a) to promote and host race meetings for the recreation, amusement and enjoyment of the Members of the Company and such other persons interested in or connected with thoroughbred horse racing;
 - (b) in furtherance of the object referred to in clause 3.1(a), to encourage thoroughbred horse racing by the promotion of race meetings;
 - (c) to promote thoroughbred racing at the Eagle Farm Racecourse and the Doomben Racecourse and at any other racecourses owned or operated by the Company from time to time;
 - (d) to work, promote and develop both Eagle Farm Racecourse and Doomben Racecourse as premier racing facilities;
 - (e) to work, promote and develop both Eagle Farm Racecourse and Doomben Racecourse as events centres;
 - (f) to accept and assume all of the assets, liabilities, benefits and obligations of QTC and rights which QTC may have under all agreements and contracts with third parties, and also accept and assume all of the assets, liabilities benefits and obligations of BTC and rights which BTC may have under all agreements and contracts with third parties and to hold and deal with those assets and liabilities for the benefit of Members (and, until they are wound up or deregistered, also for the benefit of BTC and QTC);
 - (g) to deal with the assets acquired from QTC subject to the *Eagle Farm Racecourse Act 1998 (Qld) (Act)*;
 - (h) to assume, as employer, the rights, duties and obligations of employment of employees of BTC and QTC as provided in the Merger Implementation Deed;
 - (i) to formulate, pass and publish rules and by-laws not inconsistent with the provisions of this Constitution for the use of any racing facility which the Company may own or occupy from time to time for racing or training purposes, the admission to and the expulsion of persons (including Members and non-Members) who use or propose to use such facility and the charges or rates to be paid for admission (which charges or rates may differ with respect to different parts or to such persons admitted);
 - (j) in furtherance of the objects of the Company, to establish, promote or assist in establishing or promoting and to subscribe to, become a Member of or amalgamate with any other association or organisation, whether incorporated or not, whose objects are altogether or in part similar to those of the Company, provided, that the Company must not subscribe to or support with its funds or amalgamate with any association or organisation which does not prohibit the distribution of its income and property among its Members to an extent at least as great as that imposed on the Company under or by virtue of this Constitution;
 - (k) subject to the Company receiving any consent required under the *Racing Act 2002* (as amended), to subscribe to any local or other charity and to make donations for any public or charitable purpose;
- 3.2 The Company may not carry out the sale or disposal of the Doomben Racecourse or the Eagle Farm Racecourse without the approval of the Company in general meeting. Any approval in favour of a proposal requires not less than 75 percent plus one vote of all Members eligible to vote in favour of the motion.
- 3.3 Subject to clause 3.2, the Company may sell or dispose of its other real estate, property and assets for the promotion of the objects of the Company.

- 3.4 The income and property of the Company from whatever source derived will be applied solely towards the promotion of the objects of the Company as set forth in this Constitution and no portion of it must be paid or transferred directly or indirectly by way of dividend or bonus or otherwise by way of profit to the persons who at any time are or have been Members of the Company or to any person claiming through any of them provided that nothing will prevent the payment:
- (a) in good faith of remuneration to any director or servant who is a Member of the Company in return for any services actually rendered to the Company;
 - (b) of fees and charges by the Company in good faith to any Member of the Company or any firm, partnership or company in which a Member may be a partner, director or shareholder in return for any professional or other services actually rendered or goods supplied to the Company;
 - (c) of interest, not exceeding the commercial rate, on money borrowed from or lawfully due to any Member of an affiliated body;
 - (d) by the Company of any rent or any licence or occupation fee payable by the Company in relation to any property or premises demised or let to the Company or to which the Company may have access or licence at such rent, licence or occupation fee as the Company in its discretion may decide to be fair and reasonable in the circumstances
 - (e) by the Company in good faith of allowance and travelling expenses which the Company in its discretion may decide fair and reasonable in normal circumstances to any Member of the Company representing the Company; and
 - (f) by the Company of prize money, stakes and trophies to any Member of the Company who has an interest in a racehorse which may win or be entitled to prize money, stakes or trophies as a consequence of such racehorse participating in a race meeting conducted by the Company.

