

Kava Education & Health Advisory Group

Memorandum of Understanding on the Pooling of Funds for KEHAG Projects

Purpose of this MOU

The purpose of this MOU is to outline the basis on which licensees, will financially contribute toward Kava health education and monitoring projects undertaken by KEHAG. It also outlines the principles by which such projects will be determined, managed and administered.

The Understanding

Decision Making

1. Whenever possible, the scope of projects, project budgets, and other matters, will be agreed by KEHAG members on the basis of consensus decision-making. If consensus decision cannot be reached, a minimum of 70% of KEHAG members may make a determination.

Extent of Financial Contribution

2. Licensees undertake to contribute a percentage (%) of the value of their gross profit on kava sales (ie. sale price – cost of goods ¹) to fund projects agreed to by KEHAG.

The percentage each Licensee agrees to, and the date from which it will be levied are as contained in Schedule A.

3. Over and above this general contribution, Ganybu Wholesalers shall have obligations to fund other health monitoring activities as per Wholesale License conditions.

Accounting for Financial Contributions and Expenditure

4. Gaynbu Wholesalers shall include the percentage KEHAG levy on all wholesale kava invoices, and Licensees will remit this contribution with their payment.
5. Levies for KEHAG shall be maintained in a separate bank account held for the time being by Ganybu Wholesalers, but shall be clearly identified as relating to KEHAG, and all interest shall accumulate to this account.
6. While Ganybu Wholesalers shall hold the account, funds shall not be withdrawn from the account without the express agreement of KEHAG for the purposed of meeting expenses incurred by/on behalf of KEHAG.
7. Levies and interest for KEHAG, as well as any expenditure by KEHAG will be identified separately in the accounts of the Wholesaler.
8. Racing Gaming and Licensing shall have the right to audit the KEHAG account at any time.

Project Scope and Cost

9. All projects undertaken by KEHAG will be based on a written contract agreed to by KEHAG which includes:

¹ For retailers this shall be the wholesale price. For the wholesaler, this shall be the cost of supply and importation (freight, import duties, quarantine).

- a. the specific services to be performed and timeframe (deliverables)
- b. itemised cost breakdown and fixed, all inclusive price
- c. project personnel
- d. other standard provision re liability, confidentiality, copyright, etc.

10. All licensees shall be entitled to have a copy of such contract.

Project Administration

Unless otherwise determined by KEHAG, Laynhapuy Homelands Association shall:

11. enter into these contracts on behalf of KEHAG and be responsible for the administration of the contract.
12. be the nominated project administrator with responsibility for project administration, and ensuring that consultants/contractors fulfil the terms of their contracts including reporting back to KEHAG.

Overall Project Management and Control

13. KEHAG shall retain exclusive right to enter into, vary, or terminate a contract, and sign off on a completed project.
14. KEHAG may direct the nominated project administrator and require briefings on the progress of the project as it sees fit.

Duration

This MOU shall remain in effect until such time as KEHAG members rescind or vary it, or KEHAG ceases to operate.

Parties to this Memorandum

By signing their respective section of Schedule A, Licensees are indicating their agreement to becoming parties to this MOU and contribute the levies specified to support the work of KEHAG.

LAYNHAPUY HOMELANDS ASSOCIATION INC.
(Wholesale License)

Laynhapuy Homelands Association agrees to be a party to the Memorandum of Understanding on the *Pooling of Funds for KEHAG Projects*.

Laynhapuy Homelands Association agrees to contribute funds to support the work of KEHAG on the following basis:

- 5% of gross profit on wholesale sales, calculated as the difference between the price charged to retailers as approved by the Licensing Commission, and the average cost of supplying kava to the retailers during the previous financial year - taking into account the cost of bulk kava, costs of importation and freight to Ganybu Wholesalers, and costs of freight to retail licensees.
- Contributions shall be calculated from 1 January 2006.

On behalf of Laynhapuy Homelands Association Inc.

Signed:

Name: Position:

Date:

LAYNHAPUY HOMELANDS ASSOCIATION INC.
(Retail License)

Laynhapuy Homelands Association agrees to be a party to the Memorandum of Understanding on the *Pooling of Funds for KEHAG Projects*.

Laynhapuy Homelands Association agrees to contribute funds to support the work of KEHAG on the following basis:

- 5% of gross profit on retail sales, calculated as the difference between the price paid to the Wholesaler for kava and price charged to the Consumer, as set by the Licensing Commission.
- Contributions shall be calculated from 1 January 2006.

On behalf of Laynhapuy Homelands Association Inc.

Signed:

Name: Position:

Date:

YUYUNG NYANUNG ABORIGINAL CORPORATION.
(Retail License)

Yuyung Nyannung Aboriginal Corporation agrees to be a party to the Memorandum of Understanding on the *Pooling of Funds for KEHAG Projects*.

Yuyung Nyannung Aboriginal Corporation agrees to contribute funds to support the work of KEHAG on the following basis:

- 5% of gross profit on retail sales, calculated as the difference between the price paid to the Wholesaler for kava and price charged to the Consumer, as set by the Licensing Commission.
- Contributions shall be calculated from 1 April 2006.

On behalf of Yuyung Nyannung Aboriginal Corporation.

Signed:

Name: Position:

Date:

YIRRKALA DHANBUL COMMUNITY ASSOCIATION INC.
(Retail License)

Yirrkala Dhanbul Community Association agrees to be a party to the Memorandum of Understanding on the *Pooling of Funds for KEHAG Projects*.

Yirrkala Dhanbul Community Association agrees to contribute funds to support the work of KEHAG on the following basis:

- 5% of gross profit on retail sales, calculated as the difference between the price paid to the Wholesaler for kava and price charged to the Consumer, as set by the Licensing Commission.
- Contributions shall be calculated from 1 July 2006.

On behalf of Yirrkala Dhanbul Community Association Inc.

Signed:

Name: Position:

Date:

WARRUWI COMMUNITY INC.
(Retail License)

Warruwi Community Inc. agrees to be a party to the Memorandum of Understanding on the *Pooling of Funds for KEHAG Projects*.

Warruwi Community Inc. agrees to contribute funds to support the work of KEHAG on the following basis:

- 5% of gross profit on retail sales, calculated as the difference between the price paid to the Wholesaler for kava and price charged to the Consumer, as set by the Licensing Commission.
- Contributions shall be calculated from 1 July 2006.

On behalf of Warruwi Community Inc.

Signed:

Name: Position:

Date: