



FINANCIAL SERVICES GUIDE (“FSG”)

Reviewed 22 December 2021

The Provider of the financial services to which this **FSG** relates is:

DYNAMIC SYNDICATIONS

(DEAN WATT THOROUGHBREDS PTY LTD T/AS)

Suite 37, 3 Box Road, TAREN POINT, NSW, 2229

Postal: PO Box 2324, TAREN POINT, NSW, 2229

Telephone: 02 9540 1511;

Email: info@dynamicssyndications.com.au

Our ABN number is 64 134 481 539.

Our Australian Financial Services Licence (AFSL) Number is 336808.

This guide contains important information about:

- The services offered by **DYNAMIC SYNDICATIONS**;
- How **DYNAMIC SYNDICATIONS** and our associates are paid;
- How **DYNAMIC SYNDICATIONS** proposes to deal with any potential conflict of interest we may have; and
- The internal and external disputes resolution procedures maintained by **DYNAMIC SYNDICATIONS** and how shareholders in our Syndicates may access them.

It is an important document. Please read it carefully and keep it in a safe place.

The public offering of shares in Horse Racing Syndicates is regulated by the Corporations Act and relevant Instrument 2016/790, which require that **DYNAMIC SYNDICATIONS** as the Promoter provides potential purchasers of Shares with both this **FSG** and a **PRODUCT DISCLOSURE STATEMENT (PDS)** specific to each Syndicate in which we are offering Shares containing all relevant details of the Syndicate sufficient to enable prospective purchasers to make an informed decision as to whether or not to proceed to acquire Shares.

Horse Racing Syndicates are required to be registered with ASIC as Managed Investment Schemes unless the particular Syndicate qualifies for the exemption granted by ASIC CORPORATIONS (HORSE SCHEMES) INSTRUMENT 2016/790 [issued by ASIC on 1st January 2017] in relation to “Small Scale Horse Racing Syndicates”. A Horse Racing Syndicate which comes within the scope of 2016/790 is exempted from the requirement to be registered as a Managed Investment Scheme, provided it complies with the requirements of Instrument 2016/790 and is the subject of a Lead Regulator approved PDS. “Lead Regulator” means any one of the following bodies: Racing NSW, Racing Victoria Limited, Thoroughbred Racing S.A. Limited, Queensland Thoroughbred Racing Board, Western Australian Turf Club, Tasmanian Thoroughbred Racing Council, Alice Springs Turf Club and Darwin Turf Club.

DYNAMIC SYNDICATIONS is an approved promoter and is on the register of approved promoters of Horse Racing Syndicates with Lead Regulators Racing NSW and Racing Victoria Limited and is permitted by the terms of our **AFSL** to promote Lead Regulator approved Horse Racing Syndicates.

A GUIDE TO OUR RELATIONSHIP WITH YOU AND OTHERS

What kinds of financial services is DYNAMIC SYNDICATIONS authorised to provide and what kinds of financial products do those services relate to?

DYNAMIC SYNDICATIONS provides “General Financial Product Advice” only and deals only in the promotion and sale of Shares in Horse Racing Syndicates and the ongoing management of those Syndicates.

DYNAMIC SYNDICATIONS does not provide “Personal Financial Product Advice”, which must take into account a person’s financial situation, needs and objectives and require us to provide the person to whom the advice is given with a **STATEMENT OF ADVICE (SOA)** detailing our advice, together with information on our remuneration, associations and other interests, which might reasonably influence us in giving the advice.

In providing “General Product Advice” only in relation to each new Syndicate, **DYNAMIC SYNDICATIONS** will rely upon the relevant PDS for the provision to prospective purchasers of Shares of sufficient “General Financial Product Advice” to enable them to make an informed decision as to whether or not to proceed to acquire Shares.

How is DYNAMIC SYNDICATIONS (and our Associates, if any) remunerated for the financial services and products we provide?

DYNAMIC SYNDICATIONS does not charge a specific fee for giving “General Financial Product Advice” to prospective purchasers of Shares in the Syndicates we promote. The purchase price of the Share(s) includes a proportionate share of the costs of acquiring and maintaining the horse (including in most cases – insurance), plus the costs of establishing and publicly promoting the Syndicate to prospective purchasers of Shares; and a profit margin, if applicable.