4. MEMBERSHIP

- 4.1 The Members of the Company are:
- (a) from the date of incorporation of the Company to the Merger Implementation Date, the founding QTC Directors and BTC Directors,
- and thereafter:
- (b) those persons who are members of QTC and BTC on the Eligibility Date who have consented to become a Member of the Company prior to the Merger Implementation Date on terms reasonably required by the Board; and
 - (c) others the Board in its discretion admits to Membership, from time to time.
- 4.2 Members must inform the Secretary in writing of their address for correspondence and of any subsequent change in their address
- 4.3 Until 30 June 2012, Members who are eligible for membership pursuant to clauses 4.1(a) and 4.1(b) will:
- (a) hold the same class of membership; and
 - (b) enjoy the same benefits and privileges as they did as members of either QTC or BTC.

If a particular class of membership of one of QTC and BTC (the "first club") carried with it more favourable benefits and privileges immediately prior to the Eligibility Date than membership of the same or similar class of the other of QTC and BTC (the "second club") immediately prior to

the Eligibility Date, then for the period referred to in this clause, the benefits and privileges to be preserved under this clause shall be deemed to be the more favourable benefits and privileges applicable immediately prior to the Eligibility Date to the relevant class of membership of the first club. In determining the application of this clause, the Board's determination shall be final and binding. Nothing in this clause shall give a non-voting member to have voting Membership of the Company unless the Member in question applies to change their membership classification as a voting Member in accordance with this Constitution.

- 4.4 This Constitution will be printed and a copy supplied to each Member free of charge. Additional copies may be obtained at cost price. Ignorance of the Company's Constitution on the part of an individual Member will not diminish in any way the binding effect of this Constitution upon that Member.
- 4.5 For the purpose of issues relating to class of membership and the benefits, privileges and recognition attaching to membership, in determining the length of a Member's membership of the Company, the period in which the member was a member of BTC or QTC will be deemed years of membership for the purposes of this Constitution. Where a Member was a member of both QTC and BTC, the length of the Member's membership of the Company will be deemed to be equal to the period that he or she was a member of BTC or QTC, whichever is longer.
- 4.6 Subject to clauses 4.3, 4.7 and 4.8:
- (a) the fees charged for membership;
 - (b) the benefits and privileges of Members (and their guests);
 - (c) and the classes of membership
- will be at the discretion of the Board. The fees, benefits and privileges may differ between the classes of membership.
- 4.7 For the period after the Merger Implementation Date until 30 June 2012, for Members who are eligible for membership pursuant to clauses 4.1(a) and 4.1(b), the classes of membership and the (GST exclusive) annual fees for membership of the Company will be as follows:
- (a) Full Member - \$300.00
 - (b) Partner Member - \$450.00
 - (c) Full Member aged 65 years or more, but not having been a Full Member of BTC or QTC for a continuous period of 35 years - \$150.00
 - (d) Full Member having been a full Member of BTC or QTC for a continuous period of 35 years or more - \$0.00
 - (e) Widow Member - \$150.00
 - (f) Junior Member (aged 18-29 years) - \$150.00
 - (g) Honorary Member - \$0.00
 - (h) Life Member - \$0.00
- 4.8 Subject to the provisions of the By-Laws of the Company:
- (a) each Member and any guest of the Member, will (during the currency of the year for which it is issued) be entitled on presentation of their Membership pass or Guest pass (if any) to free admission to the racecourses on which the Company is authorised to conduct race meetings and also on the like presentation to free admission to the Members' Facility during any such race meeting. On presentation of the Member's

pass, a Member will be entitled to park their vehicle free of charge in the Members' Parking Area (subject to availability); and

- (b) Honorary members, widow members and junior members are not eligible to be appointed as Directors or to vote.
- 4.9 A Member or a Member's guest who enters any part of the racecourse on which the Company is conducting a race meeting or any building reserved for the exclusive use of Members must before entry, and at all times, display the Membership pass (and in the case of the Member's guest, the guest pass) on a part of their apparel so it may be easily observed by the Company's attendant.

