

MEMORANDUM OF UNDERSTANDING

VISION

It is the vision of the AKA to promote, protect, administer and develop the sport of karting for all participants

1.0 INTERPRETATION

1.01 In this Agreement the following words and phrases have the following meanings:

- a. The Australian Karting Association Ltd. ("AKA") is the CAMS and FIA recognised body for the promotion and administration of the sport of Karting in Australia.
- b. The State Associations ("SAs") are the recognised bodies which, within the policy framework of the AKA, govern the sport of Karting in their respective States and Territories.
- c. Agreement means this Memorandum of Understanding.
- d. State Association means an Associate Member that is a signatory to this Agreement.
- e. General Meeting ("GM") means a properly convened General Meeting of the AKA,
- f. Annual General Meeting ("AGM") means a properly convened Annual General Meeting of the AKA.
- g. The Federation Internationale Automobile ("FIA") means the international governing body of motorsport.
- h. Confederation of Australian Motorsport ("CAMS") means the Australian governing body of motorsport.
- i. Member means any member of the AKA or of its State Associations in any membership category.

1.02 Unless the context otherwise requires, reference to:

- a. the singular includes the plural and the plural includes the singular and words importing one gender include the other
- b. persons include incorporated and unincorporated bodies, partnerships, joint ventures and SAs' and vice versa and their legal personal representatives, successors and assigns;
- c. a party includes the party's executors, administrators, successors and permitted assigns;
- d. a statute or other law includes regulations and other instruments under it and amendments, re-enactments or replacements or any of them.

1.03 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

1.04 "Including" and similar words are not words of limitation.

1.05 Headings are for convenience only and do not form part of this Agreement or affect its interpretation.

2.0 RECITALS

2.01 The objects of the AKA and the SAs' include the promotion of the interest and well-being of the sport of Karting as well as improving the physical, mental and social well-being of Australian citizens through participation in Karting activities.

2.02 The AKA and the SAs' have come to a mutual agreement as to how they can promote and develop the sport of Karting in Australia.

The AKA and SAs' have agreed to allocate responsibilities in the manner identified in this Agreement, so that the parties can, through carrying out their mutual obligations under this Agreement, meet their goal of promoting and developing the sport of Karting in Australia.

2.03 The AKA acknowledges that the SAs' are legally autonomous and financially independent bodies and, except in accordance with this Agreement, undertakes not to attempt to compromise that autonomy in any way. The AKA and the SAs' acknowledge that both parties are committed to the development of the sport of Karting in Australia and undertake to support each others' efforts.

3.0 IT IS AGREED:

Strategic Directions

- 3.01 The AKA and the SAs' will work together to develop and support the strategic directions of the AKA, to be set out in the AKA strategic plan and approved by a two-thirds majority of Shareholders at the AGM. **(Note: in the precedent model, the states are still the shareholders/voters.)**

Responsibilities

- 3.02 The roles and responsibilities of the parties will be as set out in the attached schedule.

Membership Participation

- 3.03 Membership of the SAs' shall be in accordance with the constitution and rules of such SA's but shall be otherwise open to all who wish to participate and meet membership requirements, regardless of gender, religion, race, political persuasion, age, socio-economic status, class or personal interest.
- 3.04 However, members while suspended or otherwise disqualified by an SA, shall be ineligible for membership of any other SA.

Conflict Resolution

- 3.05 In the event that the AKA and one or more of its SAs' are in disagreement over the interpretation of this agreement, the parties will take the following steps:
- a. Within 14 days of the establishment of the disagreement, detail in writing to the other party their understanding of their expectations and obligations under this agreement.
 - b. Within a further 14 days meet in person or by telephone conference to discuss the issues involved and attempt to come to an agreed resolution of the disagreement.
 - c. If after this meeting, there are still unresolved issues, the AKA will request the Australian Sports Commission appoint an Arbitrator who will investigate the issues and make a decision. Both parties agree to be bound by the Arbitrator's decision.

Non-Compliance

- 3.06 Failure to comply with the Arbitrator's interpretation of this agreement will result in the Board calling a Shareholders' Meeting to resolve the issue. **(NB. Again, in the precedent model, the States are the voters)**

Implementation of Commitments

- 3.07 The AKA and the SAs' will do all acts and execute all appropriate documents to implement each of their commitments under this Agreement without delay. In so implementing the commitments, each party agrees with each other party that they will act at all times in accord with their mutual intent and desire to promote the sport of Karting for their joint benefit and that each commitment will be interpreted in accordance with this mutual intent.
- 3.08 The AKA and the SAs' agree to keep each other informed of all their activities and initiatives relative to this agreement and undertake not to intentionally do or allow any acts or omissions to be done that will bring the name of the AKA, its SAs' or the sport of Karting into disrepute.
- 3.09 The AKA will facilitate an Annual Forum of the AKA and representatives of the SAs', including but not necessarily limited to the AKA Directors, Committee members and Executive Officers, in order to facilitate ongoing strategic planning and management consultation.

No Waiver

- 3.10 If a party waives a right under this Agreement, this does not operate as a waiver of a subsequent breach of this right or any other right under this Agreement.

Variation

- 3.11 This Agreement may not be amended or modified in any way or manner except in writing signed by or on behalf of all the parties.

Severance

- 3.12 Should any provision of this Agreement or the application thereof be held invalid or unenforceable by a Court of competent jurisdiction then the remainder of this Agreement and the application thereof other than those provisions which have been held invalid or unenforceable will not be affected thereby and will continue valid and enforceable to the fullest extent permitted by law or equity.

Governing Law

- 3.13 This Agreement is governed by and is to be construed in accordance with the laws applicable to the State of Victoria and the effects to be given to any breach hereof will be determined by the Courts of Victoria in accordance with such laws.

Execution

- 3.14 Each individual executing this Agreement on behalf of a party represents and confirms that he or she has the full authority and consent of the party on whose behalf he or she executes this Agreement to bind such party to the terms and conditions hereof and the obligations of such party to perform and observe each and every requirement hereof and on its part to be performed and observed will not be waived by any subsequent claim that such person did not have the requisite authority and consent as aforesaid.
- 3.15 The Memorandum of Understanding is to be formally reviewed at the AKA AGM after each Olympic Games. The AKA or any State Association may request a review at any time.

Parties to the Agreement

Signed on behalf of
The Australian Karting Association

Signed on behalf of
The Australian Karting Association (New South Wales)

Signed on behalf of
The Australian Karting Association (Victoria)

Signed on behalf of
The Australian Karting Association (Queensland)

Signed on behalf of
The Australian Karting Association (South Australia)

Signed on behalf of
The Australian Karting Association (Tasmania)

Signed on behalf of
The Australian Karting Association (Western Australia)

Signed on behalf of
The Australian Karting Association (Northern Territory)