The PDS for each Syndicate contains details of the costs and expenses associated with the particular Syndicate; together with a detailed statement of the risks associated with investment in that particular type of Syndicate

DYNAMIC SYNDICATIONS may also charge fees for the ongoing management of each Syndicate. All fees and charges applicable to the management of each Syndicate are detailed in the relevant PDS.

Prospective purchasers of Shares in any Horse Racing Syndicate should read the relevant PDS prior to deciding whether or not to acquire Shares and should contact **DYNAMIC SYNDICATIONS** for further clarification, if required.

DYNAMIC SYNDICATIONS and our management have addressed the issue of potential conflict of interest.

All fees and benefits payable to **DYNAMIC SYNDICATIONS** and other parties associated with the ongoing management of each Syndicate are fully disclosed in the PDS.

DYNAMIC SYNDICATIONS maintains internal and external dispute resolution procedures.

Each Syndicate Owners Deed contains details of procedures for dealing with disputes relating to the operation of the Syndicate.

Furthermore, **DYNAMIC SYNDICATIONS** is a member of the **AUSTRALIAN FINANCIAL COMPLAINTS AUTHORITY LIMITED, ABN 38 620 494 340 (AFCA)** [Postal Address: GPO Box 3, Melbourne, Victoria, 3001; Telephone: 1800 931 678; Web: www.afca.org.au] and shareholders in Syndicates promoted and managed by **DYNAMIC SYNDICATIONS** will, in certain circumstances, be entitled to have their complaint(s) referred to AFCA for determination by conciliation or arbitration. (AFCA Membership Number: **14543**).

Right of purchasers of shares to Cool-Off

Each purchaser of a Share in a new Syndicate will have a right to Cool-Off. Full details relating to a purchaser’s right to Cool-Off are set out in the relevant PDS.



Product Disclosure Statement

[This PDS for the sale of Shares has been approved by Racing NSW in its capacity as a Lead Regulator]

Horse	UNNAMED Chestnut Filly foaled 2020, by JUSTIFY (USA) from TINGU (FR) (by INTELLO)
Promoter and Manager	DYNAMIC SYNDICATIONS (ABN 64 134 481 539) – AFSL 336808
Trainer	CIARON MAHER RACING Ciaron Maher & David Eustace; co-trainers WARWICK FARM & CAULFIELD (ABN 28 062 944 629)

IMPORTANT NOTICES

This information is important and requires your attention

It is important that you read this document carefully and in its entirety prior to making your investment decision with respect to investing in the Syndicate the subject of this PDS. In particular, you should pay careful consideration to the risk factors outlined in Section 6 and the tax implications in Section 8 of this document as they relate to your personal investment objectives, financial circumstances and needs. The potential tax effects of an investment in the Syndicate will vary between Owners. Other risk factors may exist in addition to those identified in this document which should also be considered in light of your personal circumstances. If you have any queries or uncertainties relating to aspects of this document or an investment in the Syndicate, please consult your adviser before deciding whether to invest.

The issuer

This document is a Product Disclosure Statement (PDS) for the purposes of ASIC Corporations (Horse Schemes) Instrument 2016/790 (**ASIC Instrument**) and has been issued by Dynamic Syndications (ABN 64 134 481 539) (Dean Watt Thoroughbreds Pty Ltd t/as), AFSL 336808) (**Promoter**) as the Promoter of the Syndicate.

Date

This PDS is dated **1 APRIL 2022**. This PDS has not been, and does not need to be, lodged with ASIC. ASIC does not take any responsibility for the contents of this PDS or the merits of the investment to which this PDS relates.

Compulsory Notices – Racing NSW

- (1) A copy of this PDS has been approved by Racing NSW Limited (**Racing NSW**) for publication. No liability as to the contents of this PDS is accepted by Racing NSW, its officers, employees or agents. In particular (but without limiting the generality of this disclaimer) **Racing NSW** does not warrant, and has no responsibility for, the commercial merits or prospects of the Syndicate the subject of this PDS, the manner in which the Syndicate may operate, or the taxation advantages (if any) to which the Syndicate may give rise.
- (2) If the Syndicate is not fully subscribed by **1 OCTOBER 2022** or if Racing NSW refuses to register the Syndicate, all application moneys held in trust, together with any interest earned, will be returned to Applicants within 10 business days.
- (3) The Promoter and Manager do not directly influence experts such as trainers, veterinarians, or valuers to provide advice which is biased, nor do these experts have any commercial reason to provide advice which is biased.