5. APPLICATION FOR MEMBERSHIP

- 5.1 Every candidate for Membership must be proposed by a Member and seconded by another Member, both of whom have been Members of the Company for a continuous period of at least 12 months immediately prior to the date of proposal for Membership, if required by the Board. Every proposal must be in writing, signed by the proposer and seconder, and sent or delivered to the Secretary and must give the full name, residence and occupation of the candidate and any further information which the Board may, from time to time determine, or by by-laws prescribe or in any particular case require. No person under the age of 18 years will be admitted as a Member of the Company.
- 5.2 The Board will determine how the admission to Membership will occur.
- 5.3 When a candidate has been duly admitted, notice to that effect will be sent to such candidate by the Secretary with a request to remit the appropriate entrance fee (if any) and the first subscription
- 5.4 When a duly admitted candidate has paid such entrance fee (if any) and first subscription, such person will become a Member of the Company and be entitled to all of its benefits and privileges, and will be bound by the Constitution of the Company.
- 5.5 Subject to clause 5.2 every candidate for Membership must, within one month after admission, pay any entrance fee and the subscription for the year current in relation to such Membership, otherwise their admission will be void unless the candidate justifies the delay in payment to the satisfaction of the Board in its discretion
- 5.6 If any supply (including and without limiting the generality of the term "supply", any entrance fee and Membership fees determined by the Board from time to time) is subject to any GST, the Member must pay to the Company an amount sufficient to ensure that the Company retains, after payment of GST, the amount that it would have received had GST not been so payable. Any amount payable by the Member under this clause must be paid on the same date, as payment is required in relation to the underlying supply giving rise to the GST.
- 5.7 The Company shall give each Member a tax invoice in accordance with the GST Act in respect of any taxable supply made by the Company to a member under clause 5.6.

6. ADMISSION OF NEW MEMBERS

- 6.1 The Secretary must submit a membership application to the next meeting of the Board to be held after 2 weeks from receipt of the application or as directed by the Board from time to time.
- 6.2 Whether an applicant for membership will be accepted or rejected for membership is a matter for the Board's decision, in its absolute discretion.
- 6.3 If a membership application is refused, the Secretary must notify the applicant in writing, and that applicant may re-apply to the Board for admission as a Member, but not within six months from the date of the Board meeting at which the prior membership application was refused.

7. CESSATION OF MEMBERSHIP

- 7.1 A person ceases to be a Member of the Company if the Member:
- (a) gives notice in writing to the Secretary resigning as a Member;
 - (b) becomes subject to any form of insolvency administration (including bankruptcy, liquidation and receivership);
 - (c) dies
- 7.2 The date of resignation of a Member is the date on which the written notice of resignation is received by the Secretary.
- 7.3 Subject to this clause 7, the Board has power to expel a Member or suspend their Membership if the Member
- (a) is found guilty of a criminal offence;
 - (b) in the opinion of the Board, acts out of self interest while performing any official duties for the Company;
 - (c) is found guilty of a corrupt practice under the Rules of Racing by the Stewards of Queensland Racing Ltd;
 - (d) refuses or neglects to comply with the provisions of the Constitution or of any By-Law of the Company
 - (e) is guilty of any conduct which, in the opinion of the Board, is prejudicial to the interests of the Company
 - (f) has in the opinion of the Board, been guilty of any grossly improper conduct or riotous behaviour at any race meeting or other meeting of the Company;
 - (g) has on any racecourse, been guilty of any act, practice, conduct, matter or thing which is prejudicial to the interests of the Company or calculated in any manner to bring discredit on the Company or its Members which, in the opinion of the Board, renders it undesirable in the interest of the Company that such person should remain a Member of the Company; declines or neglects to pay any fine imposed on such Member by the Company;
 - (h) declines or neglects to pay any monies which such Member has contracted or is liable to pay to the Company; or
 - (i) has, in the opinion of the Board, been guilty of any act or improper conduct, whether in relation to racing, Membership of the Company or any other race club or otherwise, which renders it undesirable in the interest of the Company that such person should remain a Member of the Company.
- 7.4 At least seven clear days' notice in writing must be given to a Member of the meeting of the Board at which a resolution to expel or suspend the Member is to be proposed. The notice must include particulars of the issues of concern to the Board.
- 7.5 The Member must have a reasonable opportunity to respond to the allegation and to produce any material considered relevant at the Board meeting.
- 7.6 The Secretary must immediately notify the Member in writing once a resolution for expulsion or suspension is passed.

