

SYNDICATE AGREEMENT & CODE OF CONDUCT TEMPLATE

The below Sections of this Code of Conduct/Syndicate Agreement template should be amended to reflect how this Syndicate will be run, however the areas in the checklist below **must** be addressed.

Page 2 & 3 Syndicate Agreement

Syndicate Code Of Conduct

Page 4 Section A – General

Page 5 & 6 - Section B - Syndicate Account & Finance Management

Page 6 Section C – Decision Making

Page 7 Section D – Lease Renewal/Sale Of Horse

Page 8 Section E – Change Of Shareholder/Exit Policy

Page 9 Section F – Indemnity

Disclaimer

This is not intended as a legal document. Should a dispute occur between a shareholder and the agent and/or other shareholders, the law governing these conditions shall be Irish Law. The agent and shareholders hereby irrevocably submit for all purposes connected with or arising from these Conditions to the exclusive jurisdiction of the Irish Courts. All contracts and agreements are between the shareholder(s) and agent(s). HRI cannot mediate where disputes arise within a syndicate and the purpose of this agreement and Code of Conduct is to make every effort to avoid future disputes from the outset.

AGENT RESPONSIBILITIES OUTLINED

Being a Syndicate Agent places a series of responsibilities on the appointed agent. If managed correctly this ensures all syndicate shareholders and the Syndicate Agent will be fully informed upon joining the nominated Syndicate. The Syndicate Agent must follow the below:

- When registering the syndicate, the agent must supply HRI with a copy of their Syndicate Agreement & Code of Conduct for each horse.
- Ensure all Syndicate shareholders sign the Syndicate Agreement and agree to the Syndicate Code of Conduct, as outlined on the following template. This must be issued per syndicate horse.
- During the lifetime of the registered syndicate, HRI may request all the signed copies of the Syndicate Agreement which must be provided within 14 days of the request as per HRI Directive 15.
- Keep HRI updated with the record of all shareholders and their percentage shares as they join or leave the Syndicate.
- Ensure what is included in the Syndicate Agreement & Code of Conduct is put into practice. Under the HRI Directives, the HRI Racehorse Owner Eligibility & Right to Appeal Policy, IHRB Rules of Racing & INHS Rules, the Agent and Syndicate Shareholders may be subject to sanction in the event of a breach of the signed Agreement & Code of Conduct.
- A clear, sales, rehoming or aftercare policy for when the horse finishes it's racing career must be shared with the syndicate shareholders.

SYNDICATE AGREEMENT & CODE OF CONDUCT EXPLAINED

A Syndicate Agreement and Code of Conduct applies to all ownership arrangements registered as a Syndicate with Horse Racing Ireland (HRI). The Syndicate Agreement & Code of Conduct should outline how the Syndicate will be managed and the overall ethos of the Syndicate, aiming to give a clear understanding to both the shareholders and the agent as to how the Syndicate will operate.

The following template should be amended to reflect how the syndicate will be run, with content removed or additional content added. However, each heading (labelled A-F) **must be addressed** by the Syndicate Agent.

A copy of the Syndicate Agreement & Code of Conduct must be submitted to HRI on registration of each horse in the syndicate. It's the Agents responsibility to outline their own Syndicate Agreement & Code of Conduct that must be issued to all shareholders upon joining the Syndicate and at any time the code of conduct is updated. It must be signed and dated by the agent and each shareholder; at any stage HRI can request to view these signed copies. HRI would expect the registered agent to submit requested copies within 14 days as per HRI Directive 15. HRI may notify new syndicate shareholders of the requirement to have a Syndicate Agreement/Code Of Conduct in place.

SYNDICATE AGREEMENT TEMPLATE

*The required information below, **must** be provided in a Syndicate Agreement. Additional Content should be added to reflect the procedures and operational methodology of each syndicate if required.*

*The purpose of this agreement is to define a contract arrangement between a Syndicate Agent and a Syndicate Shareholder. **This is not intended as legal document.***

| SYNDICATE NAME | HORSE NAME |
|----------------|------------|
| | |

This Agreement is made on _____ [day] _____ [month] _____ [year] by and between:

| AGENT NAME | & | SHAREHOLDER NAME |
|------------|---|------------------|
| | | |

| | |
|--|--|
| Trainer Of Horse (as on date of Agreement above): | |
| Contract Ends: (if open ended please state this) | |

1. The syndicate registration in this horse will comprise of _____ equal or fractional/percentage shares [subject to change]. ***(The Syndicate Agent must inform the shareholders of the number of shareholders and available shares in a horse upon the shareholders request at any time.)***

2. The shares are: Lease Only or Purchased (e.g. shareholder actually owns the share as an asset)

3. **Payment Options** – Please choose from either option 1 **or** 2 below **or** create your own (option 3). For further information on associated fees, please refer to Section B of Code Of Conduct.

