



Live the **dream**

Syndicate Deed

2017 COLT by EPAULETTE ex RIVERINA RED

Offered by

**TRIPLE CROWN BLOODSTOCK PTY LTD
Trading as TRIPLE CROWN SYNDICATIONS**

Triple Crown Bloodstock Pty Ltd trading as Triple Crown Syndications (ABN 30 106 587 875)

AFS Licence No: 307377

Suite 8, 694 Pacific Hwy, KILLARA NSW 2071, AUSTRALIA

Phone: 02 9499 5212 Fax: 02 9499 5213

Email: info@triplecrown.com.au

Website: www.triplecrown.com.au

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Dated: 12 March, 2019.

This Syndicate Deed provides the provisions by which the Shareholders and Triple Crown Bloodstock Pty Ltd trading as Triple Crown Syndications ("Triple Crown") shall be bound. All parties have agreed to the terms and conditions of this Deed. In addition, each shareholder accepts the normal operating terms and conditions of the appointed trainer at any given point in time.

If a Shareholder consists of a Syndicate of people then this Syndicate Deed binds them jointly and each of them severally.

If a Shareholder is a company this Syndicate Deed binds the company and the company's director/s jointly and severally.

1. OWNERSHIP

The title of this Colt will be divided into twenty (20) equal undivided shares. Each share will entitle its owner to a pro-rata share of all net prizemoney, bonuses and sale proceeds. If an applicant wishes to purchase less than 5% of the horse then they may be added as a member of a sub-syndicate formed by Triple Crown. Any applicable fee for forming or renewing this sub-syndicate will be charged pro-rata to the participating members of that sub-syndicate.

2. JOINT SHAREHOLDERS

If a Shareholder consists of a Syndicate, either with an individual/s or a company as a member/s, then any communication is considered delivered to all joint members by delivering it to the respective Syndicate's manager. Furthermore any money owing to the Syndicate will be considered paid to all joint Shareholders when paid to the respective Syndicate manager.

The Syndicate Manager will be entitled at its own discretion to require any Shareholders (either individually or collectively with other Shareholders), at their own proportional cost, to register a syndicate with the Registrar of Racehorses and to own their shareholding in the name of that syndicate. The Syndicate Manager has the discretion to appoint itself as the Manager of this newly formed syndicate.

3. PRIZEMONEY

All net prizemoney will be directly deposited pro-rata into each Shareholder's nominated bank account by the relevant state's governing body.

Should a trophy, sash, voucher (excluding Breeders Owners Bonus Scheme vouchers) or similar be won by the syndicate then this will be retained by the Syndicate Manager for their use. If desired each Shareholder will be able to order an additional trophy, sash or similar through the relevant supplier.

4. RACING SILKS

The Colt will race in Triple Crown's official set of racing silks.

5. BOBS AND SUPER VOBIS

Should the Colt be BOBS (Breeders Owners Bonus Scheme) or Super VOBIS nominated (or nominated for any extension of these programs), which may be done at the Syndicate Manager's discretion, then Triple Crown as the Syndicate Manager has the authority to act (as empowered to do so by the Shareholders) should it so wish as both the "Racing Manager" and/or the "Nominator" to these schemes under the Australian Rules of Racing.

In the event that a BOBS bonus is won, any individual partner independently of all other partners can determine if they wish to receive the BOBS cash entitlement or the BOBS Double Up Voucher offered by Racing NSW. This voucher is worth exactly double the cash value of the bonus won, however may only be used to purchase other BOBS eligible yearlings sourced by a syndicator, or directly yourself, through an approved auction sales company.

At the time of nominating the Colt for BOBS, Triple Crown will instruct Racing NSW to pay all future BOBS bonuses in the form of a Double Up Voucher to each individual. Should any Shareholder prefer to receive the bonus in cash instead then they should inform the Syndicate Manager within seven (7) days of winning the bonus so that they can pass those instructions on to Racing NSW. Please note however that Triple Crown will also attempt to make contact with each individual Shareholder each time a BOBS bonus is won to ascertain your preference for that particular bonus. In the event of a miscommunication, Racing NSW has advised that they may consider at their discretion any application made to them to amend the payment or voucher.

Please note that advertised BOBS bonus monies are currently calculated as the owner's entitlement in a cash payment format and that the owner's entitlement is at this time equal to 71.11% of the advertised bonus.

A copy of the Terms and Conditions of the BOBS scheme may be obtained from Racing NSW or from Triple Crown.