- 7.7 Membership passes are not transferable. Each Member must, on request, produce to the gatekeeper or such other person having authority from the Board, their Membership pass and on failure to do so may be removed from the racecourse. In the event of proof being given to the satisfaction of the Board that any Member has allowed their Membership pass to be used by any other person for the purpose of obtaining admission to the racecourse or any of the parts of it, such Member will be liable to such fine as the Board may, from time to time, determine and to forfeit their Membership pass and to expulsion from the Club and the Board may cancel such Membership. Upon cancellation by the Board, such person will cease to be a Member of the Company.
- 7.8 If any Member neglects to pay the annual subscription for Membership before the 1st of August of the current financial year, such person will cease to be a Member of the Company and the Secretary shall promptly cause their name will be removed from the Members' Register provided that, if such person provides to the Board the reason for their failure to pay the annual subscription, which the Board in its discretion deems satisfactory, the Board may, on payment by such person of the amount due, reinstate such person's name on the list of Members in the Members' Register.
- 7.9 No Member may vote or enjoy any of the privileges of a Member during the time such Member's subscription is in arrears or during any period of suspension or expulsion applicable to their membership.

8. ANNUAL GENERAL MEETING

- 8.1 The first Annual General Meeting must be held no later than five months after the Merger Implementation Date. Thereafter, the Annual General Meeting must be held each year no later than five months after the end of the previous Financial Year.

9. GENERAL MEETINGS

- 9.1 A general meeting may be convened by the Board at any time.
- 9.2 A general meeting must be convened within two calendar months of the Company receiving a requisition in writing from Members entitled to exercise at least 5% of the votes that may be cast at a general meeting.
- 9.3 Subject to the provisions of the Corporations Act relating to Special Resolutions, at least 21 days' written notice of a general meeting must be given to all Members who are entitled to receive the notice.
- 9.4 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.

10. PROCEEDINGS AT GENERAL MEETINGS

- 10.1 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 representative at the time when the meeting is due to commence.
- 10.2 Unless otherwise determined by the Company in general meeting, a quorum is 20 Members present in person and entitled to vote.
- 10.3 If a quorum is not present within half an hour from the time appointed for the meeting, the meeting:

- (a) if convened upon the requisition of Members, is dissolved; or
 - (b) 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 chairperson may determine.
- 10.4 If a quorum is not present at the adjourned meeting within half an hour from the time appointed for the meeting, the Members present constitute a quorum.
- 10.5 The chairperson may, with the consent of the majority of Members present at any meeting at which a quorum is present, adjourn the meeting 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.
- 10.6 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.
- 10.7 At any general meeting of Members a resolution put to the vote of the meeting is decided on a show of hands unless a poll is demanded by the chairperson or as otherwise provided by the *Corporations Act*.
- 10.8 The demand for a poll may be withdrawn.
- 10.9 Before a vote is taken, the chairperson must inform the meeting whether any proxy votes have been received and how the proxy votes are cast
- 10.10 Unless a poll is demanded, a declaration by the chairperson is conclusive evidence of the result, provided the declaration reflects a show of hands and the proxies received. Neither the chairperson nor the minutes need to state the number or proportion of votes recorded in favour or against.