Not investment advice

The information contained in this PDS should not be taken as financial product advice and has been prepared as general information only without consideration for your particular investment objectives, financial circumstances or particular needs.

If you have any queries or uncertainties relating to aspects of this PDS or the offer of Shares in the Horse the subject of this Syndicate, you should consult your accountant or other independent financial adviser before deciding whether or not to invest.

Similarly, the tax implications of your investment will vary depending on your personal financial circumstances and investment objectives. You should consider the tax implications outlined in Section 8 of this PDS and obtain your own professional taxation advice prior to deciding whether or not to invest.

Rights and liabilities attached to Shares

Details of the rights and liabilities attached to the Shares are set out in Section 2 and in the Owners Deed of Agreement, a copy of which will be made available for inspection (by appointment) at the registered office of the Promoter within normal trading hours.

Electronic PDS

Copies of this PDS are available in both electronic (PDF) format or paper form, free of charge, by contacting the Promoter. Please ensure that you read this PDS in its entirety.

Applications for Shares the subject of this PDS will only be considered if applied for using the Share Application Form included with this PDS.

Jurisdiction

The offer of Shares the subject of this PDS is only available within Australia. This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this PDS to jurisdictions outside Australia may be restricted and persons who come into possession of this PDS should seek advice from their professional advisers and observe any possible restrictions. A failure to comply with such restrictions may violate the applicable securities law.

Cooling-off

Applicants whose applications for Shares are accepted will have a right to "Cool-off" (thereby cancelling the purchase of the Share or Shares applied for) at any time during the "Cooling-off period".

The Cooling-off period will commence at the end of the **5th** day following the day upon which notification of acceptance of applications is forwarded to those Applicants whose applications for Shares have been accepted ("the Cooling-off commencement date") and will expire at the end of the **14th** day thereafter ("the Cooling-off expiration date").

An Applicant who desires to Cool-off must, during the Cooling-off period, notify the Promoter in writing (by post, facsimile or email) that the Applicant has elected to Cool-off, in which event the Applicant will be entitled to receive a full refund of all Application Moneys paid to the Promoter.

Updated information

Information regarding this Syndicate may change from time to time.

The Promoter may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

Financial information

Unless otherwise specified, all financial and operational information contained in this PDS is believed to be current as at the date of this PDS.

All currency amounts are in Australian dollars unless otherwise specified.

No financial forecasts are made in this document.

Forward Looking Statements

Other than as required by law, none of the Promoter, its directors, officers, employees or advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this PDS will actually occur. You are cautioned not to place undue reliance on those statements.

The forward-looking statements in this PDS reflect the views held only immediately before the date of this PDS, unless otherwise stated. Subject to applicable law, each of the Promoter, the Manager, their respective directors, officers, employees and advisers disclaims any duty to disseminate after the date of this PDS any updates or revisions to any such statements to reflect any change in expectations in relation to such statements or any change in events, conditions or circumstances on which any such statement is based.

Photographs, diagrams and artist's renderings

Photographs, diagrams and artist's renderings used by the Promoter contained in this PDS or located on our website or in advertising that do not have accompanying descriptions are intended for illustrative purposes only. They should not be interpreted to mean an endorsement of

this PDS or its contents by any person shown in these images. Furthermore, assets not accompanied by a description may have been enhanced and should not be interpreted as being owned by the Promoter or this Syndicate.

Diagrams used in this PDS are also intended for illustrative purposes only and may not be drawn to scale.

Definitions, abbreviations and other information

Explanations of defined terms and abbreviations used throughout this PDS can be found in Section 9.

Unless otherwise stated or implied, references to times in this PDS are AEST. Similarly, references to dates or years in this PDS are financial years unless otherwise stated or implied.

Disclaimer

No person is authorised to give any information, or to make any representation, in connection with the offer for Shares in this Syndicate that is not contained in this PDS.

Any information or representation that is not in this PDS may not be relied on as having been authorised by the Promoter in connection with the offer for Shares in this Syndicate. Except as required by law, and only to the extent so required, neither the Promoter, nor any other person, warrants or guarantees the future performance of this Syndicate, the repayment of capital, or any return on any investment made pursuant to this information.