Should Racing NSW terminate the BOBS scheme or amend any of the terms and conditions of the scheme then Triple Crown reserves the right to amend this clause accordingly. Triple Crown is not liable and accepts no responsibility for any loss or damage of any kind because of its acts or omissions in the administration of any cash bonuses and/or voucher schemes.

The Shareholders hereby nominate, appoint and empower the Syndicate Manager as their attorney under power to give effect to this clause and agree to do all things necessary to give effect to this clause.

6. SYNDICATE MANAGER

Triple Crown will be the Syndicate Manager for the duration of the Syndicate and they will manage and operate all aspects of the Syndicate in accordance with the terms and conditions of this Syndicate Deed.

The Shareholder's hereby agree to transfer the Racing Manager powers and responsibilities under the Australian Rules of Racing to Triple Crown. The Shareholders also authorise the Syndicate Manager on their behalf to complete at anytime any official paperwork and forms issued by the Registrar of Racehorses and the various other racing governing bodies e.g. Racing NSW and Racing Victoria.

The Syndicate Manager shall endeavour at all times to act in the best interests of the Shareholders as a whole and simultaneously for the humane care of the horse. All actions of the Syndicate Manager may be conducted at the Syndicate Manager's discretion and the Syndicate Manager will be indemnified in exercising its duties, including but not limited to the authorisation for emergency veterinary surgery and/or care or if the horse needs to be destroyed upon veterinary advice.

The fee to be charged quarterly in advance by the Syndicate Manager for their Syndicate management services is currently \$65.00 plus GST per month (or part thereof) per 10% shareholder pro-rata, subject to a minimum fee of \$65.00 plus GST per month (or part thereof) per shareholder. The Syndicate Manager, like all other suppliers, reserves the right to alter this fee at some point in the future, although it should be noted that at the date of this Deed it does not have any intention of doing so. The Syndicate Manager shall also be entitled to be reimbursed for all reasonable expenses incurred by it in relation to the Syndicate e.g. race nominations, sale expenses, legal fees etc.

Triple Crown may at any time after giving one (1) month's notice to the Syndicate, appoint another appropriate entity to take over the Syndicate Manager role. If this were to happen then this Deed will continue to bind the new Syndicate Manager and the Shareholders.

Should the Colt and/or any interest in the Colt (including any allocation and sale of additional shares) and/or any shares ever be sold in the Colt, then the Syndicate Manager shall be entitled to receive a commission of 10% plus GST of the gross sale price. Furthermore, if a Shareholder(s) wishes to sell their share at any point in time then the Syndicate Manager will retain the option to purchase that said share from the Shareholder(s) at a price agreed between the Syndicate Manager and Shareholder or a price determined by a recognised bloodstock valuer who is a member of the Federation of Bloodstock Agents Australia Limited and who is nominated by the Syndicate Manager, less any commission entitlement as outlined above. Similarly, if an insurance claim is ever made on the colt then the Syndicate Manager shall be entitled to 10% plus GST of the claim paid by the insurer. As a result the Syndicate Manager's interest must be noted on any insurance policy taken out by the Shareholder. If Shareholders ever breed from the colt, the Syndicate Manager shall be entitled to receive 10% plus GST of the gross income revenue received from the sale of the progeny of the colt or service fees for the active stud life of the colt. Finally, should the colt/entire be sold as a stallion prospect, the Syndicate Manager will be entitled to two lifetime breeding rights as part of the sale, in addition to any commission outlined above.

Should the Colt and/or any interest in the Colt (including any allocation and sale of additional shares) and/or any shares ever be sold in the Colt, or if an insurance claim is made on the Colt, then the proceeds will be payable to the Syndicate Manager by the purchaser, intermediary or insurance company. The Syndicate Manager may then ensure that all of the Syndicate's suppliers' invoices have settled before distributing the residual proceeds to the selling Shareholder/s. If the Syndicate ever wishes to sell the Colt through public auction then the Syndicate Manager may choose at its discretion what it deems to be the most appropriate sale for his entry and enter him accordingly and the horse will go through the ring with no reserve. All sale entry paperwork must be submitted by the Syndicate Manager on behalf of the Syndicate. Alternatively if the Syndicate ever wishes to sell the Colt privately then this process must be conducted through the Syndicate Manager. At all times the Syndicate Manager retains entitlement to possession of the official horse identification card on behalf of the Syndicate.

