



The goHarness Hoofin Around Syndicate Agreement and Rules

Date: April 2020

Part 1: Title and Application

- 1.1 Title - The rules and agreement are for the **goHarness Hoofin Around Syndicate**
- 1.2 Objects - The objects of the syndicate are:
A - To acquire three yearling's at the 2019 Standardbred Yearling Sales, to train and race.
B - To Share in the fun and camaraderie associated with the owning and racing a racehorse that is in shared ownership .
- 1.3 **Application**
These Rules of this Syndicate, are binding on the Syndicate Manager and all Members.
- 1.4 **Alteration of Rules**
No Rule of the syndicate shall be altered or repealed, and no Rule shall be substituted or added except by resolution at a Meeting of Members duly called and conducted in accordance with Part 5.

Part 2: The Syndicate

- 2.1 The syndicate will have 50 shares and own 50% of the three horse's.
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|---------------|-------------------------------|---------------------------------------|
| FRANCO JORICK | Muscle Mass – Jacanti Franco | Foaled Nov 25 th 2017 |
| SARGENT BEST | Art Major – Thebestamancanget | Foaled December 11 th 2017 |
| HANDS ON | Bettors Delight – Asabella | Foaled 18 th December 2017 |
- (A decision re the other 50% ownership will be made in due course)
- 2.2 **Title and Composition**
The syndicate will be known as the “goHarness Hoofin Around Syndicate” and will comprise of those persons who, in accordance with Part 3, are Members.
- 2.3 **Concept** The syndicate purchased the above 3 horses from the 2019 NZBloodstock Yearling Sales, and has the right to purchase a replacement horse if the remaining term, and finances of the syndicate warrants it. The syndicate will run for 6 years until the 19th of February 2025, unless clause 2.7 is invoked. The syndicate may be extended if it is felt that if any of the horse's warrant considering an extension. The manager will email all members asking for their opinion, once that is known we will send an email advising of the number who wish to continue and what the monthly cost would be. A subsequent email will then be sent out for a vote.
- 2.4 **Registered Address**
The registered address of the syndicate is: 143 Knights Road, Weedons, RD5, Christchurch 7675.
- 2.5 **Registered Colours**
The registered colours of the syndicate are those of goHarness: light blue, goHarness logo front and back, red cuffs
- 2.6 **Commencement**
The commencement date of this Syndicate will be deemed to be the 19th February 2019
- 2.7 **Termination**
The syndicate will be terminated when, in the opinion of the Manager and the syndicate's trainer(s), it's in the best interests (financial or otherwise) of the syndicate to do so.
(1) The Syndicate will not be terminated upon the death of any Member.

- (2) The share(s) of a deceased Member (and the responsibility of any ongoing payments applicable to those shares) will be transferred to the Beneficiary or Estate of the deceased Member, as nominated in that Member's Last Will & Testament – provided that the person or organisation meets the eligibility criteria outlined in Rule 3.2. The Beneficiary or Estate can also forfeit their inherited interest if they so desire.
- (3) The bankruptcy or insolvency of any Member (as an individual) and/or the liquidation of any Member's company will not terminate this Syndicate.
- (4) Upon termination of the this Syndicate, the Manager will sell or otherwise convert the assets of the syndicate into cash and divide the proceeds (less all legitimate winding-up costs and any provisions for liabilities) amongst the Members – in proportion to the number of shares held by each Member.

PART 3 – MEMBERSHIP

3.1 Definition of Member

A person shall be classed a Member of this Syndicate if that person's name is recorded in the Register of Members.

3.2 Eligibility

Before a person's name is recorded in the Register of Members, that person must: (i) Sign and submit the prescribed Syndicate Application Form, confirming that they are over 18 years of age; (ii) Have made the first payment of the payment plan for one or more shares in the syndicate; (iii) Declare that they are not, by the provisions of Rule 103 of the Rules of Racing or Rule 403 of the Rules of Harness Racing, prohibited from owning a racehorse.

3.3 Forfeiture

A Member's name shall be removed from the Register of Members, resulting in them forfeiting their share(s) and payments made, as well as all rights as a Member of the syndicate, if:

- (i) The Member is a person who, pursuant to Rule 103 of the Rules of Racing or Rule 403 of the Rules of Harness Racing, becomes prohibited from owning a racehorse; or, pursuant to the Gambling Act 2003 or the Racing Act 2003 or any amendments thereto, becomes prohibited from admission to a racecourse.
- (ii) The Member's monthly contributions fall into default by more than a month and, following notification from the Manager to the Member about their share payments being in arrears, and the Member has not rectified the situation within a month of being notified.
- (iii) In the sole opinion of the Manager, the Member behaves in such a manner which causes disruption amongst other Members of the syndicate, or results in the status of the syndicate or the goHarness name being brought into disrepute.

