

[] RACING

1. [.....] Racing ("the Syndicate") is a racehorse ownership arrangement which will acquirehorses ("the Horses") in 20.... has acquired..... horses ("the Horses") which are identified below and which will be trained to race for Syndicate as provided in these Terms & Conditions.

The Horses

Name	Colour	Sex	DOB	Breeding
(a)				
(b)				
(c)				

2. The Syndicate will comprise equal fractional interests ("Shares") and those who acquire a Share or Shares are referred to as "Owners".

3. The cost of a Share is £..... ("the Initial Payment") to be followed by twenty four (24) equal monthly instalments of £..... Each ("an Instalment") the first of which is to be paid on 20.... with each subsequent payment being payable on the of each month until20.... which will be the date upon which the final Instalment shall be paid.

4. The Syndicate shall be managed by ("the Manager").

5. The Horses will be trained by

6. The intention is that the Horses will be sold following the end of the 20.... European Flat/Jump Racing Season subject to these conditions.

7. Following the sale of the Horses a final account will be produced by the Manager and distributed among the Owners; and each Owner will receive at the time when such account is distributed (or within weeks thereafter) the pro rata entitlement of that Owner in respect to the funds then held by the Manager for the Owners collectively.

8. Applicants for Shares should read the Terms & Conditions overleaf which, together with these provisions, set out the terms of the contract between each Owner and (a) the Manager and (b) the other Owners.

9. Any continuation of the Syndicate beyond 20.... will only occur in accordance with the Terms & Conditions overleaf.

10. No call for funds from Owners will be made other than as specified in these Terms.

I hereby subscribe for..... Share(s) at £..... each in Racing.

I enclose a cheque for £..... per Share made payable to..... Racing and undertake to pay each of the Instalments by Standing Order and as directed by the Manager on the due date for payment of that Instalment.

Name:

Address:

Telephone No:..... Email Address:.....

I confirm my agreement to the Terms and Conditions as set out herein and overleaf.

Signed:Dated:

TERMS AND CONDITIONS

1. GENERAL

- a. Racing ("the Syndicate") is constituted as a Racing Syndicate formed in accordance with the Rules of Racing of Great Britain.
- b. The Rules of Racing currently require that all Racing Syndicates have at least two Syndicators who are regarded, for the purposes of the Rules of Racing, as the "Owners" of the horses which race for that syndicate. The Syndicators in respect of the Syndicate are and ("the Syndicators").
- c. For the purposes of the Rules of Racing and in accordance with those Rules, the Horses will race in the name and colours of Racing.
- d. The Manager will procure sponsorship for all Syndicate Horses which are trained in Britain in order that the Syndicate can register for VAT under the Sponsorship Framework for Racehorse Owners established by the British Horseracing Authority. It is anticipated that all VAT incurred by the Syndicate in respect of horses located in Great Britain will be fully recoverable such that VAT relating to British based horses owned by the Syndicate shall not be a net cost to the Owners.
- e. The interest of each Owner in the Syndicate shall be that of a beneficial tenant in common in respect of each of the Syndicate Horses according to the proportionate stake of that Owner in the Syndicate. Accordingly each Owner shall have a prospective right to participate rateably in the net proceeds of sale from the Horses after the deduction of all costs and expenses referred to in these Terms & Conditions.

2. CANCELLATION

If the Manager considers that insufficient Shares have been sold prior to 20..... to make the Syndicate viable, then the Manager shall have the right to terminate this Agreement, whereupon monies paid by applicants for a Share or Shares shall be refunded but without interest.

3. INFORMATION

The Manager will keep the Owners informed as to the purchase of the Horses, their progress in training and the races for which they are entered. The Manager shall also arrange for the Share Owners to view the Horses in training and to attend race meetings.