Option 1: One off Annual Payment - The cost of the annual share is € _____ that was paid in full on ____/____/____.

Option 2: Monthly Payment - The cost of a share is € _____ [initial payment] to be followed by _____ equal monthly instalments of € _____ [instalment] the first of which is to be paid on ____/____/____ with each subsequent payment being payable on the _____ of each month by direct debit/standing order/ other means as outlined in the box below.

Option 3: Outline Below – (Please include all fees such as trainer/veterinary/transport/farrier fees etc. if applicable.) It should be assumed there will be no additional fees for the Syndicate Shareholder to consider if not outlined below.

Applicants for shares should carefully read the Code Of Conduct overleaf which set out the terms of the contract between each shareholder and (a) the agent and (b) the other shareholders involved.

I confirm my agreement to this Syndicate Agreement & the Code Of Conduct as set out herein and overleaf.

Agent Signature: _____

Date: _____

E-mail Address: _____

Contact Number: _____

Shareholder Signature: _____

Date: _____

E-mail Address: _____

Contact Number: _____

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SAMPLE SYNDICATE CODE OF CONDUCT

*The following can be amended to reflect how the syndicate will be managed however each Section **must** be included & detailed.*

A) General

1. [Redacted] [Syndicate] is constituted as a Racing Syndicate formed in accordance with the HRI Directives, the HRI Racehorse Owner Eligibility & Right to Appeal Policy, the IHRB Rules of Racing and INHS Rules.
2. By joining this Syndicate, all shareholders are fully advised and agree to abide by the IHRB Rules of Racing, INHS Rules and the HRI Directives including being fully compliant with the HRI Racehorse Owner Eligibility & Right to Appeal Policy. This is a requirement from HRI.
3. By joining this Syndicate, all shareholders agree to allow the Syndicate Agent to submit their personal details to HRI. HRI requires the shareholder's details for client identity verification, subsequent client management and communications from HRI. At no stage will the shareholder's details be released to a third party for marketing purposes. Please read HRI's full Privacy Notice on www.hri.ie. This is a requirement from HRI.
4. The agent shall only process data relating to the shareholders in a manner permitted by and consistent with current Data Protection Legislation and/or as permitted by the shareholders.
5. The standard agent activities include, but are not limited to, keeping shareholders informed as to the activity of the horse, future plans, their progress in training and the races for which they are entered. The agent shall assist shareholders with any queries or requests relating to the syndicate experience.
6. When a trainer is appointed/changed all parties of the syndicate will be notified by the agent.
7. An annual meeting of all shareholders will be held in order to discuss any issues or to plan the year ahead. The agent will give one month notice to all shareholders as to where and when the meeting will be held. **If no such meeting is to be held, please tick here**

B) Syndicate Account & Finance Management

It should be clearly stated how the finances will be managed within the syndicate. A Finance Management policy **must** be outlined covering the points highlighted below.

If the terms and conditions (points 1 & 2 below) apply to this syndicate, ***please tick here*** .

OR

Please outline an alternative finance management policy in the box provided in point 7.

1. The agent shall open and maintain a bank account to which shall be credited all sums paid or payable by the shareholders in respect of the horse and all other sums received by the syndicate and to which shall be debited all amounts charged to the syndicate.
2. The agent shall issue financial statements, no less than once a year, to all Syndicate Shareholders outlining:
 - i. The monies paid by the shareholders in respect of their shares.
 - ii. The prize money won by the horse (but excluding any trophies of their value).
 - iii. Any other income received in relation to the horse.
 - iv. All expenses including but not limited to the purchase price of the horse, freight charges, third-party commissions, keep charges, training fees, racing fees, race-day expenses, purchase and sale expenses, bank charges, interest payments, all out of pocket expenses incurred in establishing, administering, promoting and winding up the syndicate registration in the horse (including professional fees).
 - v. The sale price of the horse and/or if applicable, insurance receipts.
 - vi. The resulting balance shall be distributed to the shareholders rateably according to the number of shares held by them.
 - vii. The agent will provide proof of these expenses should they be requested.
3. If points 1 & 2 above are not accurate to this syndicate, the agent **must** outline **in the box provided below** the finance management policy for the syndicate covering the points raised above.