Further queries

If you have any queries relating to aspects of this PDS please email: info@dynamic syndications.com.au

Important notice: This document was compiled by Dynamic Syndications ("Dynamic") from a template provided by Macquarie Legal Practice ("MLP") and is subject to Copyright©. Copying any part of it is prohibited and is therefore illegal and may expose you to legal proceedings unless you have the consent of Dynamic and then the copy you make must be used only as permitted by the terms of the consent which will be given only for bona fide dealings or activities concerning the Syndicate to which it relates.

Telephone: 02 9235 2500 Email: law@maclegal.com.au Website: www.maclegal.com.au

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SHARE APPLICATION FORM

1. KEY FEATURES OF AN INVESTMENT IN THE SYNDICATE

The Syndicate the subject of this Product Disclosure Statement ("PDS") is designed to afford investors who hold ownership interests (**Shares**) in the Horse as co-owners, the opportunity to contribute the right to use their interests in the Horse to the Syndicate, so that they may, as members of the Syndicate, derive the benefit of racing the Horse as a whole.

The table below is only a summary of the key features of the Syndicate. You must read the whole of this PDS to obtain more information.

Share holdings	
Application Price per Share payable upon application	\$13,300.00 (including GST) , as set out in Section 7.
Minimum Subscription (investment)	1 Share.
Additional Subscription (investment)	Multiples of 1 Share.
Minimum Overall Subscription (minimum number of Shares to be issued)	Twenty (20).
Maximum Overall Subscription (maximum number of Shares to be issued)	Twenty (20).
Distributions	
Frequency of Income distributions	If the Horse earns any Prize money, Owners Bonus or Incentive Scheme payments, or other bonuses, the Net Prize money and bonuses will be distributed to the Owners either: <ul style="list-style-type: none"> o directly by the relevant Principal Racing Authority via its Stakes Payment System; or o if paid to the Syndicate's designated bank account maintained by the Manager, within 30 days of the Manager receiving any significant amount of Net Prize money into that account, and upon the winding up of the Syndicate, subject to the right of the Manager to retain moneys on account of Syndicate operating costs, including Horse expenses.
Payment	By EFT to each Owner's nominated bank account.
Amount	Each Owner's proportion of the Syndicate Income during the relevant distribution period.
Capital distributions	Upon the winding up of the Syndicate or earlier sale of the Horse.
Fees	
Entry fee	Nil.
Exit fee (upon termination of the Syndicate)	Nil.
Management Fee	For further details see Section 7.
Other fees and expenses	For further details see Section 7.
Cost recoveries	The Manager is entitled to recover from the Owners costs properly incurred in relation to the Syndicate.

Some of the terms used in this PDS are defined in the Glossary in Section 9.

2. WELCOME TO THE SYNDICATE

2.1 Overview

The Syndicate is designed to afford investors (**Owners**) an opportunity to acquire Shares in a quality thoroughbred racehorse (**Horse**) and to participate in the Common Enterprise of caring for, training and racing the Horse as a whole for their mutual benefit (**Syndicate**). By holding Shares in the Horse and participating in the Syndicate, investors spread both the costs and risks associated with owning and racing thoroughbred horses.

2.2 Structure of Syndicate

The Syndicate is structured as a co-ownership arrangement and relates solely to the Horse the subject of this PDS.

The Owners Deed of Agreement will govern the legal relationship between the Owners for the Term of the Syndicate. A copy of that document is included in this PDS as **attachment A**.

The legal and beneficial title to the Horse is divided into Twenty (20) equal undivided Shares (**Shares**), which are held by the Owners' as tenants-in-common.

2.3 How the Syndicate Works

The Owner of each Share:

- (a) is required to contribute to the Syndicate:
 - (i) the right to use one's interest in the Horse, to facilitate the Horse as a whole being used in the Common Enterprise for the mutual benefit of all the Owners; and
 - (ii) moneys to pay the operating costs of the Syndicate, including the costs of maintaining, training and racing the Horse as a whole, in the same proportion as the number of Shares held bears to the total number of Shares; and
- (b) is entitled:
 - (i) to participate in the Common Enterprise; and
 - (ii) to receive a proportion of any Income of the Syndicate (Net Prize money, Owners Bonus or Incentive Scheme payments and other bonuses earned by the Horse) in the same proportion as the number of Shares held bears to the total number of Shares on issue.