If a poll is demanded the chairperson will determine how the poll will be taken, and the result of the poll is the resolution of the meeting at which the poll was demanded.
- 10.11 If a poll is demanded on the election of a chairperson or on a question of adjournment, it must be taken immediately.
- 10.12 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson is entitled to a second or casting vote.
- 10.13 A Member may vote in person or by proxy, attorney or representative and every Member present in person or by proxy, attorney or representative has one vote.
- 10.14 A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under any legislation relating to mental health may vote, by the Member's committee or trustee or by such other person who has the management of their estate, and the committee, trustee or other person may vote by proxy or attorney.
- 10.15 A Member may only appoint one proxy for a particular meeting.
- 10.16 A document appointing a proxy:
 - (a) must be in writing and:
 - (b) signed by the appointor or their attorney; or
 - (c) if the appointor is a corporation, either under seal or signed by an officer or attorney of the corporation and;

contain:

- (1) the Member's name;
- (2) the proxy's name or the name of the office held by the proxy; and
- (3) the meetings at which the proxy may be used;
- (4) may direct the manner in which the proxy is to vote in respect of a particular resolution in which case the proxy must vote accordance with that direction;
- (5) is taken to confer authority to demand or join in demanding a poll; and
- (6) must be in the following form or in a form that is as similar to the following form as the circumstances allow:

Brisbane Racing Club Limited

I/we, _____, of _____,
being a member/members of the Company, appoint
of _____
or, in
their absence, of _____
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
20____ and at any adjournment of that meeting.

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

Signed this _____ day of _____ 20____.

*Strike out whichever is not desired

+To be inserted if desired.

10.17 An instrument appointing a proxy is not valid unless the instrument, and the original or 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 relevant meeting, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

The power of attorney or copies must be deposited at the registered office of the Company or any other place specified for that purpose in the notice convening the meeting.

10.18 For the purpose of clause 10.17, a document is taken to be deposited at the registered office of the Company if a legible, true copy (which may include a scanned image) of a document is received on a facsimile machine located at the registered office.

10.19 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;
- (b) the revocation of the instrument (or of the authority under which the instrument was executed) or of the power; or
- (c) 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 before the meeting at which the instrument is used or the power is exercised

- 10.20 If the Directors have elected one of their number as chairperson of their meetings, that person will preside as chairperson at every general meeting.
- 10.21 Where a general meeting is held and
- (a) a chairperson has not been elected; or
 - (b) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act
- the Members present must elect one of their number to be chairperson of the meeting.

11. DIRECTORS

11.1 Subject to casual vacancies, the Board will consist of eight Directors including the chairperson. Until the first Annual General Meeting after 30 June 2012, those eight Directors (including the chairperson) will comprise of:

- (a) four individuals nominated by QTC; and
- (b) four individuals nominated by BTC.

The QTC Directors and the BTC Directors will be selected as described in the Merger Implementation Deed.

11.2 The CEO will be appointed by the Board.

11.3 Subject to the provisions of clause 11.7, the QTC Directors and BTC Directors will hold office until the 2012 annual general meeting and then retire and rotate in accordance with the provisions of clause 11.8.

11.4 The office of a Director becomes vacant if the Director:

- (a) becomes bankrupt or makes any arrangement or composition with their creditors generally;
- (b) is prohibited from being a Director of a company by reason of any order made under the Corporations Act;
- (c) ceases to be a Director by operation of any provision of the Corporations Act;
- (d) 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;
- (e) resigns as a Director by notice in writing to the Company;
- (f) is a Member to whom clauses 7.8 or 7.9 applies;
- (g) is absent from three consecutive meetings of the Board without having previously obtained leave of the Board; or
- (h) is removed in accordance with this Constitution.

11.5 Subject to 4.3, to be eligible to be a Director of the Company the Director must be a Member of the Company.

11.6 Directors may be entitled to payment of such reasonable Directors' fees as determined by the Board from time to time and approved by the Company at the annual general meeting next following the determination. The aggregate Directors' fees, approved by the Company, shall

be apportioned between the Directors as the Board may resolve. In addition, Directors shall be entitled to be paid or reimbursed for their reasonable travelling, accommodation and other expenses incurred when representing the Company in the exercise of their duties as Directors.