The Syndicate Manager will not be responsible for nominating the Colt for any race/s. The appointed trainer will be responsible for this and as such the Shareholders will not hold the Syndicate Manager liable for nominating and/or not nominating the Colt for any particular race or race series. The Syndicate Manager will, however, at its sole discretion reserve the right in the course of performing its duties to appoint a new trainer for the horse, instruct any appointed trainer to follow a particular race program or appoint a particular jockey for a specific race.

Please note that the Syndicate Manager may disclose any personal information they have collected from you with persons or organisations that provide services to us and/or the Syndicate or the horse.

7. STATEMENT OF RISKS

Each Shareholder should be aware and accept that investment in racehorses is speculative and that there are a number of risks associated with all racehorse ownership. Whilst racehorse ownership may prove very rewarding there are also some risks which include (but are not limited to); the horse becoming injured, not all horses make it to the races, not all horses earn prizemoney, insurance when secured may not cover all circumstances, not all horses can achieve a successful breeding career, some male horses are gelded etc. The Syndicate Manager shall not be held accountable to the Shareholders should the Colt either die or have its value decrease for any reason.

8. MEETINGS/DECISIONS

The Syndicate Manager or a Shareholder may call a meeting at any time. If a Shareholder wishes to call a meeting it must be arranged through the Syndicate Manager. Due to the nature of the industry, in which the time required for a decision can sometimes be very limited, there is no minimum notice required for any meeting called by the Syndicate Manager. The Syndicate Manager, however, shall

endeavour to give at least 2 days notice (when possible) to the Shareholders. All communication and voting may be conducted via email, letter or fax.

Each Shareholder shall be entitled to one equal vote per 10% share owned pro-rata. If the Shareholder is a Syndicate of owners or a company registered as a Syndicate then the manager of such Syndicate will be responsible for voting on behalf of the Syndicate to the exclusion of the other Shareholders in their respective Syndicate. Shareholders may vote personally, by attorney or by proxy. When a power of attorney has been appointed a copy of such appointment is required to be presented to the Syndicate Manager prior to the voting deadline for their vote to be accepted.

All decisions made during these meetings shall be made by a majority resolution of participating voters. Should the vote be tied then the Syndicate Manager will provide a casting vote.

If a Shareholder fails to vote before the given deadline then that Shareholder will be deemed to have appointed the Syndicate Manager as their proxy to vote on their behalf in a manner that the Syndicate Manager believes is in the Syndicate's best interests.

These meetings/decisions will relate to many issues concerning the horse including (but not limited to) any sale of the horse, race career retirement and any major decision warranting the vote of Shareholders, but will not relate to day-to-day training issues or the Syndicate Manager's duties.

9. TRANSFER OF SHARES

If a Shareholder wishes to transfer or sell a share they can do so as long as they provide the transferee/purchaser with an Information Memorandum supplied by the Syndicate Manager. The transferee/purchaser must agree to be bound by the Syndicate Deed as if it were an original Shareholder. The transferee/purchaser must not be a disqualified person under the Australian Rules of Racing.

The original owner of a share will remain liable for all responsibilities and obligations for their share up until the date of registration of the transfer of the share to the transferee/purchaser. From this registration date the new owner of the share will become liable for all responsibilities and obligations for the share.

10. SHAREHOLDER'S COSTS

The owner of each share shall be liable for a pro-rata share of costs associated with operating the Syndicate and racing the Colt. It is reasonably anticipated that these costs (excluding optional insurance cover) will equate to approximately four hundred dollars (\$400) on average per 10% share per month. However, as it is impossible to accurately predict the future Syndicate expenses due to the many variables involved, the actual costs may vary from these estimates.

It should be noted that any Syndicate participant may elect to have the horse tested for a prohibitive substance under the Australian Rules of Racing with the cost of testing to be borne by all participants (whether or not they elected to have the horse tested).

The Syndicate Manager recommends that each owner takes out risk insurance to help protect their investment. Whilst each Shareholder will be responsible for securing their own insurance cover, the Syndicate Manager can assist in securing this insurance where required. Shareholders consent to the Syndicate Manager providing their contact details to any relevant insurer or insurance broker as required. Should the specified time of cover/covernote upon insurance application/renewal lapse then it is assumed that the Shareholder did not wish to have their share covered with risk insurance or has already made alternative arrangements. If the Syndicate Manager assists in securing any insurance cover for the Shareholders, the Syndicate Manager may receive a referral commission from the insurance company.