3.4 Interest

Each Member's interest in the syndicate shall be determined by the number of shares held by that Member, as recorded in the Register of Members.

3.5 Transfer of Interest

3.5.1 No Member is permitted to transfer, mortgage, charge or encumber in any way their share or interest in this syndicate, other than in accordance with these Rules.

3.5.2 A Member may sell or transfer their share in this syndicate to another person, provided that:

- (i) The Member first notifies the Manager in writing about the proposal to transfer or sell their share; and
- (ii) The Manager in his sole discretion approves the sale or transfer; and
- (iii) The Owner of the share can sell or transfer their share to a third party as long as it is not publicly advertised. goHarness have a section on their website where it would be listed free of charge.
- (iv) The person to whom the share is being sold or transferred to first meets the requirements of Rule 3.2.

3.6 Address for Service

The address for service for each Member will be the email address recorded against each Member's name in the Register of Members – or such other address which the Member concerned advises the Manager of.

PART 4 – THE MANAGER

4.1 Appointment

This Syndicate will be managed by Noel Kennard, who is permitted to delegate certain responsibilities.

4.2 Responsibilities

In conducting the affairs of the syndicate, the Manager will at all times act in good faith and in the best interests of the Syndicate Members and the horses leased or owned by the syndicate.

The duties of the Manager include:

- (1) The administration and management of the syndicate horses with regard to their training and veterinary care, as well as the keeping of a record of these affairs and any other matters which may arise.

- (2) Maintain financial records and produce a set of Financial Accounts outlining all income and expenses relating to the Syndicate and its horses.
To email such set of accounts at least two times per annum to every member.
- (2) Implementation (as required) of all decisions made at any Meeting of Members duly called and conducted in accordance with Part 5.
- (3) Liaison with all Members by way of regular emails about all matters concerning the training and racing of the syndicate horses (including trials and workouts that the horses may participate in).
- (4) Attendance (if possible) at all races, trials and workouts involving the horses leased by the syndicate.
- (5) Organising Meetings of the syndicate, as per Rules 5.1(i) and 5.2.
- (6) Maintenance of the Register of Members, which contains the names and addresses of all Members and the number of shares held by each. The Register of Members will be updated whenever the Manager is advised by Members, of such things as changes of address, phone or email address or the sale of any shares in the syndicate. The Manager must advise HRNZ on the appropriate form of any sale of share (s)
- (7) No Member shall challenge or interfere with any decision of the Manager in relation to performing their duties, other than at a Meeting of Members duly called and conducted in accordance with Part 5.

The Manager of the syndicate does not receive a percentage of any stakes won by the syndicate horses, nor does he receive any commission on the sale of any syndicate horses.

PART 5 – MEETINGS & PROCEDURES

5.1 Special General Meetings

A Special General Meeting may be held at any time to resolve any matters affecting the syndicate, if it is:

- (1) Called by the Manager; or
- (2) Requested by not less than 10% of Members, with each of these Members giving at least fourteen (14) days' notice in writing to the Manager; and
- (3) The topic to be discussed at the Special General Meeting is not the same as what was discussed at any other Special General Meeting at any time within the previous six months.

5.2 Notice of a Meeting

The Manager will give Notice of a Meeting to all Members (via email), not less than seven (7) days before the scheduled date of that Meeting.

5.3 Notice of Motion

Whenever a Meeting has been scheduled, Members are entitled to propose a Notice of Motion regarding anything they'd like discussed at the Meeting, such as:

- (1) The alteration, repeal or substitution of any of the Rules; or
- (2) The disposal of one or more of the syndicate's leased horses; or
- (3) Any other matter affecting the syndicate.

5.3.2 A Notice of Motion must be signed by the proposer and given to the Manager at least fourteen (14) days before the Meeting at which that Notice of Motion is to be considered.

5.4 Officials

- (1) The Chairperson for the Meeting will be the Manager, or a person appointed by him.
- (2) The Chairperson will appoint a Secretary who will be responsible for recording the Minutes of the Meeting.

5.5 Voting

- (1) Whenever voting from Syndicate Members is required, a simple majority of Members must vote in favour (either in person or by proxy) for the action to proceed.
- (2) Whenever voting from Syndicate Members is required and it concerns the need for them to make additional financial contributions, 75 percent of Members must vote in favour (either in person or by proxy) for the action to proceed.
- (3) A share must be fully paid up for that share to have speaking and/or voting rights at a Meeting.
- (4) Each share shall carry the right to one vote.
- (5) Votes may be cast by Members present at the Meeting or by proxy, as outlined in Rule 5.6 below.