- 11.7 If a QTC Director ceases to hold office prior to the 2012 annual general meeting in accordance with clause 11.4, his position shall be filled by a person who is a Member of the Company, was a member of QTC on the Eligibility Date and is nominated by the remaining QTC Directors on the Board. If a BTC Director ceases to hold office until the 2012 annual general meeting in accordance with clause 11.4, his position shall be filled by a person who is a Member of the Company, was a member of BTC on the Eligibility Date and is nominated by the remaining BTC Directors on the Board.
- 11.8 From the 2012 annual general meeting and after;
- (a) subject to clause 4.8(b), the Members of the Company entitled to vote will elect the Directors;
 - (b) subject to clause 4.8(b), any Member may stand for election to the office of Director;
 - (c) the Board may appoint any person to fill a casual vacancy who will hold office until the conclusion of the next annual general meeting;
 - (d) At the 2012 annual general meeting, one-half of the Directors must retire from office, two of whom must be from the BTC Directors and two of whom must be from the QTC Directors. The BTC Directors will agree which two of the BTC Directors will retire and failing agreement they will be determined by the BTC Directors by lot. The QTC Directors will agree which two of the QTC Directors will retire and failing agreement they will be determined by the QTC Directors by lot.
 - (e) at every subsequent annual general meeting, one-half of the Directors must retire from office by rotation. The Directors who must retire will be determined by the length each Director has held office since they were last elected, so that those who have the longest record must retire first. Where Directors have held office for the same length of time, the Directors to retire shall be the persons agreed amongst the Directors and failing agreement determined by lot;
 - (f) a Director who retires under this clause will be eligible for re-election;
 - (g) the retirement of a Director who retires under this clause will be effective from the close of the relevant annual general meeting.
- 11.9 From the date of incorporation of the Company to the Merger Implementation Date, the QTC Directors and the BTC Directors shall be the only members. During that period, no membership fee is payable by them.

12. POWERS AND DUTIES OF THE DIRECTORS

- 12.1 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.
- 12.2 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.
- 12.3 The Board will permit the holding of such race meetings at any racecourse as it is authorised to do by the control body under the *Racing Act 2002* (Qld).

13. PROCEEDINGS OF THE BOARD AND APPOINTMENT OF CHAIRPERSON

- 13.1 The Board may meet as it thinks fit but must meet at least;
- (a) ten times annually until 30 June 2012; and
 - (b) quarterly thereafter.
- 13.2 The Secretary must, on the requisition of two Directors, summon a meeting of the Board.
- 13.3 The chairperson will be elected by a majority of Directors.
- 13.4 Where the position of chairperson is vacant due to the chairperson ceasing to be a Director of the Company the remaining Board will fill the position but only after a new Director has been elected.
- 13.5 Where a meeting of Directors is held and:
- (a) a chairperson has not been elected; or
 - (b) the chairperson is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,
 - (c) the Directors present must elect an alternative chairperson of that meeting.
- 13.6 There will be no office of deputy chairperson.
- 13.7 Subject to this Constitution, questions arising at any meeting of the Board will be decided by a majority of votes.
- 13.8 In the case of an equality of votes the chairperson is entitled to a second or casting vote.
- 13.9 The quorum necessary for the transaction of the business of the Board is five Directors and must include the chairperson. For the period until the 2012 annual general meeting, a quorum must include at least two BTC Directors and two QTC Directors.
- 13.10 The continuing Members of the Board may act notwithstanding any vacancy in the Board, but if their number is reduced below the number fixed by or pursuant to this Constitution as the quorum of the Board, the continuing Directors may only act for the purpose of filling a casual vacancy or calling a general meeting.
- 13.11 The Directors may pass a resolution without a Directors' meeting being held if all the Directors entitled to vote on the resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by Directors if the wording of the resolution and statement are identical in each copy. The resolution is passed when the last Director signs.
- 13.12 Subject to the Corporations Act, the Board may delegate any of its powers to one or more sub-committees as the Board thinks fit and the Board may also appoint the chairperson of any sub-committee.
- 13.13 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.
- 13.14 Questions arising at any meeting of sub-committees are determined by a majority of votes of the Members present.
- 13.15 No decision of a sub-committee is binding on the Company unless it is ratified by the Board.