The Syndicate Manager is not responsible for the reliability or sufficiency of the insurance cover nor does the Syndicate Manager represent that any insurance cover is obtainable.

The Shareholders will organise and pay for public liability insurance, if any, to cover any party to this Deed as may be necessary.

The Syndicate Manager may at their complete discretion, deem it necessary to acquire Professional Indemnity Insurance and/or membership in an industry complaints scheme in relation to the services it provides under this Deed. Should they deem this necessary then the cost of such may be borne by the Syndicate on a pro-rata basis with other Syndicates under their management at the time.

The Shareholders will be responsible for reimbursing the Syndicate Manager or paying direct for all expenses for goods and services relating to the operation of this Syndicate and compliance of this Deed. These include (but are not limited to) suppliers' fees, Syndicate Manager's fees, legal fees, any ASIC compliance fees, BOBS and/or Super VOBIS nomination fees, new racing silks and other racing gear.

Should a Shareholder request a copy of any document previously supplied to the Shareholder by the Syndicate Manager then a fee of \$50 plus GST is payable by the Shareholder.

The Syndicate Manager shall retain any interest (if any) earned in the trust account with the exception of a Shareholder "cooling-off" within the prescribed period. In the instance of a Shareholder electing to cool-off, a full refund of their share price and any interest earned (if applicable) will be returned to the Shareholder.

The Syndicate Manager will be allowed to retain any prizemoney, bonuses and/or sale money owing to the Shareholders, which is required to cover any expenses incurred on behalf of the Colt and/or Syndicate.

11. DEFAULT

If a Shareholder fails to pay any sum payable as prescribed within the Product Disclosure Statement and/or this Syndicate Deed within fourteen (14) days of the due date then that Shareholder will be deemed to be in default. As such the Syndicate Manager may serve a Demand Notice to the defaulting Shareholder stating the following will apply if the defaulting Shareholder fails to pay the outstanding amount in full within a further fourteen (14) days from the date of the Demand Notice;

- (i) the defaulting Shareholder will also become liable to pay interest on the outstanding amount at the rate of 12% per annum accrued from the original due date until paid in full.
- (ii) the defaulting Shareholder will also be liable for any other legal and/or recovery costs incurred by the Syndicate Manager and/or other Shareholders and/or suppliers.
- (iii) the defaulting Shareholder's share/s will be relinquished and he or she shall not be entitled to receive any compensation for the relinquished interest. As a result the Shareholder shall cease to be a Shareholder and will no longer have any interest in the assets and income of the Syndicate. The relinquished share/s may then either be transferred to the Syndicate Manager for nil consideration and they will become a Shareholder in the Syndicate (however they also retain the right to subsequently on-sell the share/s for a profit with any net proceeds being retained by the Syndicate Manager) or alternatively directly sold or transferred to a new party at a price determined at the Syndicate Manager's discretion or a price determined by a recognised bloodstock valuer who is a member of the Federation of Bloodstock Agents Australia Limited and who is nominated by the Syndicate Manager with any net proceeds being retained to meet all outstanding debts to suppliers and/or to the Syndicate Manager itself with any residual funds credited to the Syndicate Manager. The Syndicate Manager shall not be liable to the Shareholder for any alleged failure to obtain the best possible sale price for the horse. Should the interest not be sold or transferred to the Syndicate Manager or a new party then it will become the property of the other Shareholders on a pro-rata basis. It should be noted that this clause does

not in any way waive the defaulting Shareholder's debt to the Syndicate, the Syndicate's suppliers and/or the Syndicate Manager. Should the Syndicate and/or Syndicate Manager decide to sell and/or transfer the defaulter's share/s then the Syndicate Manager shall act as trustee of the defaulting Shareholder and execute all documents and do all things necessary to complete the sale and/or transfer. The Shareholder in default hereby nominates, appoints and empowers the Syndicate Manager as the defaulting Shareholder's attorney under power to give effect to this clause and agrees to do all things necessary to give effect to this clause.

Triple Crown as Syndicate Manager may at their complete discretion choose whether or not to invoke clause 11 (iii). If they do invoke clause 11 (iii) then it must be no sooner than fourteen (14) days after the issue date of the above mentioned Demand Notice. The Syndicate authorises Triple Crown (or its agent/s) to take whatever action, including legal, which it believes necessary to protect the interests of the Syndicate Manager and the non-defaulting Shareholders and to act on their behalf in this action.

Any Shareholder in default will not be entitled to any Shareholder voting rights until they are no longer in default.