5.6 Proxy Votes/Speaking Rights at Meetings

Any Member who, for whatever reason, isn't able to be present at a Meeting, may cast their vote in respect of any Motion which has been duly notified in accordance with Rule 5.3 by emailing their vote to goHarness, and/or advising to whom they have given their speaking rights to – and submitting that advice by email to goHarness, or have it delivered to the Manager no less than twenty-four (24) hours prior to the notified time of the Meeting.

5.7 Decisions binding

All decisions made at Meetings of Members, duly called and conducted in accordance with these Rules, will be conclusive and binding on the Manager and all Members.

PART 6 – FINANCIALS

6.1 Financial Year

Financial Years for the syndicate will begin on August 1 and end on July 31 (the same as the NZ racing season).

6.2 Reimbursements

The Syndicate will reimburse goHarness Ltd for the following:

- (1) All initial syndicate set-up costs, such as, but not limited to:- Any printed material, such as:- Brochures, Syndicate Rules, Application Forms, etc. Third party work on the the Website, Facebook and the Email programme. Any pre training and sundry equine expenses if applicable.
- (2) Any reasonable costs incurred on behalf of the syndicate, which relate to the Manager performing his duties in respect to any of the syndicate horses. The manager or delegated person will endeavor to attend the workouts and trials when possible and practicable. Travel costs to race meetings outside of the greater Canterbury area should it be felt necessary to attend

6.3 Remuneration

goHarness Ltd to receive a monthly Management Fee of up to \$150 per month per syndicate horse

6.4 Share Prices and Conditions

The cost of a share in the Syndicate is an initial payment of \$1,750 and then a monthly payment of \$35 per month commencing on August 1st 2020.

- (1) All Members are required to make the (1) same amount of monthly payments (i.e. anyone who joins the Syndicate after it has already begun operating will have to backdate their payments to the commencement date
- (2) At any time during the course of the syndicate, the Manager may review the monthly payment required.

6.5. Share Entitlements

All Members of this Syndicate collectively own: (After all expenses have been paid)

- (1) All funds in the syndicate's bank account; and
- (2) All race stakes earned and not yet paid into the syndicate bank account, and
- (3) The net proceeds from the sale of any syndicate horses.

6.6 Insurance

The Manager will decide whether or not any syndicate horse(s) shall be insured, and this decision will always be made in the best interests of the syndicate.

6.7 Payouts to Members

At times (for example, if a syndicate horse wins a major race or is sold) it may be possible to return a 'dividend' to Members in the form of a payout. However no financial return is inferred or promised. A return would only occur if:

- (1) In the opinion of the Manager, there are sufficient funds in the syndicate's bank account to facilitate a payout (i.e. the account balance is over and above what's required to meet the ongoing management, training and other monthly expenses of the syndicate and taking into consideration the fact that Members are still making monthly contributions) – this payout will be distributed to Members in accordance with the number of shares that they own in the syndicate; and
- (2) The amount to be distributed to Members in respect of each full share equates to a minimum of \$250; or
- (3) It comes time to wind up the syndicate – at which point all horses will be sold by the best means possible (in the opinion of the Trainer and the Manager); and all remaining funds will be distributed equally amongst Members in accordance with the number of shares that they own.

6.8 Additional contributions from Members

If, in the opinion of the Manager, the funds in the syndicate's bank account ever fall below what's required to meet the ongoing management, training and other monthly expenses of the syndicate, the Manager will call for a Special General Meeting to discuss the syndicate's options and resolve the matter. These options will include (but are not limited to:-

- (1) Members increasing their monthly payments to enable the syndicate to carry on until (in the opinion of the Manager and trainer) the last remaining horse should be disposed of; or
- (2) Winding up the syndicate straight away.

PART 7 – HEALTH & SAFETY REGULATIONS

7.1 Members must at all times obey any Health & Safety-related Regulations and Instructions, and observe all relevant venue policies when visiting areas where syndicate horses may be located (i.e. such as the trainer's property, racecourse birdcages, stabling areas etc).

PART 8 – MISCELLANEOUS

8.1 Trophies and Awards

All trophies, awards etc won by any horse owned or leased by the Syndicate belong to goHarness.

8.2 Complaints

Any Member who wishes to make a complaint about any matter relating to the syndicate, including decisions or actions by the Manager in respect of a syndicate horse, must in the first instance raise their complaint directly with the Manager.

8.3 Disputes

If any disputes arise between Members in relation to these Rules, or any matter arising out of these Rules (including the interpretation thereof), the matter shall be referred to the arbitration of two independent persons – one to be nominated by the Member, the other to be nominated by the Syndicate Manager. Each entity involved in the dispute is responsible for their own arbitration costs. The Arbitrators decision will be final and such notification will be notified to HRNZ.

End