4. DEFAULT

The commitment of each Owner in respect of the Syndicate is for the Syndicate's full duration and, except with the agreement of the Manager and/or other Owners, no Owner shall be able to sell or

transfer any share owned by that Owner before the Syndicate's dissolution or otherwise to discontinue his or her membership of the Syndicate. If any sum payable by an Owner in respect of a Share is not paid for in full on the due date, the Manager shall have the right to charge interest at the rate of eight per cent per annum above Barclays' Base Rate on the sum outstanding until payment but, if payment has not been made within thirty (30) days of its stated due date, the Owner in question may, at the Manager's discretion, cease to be entitled to any benefits which would otherwise accrue to it under these Conditions until payment of the outstanding sum (together with any interest and costs) has been made. If the outstanding amount is not paid within 60 days of its stated due date, the Manager shall be entitled to retain any such sums as have been paid to it in respect of the relevant Share(s); and any sums thus retained by the Manager shall confer upon the party who paid them no rights to a Share or to receive any payment pursuant to these Conditions.

5. MANAGEMENT

Subject to the right of the Owners to call a meeting (and pass resolutions at such a meeting) in accordance with Condition 8, it shall be for the Manager to decide all matters relating to the management, training and racing of the Horses; but the Manager shall communicate regularly to the Owners any decisions made in relation to the Horses. The Manager will seek to sell the Horses by no later than 20....; but, if exceptional circumstances (including injury or an extension of the Syndicate's duration) make this impracticable, then the Manager will sell the Horses (or the relevant Horse) as soon thereafter as it deems reasonable and practicable to do so. In the event that the Manager deems it to be in the interests of the Owners to sell any Horse before 20..... then he shall consult with the Owners and will only proceed with such early sale of the relevant Horse if a [X] per cent (X%) majority of the Owners are in favour of so doing.

6. INDEMNITY

The Manager shall exercise appropriate care in carrying out its role under these Terms & Conditions but cannot be held responsible for matters beyond its immediate control. The Owners will not be liable to make any payments other than those specifically referred to in these Conditions and in the Application Form for a Share. No Owner shall have any claim against the Manager or against any other Owner in respect of any loss or injury sustained by any of the Horses howsoever caused. The Horses will be insured by the Manager against All Risks of Mortality only for such values as the Manager, in its discretion and with any necessary advice, considers prudent. The Manager shall also ensure that third party insurance is in place so as to provide reasonable protection for the Owners in respect of such third party claims as may arise from their ownership of the Horses.

7. TRAINER(S)

The Horses belonging to the Syndicate will be trained by.....

8. MEETINGS & DECISIONS BY THE OWNERS

8.1 These conditions make no provision for a scheduled meeting of Owners. However, any one or more Owners whose Shares in the Horses equate to [X] per cent (X%) or more of all of the Shares shall be entitled to require that an Owners' meeting is held, by sending to the Manager a written request for such a meeting to be held. Within three (3) days of receiving any such request, the Manager shall call an Owners' Meeting by giving not less than thirty (30) days' written notice thereof to all Owners particularising in the notice the time, place and date of the meeting to be held and any matters which those who have requested the meeting have stated that they would like the meeting to address. At any such meeting, any motion carried by the holders in aggregate of [X] per cent (X%) or more of the Shares shall be sufficient to

pass any resolution relating to the Syndicate and its management, save that no decision to continue this Agreement beyond its proposed termination may be made other than with the unanimous support of all Owners. At any such meeting, Owners may vote in person or by proxy.

- 8.2 The normal method by which the Horse(s) will be sold in anticipation of the Syndicate's dissolution will be at public auction but the Manager shall be entitled, if he deems it to be in the best interests of Owners, to sell the Horse(s) by any other method of sale.

9. ACCOUNTS AND DISTRIBUTION OF SYNDICATE FUNDS

- 9.1 The Manager shall open and maintain a bank account in the name of the Syndicate to which shall be credited all sums paid or payable by the Owners in respect of the Syndicate and all other sums received by the Syndicate and to which shall be debited all amounts charged to the Syndicate.