4. The agent must outline **in the box provided below**, when any prize-money or payments to shareholders will be paid e.g. a set date at the end of the season or on a monthly basis.



5. All fees outlined in the syndicate agreement are applicable and it should be assumed there will be no additional fees for the Syndicate Shareholders to consider if not outlined.

C) Decision Making

It should clearly be stated how decisions are made within the syndicate. Please **choose option 1 OR 2 below** that applies to this syndicate **OR** outline the decision-making process in the box provided under Option 3.

1. The agent shall decide all matters relating to the management of the syndicate with the appointed trainer managing all decisions relating to the training and racing of the horse. The agent shall communicate regularly to the shareholders any decisions made in relation to the horse.
2. All decisions shall be taken on a majority vote e.g. 51% of shareholders
3. If option 1 or 2 are **not** selected, the agent must outline **in the box provided below** how these decisions are made.



D) Lease Renewal/Sale Of Horse

This section intends to outline how lease agreements are continued or discontinued as well as the process of selling the horse. The agent **must** set a clear, sales, rehoming or aftercare policy for when the horse finishes its racing career with the syndicate shareholders.

Please choose the applicable option below **OR** outline the contract renewal/sale of horse procedure for this syndicate under option 5.

1. The Agent will make all decisions regarding the lease renewal or sale of the horse
2. All decisions shall be taken on a majority vote e.g. 51% of shareholders
3. The shareholders will unanimously decide to continue or discontinue the syndication in the horse beyond the lease term or the sale of the horse.
4. If the agent deems it to be in the interest of the shareholders to terminate or sell the horse before the termination date of the lease, then the agent shall consult with the shareholders and will only proceed with such lease termination/early sale of the horse if _____% majority of the shareholders are in favour of doing so.
5. If the agent has **not** selected option 1 to 4 above, please outline **in the box provided below** the lease renewal/sale of horse procedure.

Sale Proceeds

Please choose **Option 1 OR 2** below.

1. Should the horse be sold, each shareholder will receive their entitled percentage (in line with the percentage outlined in the syndicate agreement) of the sale proceeds after deductions of all costs and expenses. (**Please tick if applicable**)
2. If option 1 is **not** selected, the agent must outline **in the box provided below** how the sales proceeds will be distributed should the horse be sold.

E) Change of Shareholder(s) & Exit Policy:

Shareholders will change over time and a clear exit policy **must** be outlined. Below are sample terms and conditions for this syndicate.

If the terms and conditions (points 1-6 below) apply to this syndicate, ***please tick here*** .

OR

Please outline an alternative change of shareholder and exit policy in the box provided in point 7.

1. The commitment of each shareholder in respect of the horse is for the full term of this contract and except with the agreement of the agent, no shareholder shall be able to sell or transfer any share owned by that shareholder before the contract term.
2. If a shareholder wishes to join the syndicate horse, they may only join with agreement by the agent.
3. Should a shareholder pass away, their share and monthly instalments will become the responsibility of their next of kin.
4. Should a shareholder have leased a share in the horse, this shareholder is not entitled to proceeds from the eventual sale of the horse.
5. Should a shareholder decide to leave the syndicate before the end of their contract, they will not be entitled to any refund or other benefits e.g. future prize-money or subsequent money from the sale of the horse.
6. Should a shareholder default from month(s) payments, the agent may remove this shareholder from the syndicate and must notify the shareholder prior to this action.
7. If points 1-6 above are not applicable to this syndicate, the agent must outline **in the box provided below** the change of shareholder and exit policy.

F) Indemnity

1. The agent shall exercise appropriate care in carrying out its role under the Code Of Conduct but cannot be held responsible for matters beyond its immediate control.
2. Should the agent insure the horse, professional advice against all matters will be sought. Proof of insurance and cost must be issued to all shareholders. **(Please tick if applicable)**

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I confirm that the above is the Code of Conduct being used for this syndicate and that all syndicate members will receive a copy of his agreement.

Date _____

(Agent Signature)