12. DISPUTE RESOLUTION

Should any dispute arise the Shareholder should first contact the Syndicate Manager to attempt to resolve it. If the dispute has not been resolved within forty five (45) days then the complainant may be entitled to refer their dispute to the Australian Financial Complaints Authority. Triple Crown's membership number is 12452.

13. PARTNERSHIP

This Syndicate is a partnership between the Shareholders but not of the Shareholders with the Syndicate Manager.

14. INDEMNITIES

The Shareholders hereby agree that all expenses and liabilities incurred by the Syndicate will be borne by the Shareholders on a pro-rata basis. All Shareholders hereby agree with each other to indemnify and keep indemnified their fellow Shareholders against all expenses and liabilities to the extent that these expenses and liabilities are borne otherwise than in the proportions stated in this Syndicate Deed.

No Shareholder will be able nor allowed under this Deed to incur any expenses or liabilities on behalf of the Syndicate nor shall they ever act on behalf of the other Shareholders in any capacity without prior written authorisation from the Syndicate Manager. Should any Shareholder do so, then that Shareholder will be personally liable for any expenses or liabilities incurred as a result of their actions.

The Shareholders hereby agree to indemnify the Syndicate Manager of all expenses and liabilities associated with any horse owned by the Syndicate.

The Shareholders accept and agree that liabilities incurred by the Syndicate Manager in relation to the Syndicate are to be borne and paid by the Shareholders.

This Syndicate is formed primarily for the purposes of racing the horse however the Syndicate Manager hereby makes no representation or guarantee as to the appropriateness or otherwise of the horse's suitability or capacity for racing or breeding afterwards. Furthermore, no specialised veterinary procedures or checks, e.g. x-rays, scans, blood tests etc, have been performed with regard to the horse's suitability or capacity for racing or breeding unless specifically outlined in the vet's report included in the Product Disclosure Statement. In addition, to avoid any potential for doubt the expression "colt" when used in this Deed includes rig or crypt orchid, namely male animals in which one or both testes have not descended into the scrotum from the abdomen.

To protect the interests of all Shareholders, each Shareholder individually agrees to register their ownership percentage in the horse on the PPS Registry as required by the Personal Property Securities Act 2009 under Commonwealth Government legislation, unless exemption is granted at anytime to racehorse owners by the Commonwealth Government.

15. DISCLAIMER

Triple Crown has made no representation nor has any warranty been given in regards to the soundness, racing ability or the suitability of the Filly for breeding or indeed any other use. Nor has there been any representation or warranty given in relation to the commercial merits of the Syndicate. Furthermore, Triple Crown has prepared the Syndicate Deed, Product Disclosure Statement and all other documents and materials associated with this promotion to the best of their knowledge, however they accept no liability for any errors and do not guarantee their accuracy. All prospective investors are advised to make their own independent enquiries with appropriate professionals so as to satisfy themselves of the accuracy of the information supplied in these documents before making any investment.

16. TERMINATION OF DEED

This Syndicate Deed will be effective until the Syndicate is officially wound-up by the Syndicate Manager after the sale, death or retirement from racing and/or breeding of the Colt.

A Shareholders' majority resolution is required for the Colt to be retired from racing, sold, disposed of or destroyed. The Shareholders will be entitled to receive a pro-rata share of the net sale proceeds.

The Syndicate Manager is able to have the Colt destroyed without a Shareholder's majority resolution in the event of emergency and to prevent the Colt from suffering.

The termination of this Deed will not take place until all suppliers' accounts have been settled and the Syndicate is wound-up.

The winding-up of the Syndicate and the termination of this Deed will take place as and when determined by the Syndicate Manager at their sole and complete discretion.

17. GOVERNING LAW

All of the terms and conditions within the Product Disclosure Statement and this Syndicate Deed are governed by the laws of New South Wales, Australia.

All parties acknowledge and agree that any proceedings arising from the Product Disclosure Statement and Syndicate Deed will come under the jurisdiction of the Courts of New South Wales.

18. EXECUTION

All Shareholders will be considered a party to this Syndicate Deed once they have either personally signed the Application Form for a share in this Colt or alternatively have authorised another person to sign the Application Form on their behalf. This authorisation must be evidenced in writing from the Shareholder and provided to the Syndicate Manager. Any transferee of a share will be deemed to have executed this Deed when they have signed the Information Memorandum provided by the Syndicate Manager. Once this Syndicate Deed has been executed all parties will be bound by its terms and conditions.