- 13.16 If it is discovered after the event that there was some defect in the appointment of any Director or sub-committee member, or that they were disqualified, anything done by the Board or by the sub-committee or the person acting as a Director or sub-committee member is as valid as if every such person had been duly appointed and was qualified to be a Director or member of the sub-committee

14. MEETINGS USING TECHNOLOGY

- 14.1 A Board meeting may be called or held using any technology allowed under the Corporations Act and consented to by all the Directors.
- 14.2 The consent referred to in clause 14.1 may be a standing one. A Director may only withdraw their consent within a reasonable period before the meeting.

15. DIRECTORS CONTRACTING WITH THE COMPANY

- 15.1 No Director is disqualified by the holding of office from contracting with the Company.
- 15.2 No contract or arrangement entered into by the Company in which any Director is in any way interested can be avoided because the person has the interest.
- 15.3 A Director who has an interest in any contractual arrangements with the Company is not liable to account to the Company for any profit realised in relation to the contract or arrangement provided the Director has disclosed the nature of their interest at a meeting of the Board.
- 15.4 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.
- 15.5 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 if:
- (a) the notice states the nature and extent of the interest of the Director in the company or firm; and
 - (b) there has been no material change in the Director's interest in the company or firm when a later transaction is considered by the Board
- 15.6 A Director who has a material interest in a matter that is being considered at a Directors meeting must not:
- (a) be present at the meeting while the matter is being considered; nor
 - (b) vote on the matter,
- unless the preceding provisions of this clause have been complied with and the other Directors have passed a resolution in accordance with section 195 of the Corporations Act.
- 15.7 The giving of 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 15.6 has first been passed.
- 15.8 Subject to a Director having complied with this clause, the Director may sign or countersign any contract in which they are interested.
- 15.9 If the Company enters into a contract or arrangement with an entity in which a Director is in any way interested, that contract or arrangement shall be disclosed by way of a note to the

accounts of the Company contained in the Company's annual report next published after the entry into the contract or arrangement.

16. COMPANY SECRETARY

- 16.1 The Secretary of the Company holds office on the terms decided by the Directors and in accordance with the Corporations Act.
- 16.2 Nothing in this Constitution prevents the Board from appointing a Member of the Company as Company Secretary.
- 16.3 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
- 16.4 The minutes must be signed by the chairperson of the meeting at which the proceedings were held or by the chairperson of the next succeeding meeting.

17. ACCOUNTS

- 17.1 Subject to the Corporations Act, the auditor of the Company is appointed by the Company in general meeting and holds office in accordance with the Corporations Act.
- 17.2 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;

18. NOTICES

- 18.1 A Company may give the notice of meeting to a Member either by:
- (a) serving in on the Member personally; or
 - (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; or
 - (c) 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; or
 - (d) 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
 - (e) 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

- (f) any other way allowed by the Corporations Act.
- 18.2 A notice of meeting sent by post is taken to be given three days after it is posted.
- 18.3 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 18.1.
- 18.4 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.
- 18.5 Notice of every general meeting must be given in any manner authorised by this Constitution to:
 - (a) every Member except those Members who have not supplied to the Company an address for the giving of notices to them; and
 - (b) the auditor or auditors for the time being of the Company.
- 18.6 No other person is entitled to receive notices of general meetings.

19. WINDING UP

- 19.1 If upon the winding up or dissolution of the Company there remains after satisfaction of its debts and liabilities any property, the same will not be paid to or distributed amongst its Members, but must be given or transferred to such other thoroughbred race club or race clubs in Queensland having objects similar to the objects of the Company and which prohibits the distribution of its or their income and property amongst its or their Members or to such other entity or body which has objects consistent with the objects of the Company and in accordance with the provisions of the *Racing Act 2002*.
- 19.2 Every Member undertakes to contribute to the assets of the Company to a maximum of \$10 if the Company is wound up while they are a Member or within one year after ceasing to be a Member, for payment of the liabilities of the Company contracted before ceasing to be a Member.

20. INDEMNITY

- 20.1 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.
- 20.2 The Company may pay premiums in respect of contracts insuring current and past officers of the Company against liabilities incurred by them as officers and liability for costs and expenses incurred in defending proceedings whatever their outcome except in circumstances where the Company is prohibited from doing so under the Corporations Act
- 20.3 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 their own negligence, wilful default, breach of duty or breach of trust.
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