- 9.2 The Manager shall, as soon as reasonably practicable after all the Horses have been sold, prepare a set of wind-up accounts, independently reviewed by the Manager's nominated accountants showing:-

Income

- 9.2.1 The monies paid by the Owners in respect of their Shares;
9.2.2 The prize money won by the Horse(s) (but excluding any trophies of their value);
9.2.3 Any other income (such as appearance money) received in relation to the Horse (s); and
9.2.4 The sale price of the Horse(s) and/or, if and where applicable, insurance receipts

Expenditure

- 9.2.5. All expenses, as summarised in clauses 9.5.1 to 9.5.3 below and necessarily incurred in purchasing, transporting, keeping, training, racing, insuring and selling the Horses.

The expenditure which the Manager shall be entitled to deduct from the monies referred to in paragraphs 9.1 to 9.2.4 inclusive shall include but may not necessarily be limited to:-

- 9.2.6 The purchase price of the Horses, freight charges, third-party commissions, keep charges, training fees, racing fees, race-day expenses, purchase and sale expenses, together with the cost of financing the syndicate by way of bank charges, interest payments and any other like expenses;
9.2.7 £..... per Owner per Share being a Management Fee charged by the Manager to the Syndicate for the day to day management of the Syndicate ("Management Fee"); and
9.2.8 All out of pocket expenses reasonably and necessarily incurred by the Manager in establishing, administering, promoting and winding up the Syndicate including professional fees;

[NB1 The BHA has recommended that where arrangements are intended to last for more than one racing season, it is good practice for accounts to be provided at the end of each season as well as when the arrangement is dissolved. This exercise involves costs and administration and, whilst it is good practice, the BHA recommendation in this respect is advisory rather than mandatory. NB2 If the Manager proposes that there should be any other charges then this would be the appropriate place for such additional charges to be clearly stated. It would also be the appropriate place for the Manager to identify any third party charges which should be drawn to the attention of Owners, such as any sales commission chargeable by a Horse's Trainer pursuant to the Training Agreement or by a specialist consignor whose services are used for the purposes of selling the Horse(s) etc]

The resulting balance shall be distributed to the Owners rateably according to the number of Shares held by them.

10. CONTINUING AGREEMENT 20.....

10.1 In the event that the Owners unanimously decide, in respect of any Horse(s), that they would like such Horse(s) to be retained for the 20... [Flat/Jump] Racing Season, then the following additional provisions shall apply:-

10.1.1 A further Management Fee of £..... per Horse per Share shall be payable if one or more Horses are retained for a second Racing Season and;

10.1.2 A supplementary payment in respect of each Horse retained (to cover costs of keep, care, maintenance and insurance – and in an amount to be assured at the relevant time) shall also be payable by each Owner.

10.2 If, with regard to the provisions of Paragraph 10.1, a unanimous decision of the Owners for renewal cannot be achieved, then the Manager, by a process of consultation among the Owners shall be entitled to devise a mechanism, agreed by all Owners, whereby one or more of the Horse(s) may be sold by the Syndicate directly to such members of the Syndicate as wish collectively to purchase the Horse(s) and, unless any other method of sale for such purposes is agreed, the relevant sale shall take place by way of public auction.

11. ACKNOWLEDGEMENT

Each Share Owner acknowledges that participation in the Syndicate is for the purpose of sharing in the enjoyment of the Horses and not for investment.

12. MISCELLANEOUS

12.1 Any intellectual property created by the arrangements to which these Conditions relate (whether deriving from the Horses, the Syndicate, or the Manager) shall belong to the Manager.

12.2 The Manager shall only process data relating to the Owners in a manner permitted by and consistent with current Data Protection Legislation and/or as permitted by the Owners.

12.3 The Owners, when funding their participation in the Syndicate, are not purchasing goods or services and are not consumers for the purposes of Consumer Protection legislation.

12.4 The timing of any sale of a “Horse” shall be in the Manager’s discretion but acting in what the Manager reasonably believes to be in the best interests of the Owners.

13. LAW

The law governing these Conditions shall be English law. Each Owner hereby irrevocably submits for all purposes connected with or arising from these Conditions to the exclusive jurisdiction of the English Courts.