The Owners collectively derive the benefit of racing the Horse as a whole and are collectively responsible for the activities and trading of the Syndicate. However, in the normal course, Owners are required to contribute only their proportion of the operating costs of the Syndicate.

The Manager will manage the Syndicate on behalf of the Owners and hold the Syndicate Property upon trust for the benefit of the Owners, in accordance with the Owners Deed of Agreement.

The Manager will appoint the Trainer to supply training and ancillary services in accordance with the Trainer's Training Agreement.

The Trainer's obligations under the Training Agreement include (without limitation):

- (a) taking possession and day-to-day control of the Horse on behalf of the Owners for the purpose of training and racing it to best advantage;
- (b) providing all stabling and ancillary services, equipment and gear, feed and supplements;
- (c) providing or procuring the services of such third-party service providers as the Trainer considers necessary to provide services in relation to the Horse, including (without limitation) chiropractic care, dentistry, farriery and veterinary care, agistment, pre-training and transportation;
- (d) determining in consultation with the Manager the racing program of the Horse and also the jockey who will ride it in each of its races; and

- (e) as the representative of the Manager, entering (including nominating, accepting and scratching) the Horse for any race or trial, in consultation with the Manager, unless otherwise specifically agreed with the Manager. The Manager will not be liable to the Owners for any act or omission on the part of the Trainer resulting in the Horse not being entered for any specific race that may be preferred by the owners.

Fees and expenses will be invoiced to the Owners as follows:

- (a) the Trainer and other Third-Party Service Providers will invoice the Owners monthly in arrears for their proportion of fees and expense; and
- (b) the Manager will invoice each Owner and the Trainer monthly in advance for the Management Fee.

The Manager may, on behalf of the Owners, accept terms that require payment to the jockey of an additional success fee of 5% of gross Prize money earned for a winning ride on the Horse in any sales series race or group or listed race, subject to the provision of a tax invoice.

Compulsory Notice – required by the terms of the ASIC Instrument

An Owner may elect to have the Horse tested for a prohibited substance under the Rules of Racing, with the cost of the testing to be borne by all participants (whether or not they elected to have the Horse tested).

2.4 The Horse

The Horse the subject of this PDS is identified as follows:

Name	UNNAMED
Colour	Chestnut
Sex & DOB	Filly foaled 28 JULY 2020
Sire	JUSTIFY (USA)
Dam	TINGU (FR) [by INTELLO]
Life number (ASB)	AUS01221338
ASB Microchip number	985100012180165
Name of Breeder (as recorded with ASB)	KATOM, NSW

A catalogue style pedigree of the Horse is included in this PDS as **attachment B**.

2.5 The passing of title, issuing and allotment of the Shares

DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) (ABN 64 134 481 539) (**Offeror**) is the seller of the Shares the subject of this PDS. The Offeror acquired the Horse at auction. The details of that transaction are as follows:

Auction Sale Company	Magic Millions
Location	Bundall Qld
Date	11-17 January 2022
Vendor (as named in catalogue)	Coolmore Stud (as agent)
Sale Price	\$150,000, plus GST

Prospective investors should be aware:

- (a) that the Offeror may retain any number of Shares and participate as a member of the Syndicate.

If the Offeror retains any Shares, this will be disclosed to investors, and the Offeror will have the same rights and obligations as the Owner of such Shares as any other Owner, notwithstanding that the Offeror is also acting in another capacity under the Owners Deed of Agreement.

Upon the Syndicate being fully subscribed, the Promoter:

- (a) will apply the Application Moneys paid by those Applicants whose applications for Shares have been accepted and who have not elected to cool-off ("the Owners") to the payment of the Sale Price of the Horse and the purchase of the Shares;
- (b) will obtain a Vendor Release Statement from the Auction Sale Company; and
- (c) will, before or upon registration of the Syndicate, ensure that the Owners hold the legal and beneficial title to the Horse, free of any encumbrance, subject to the provisions of the Owners Deed of Agreement.

Upon the Promoter applying the Application Moneys, the legal and beneficial title to the Horse will pass to the Owners.

Within 7 days of the payment of the Sale Price, the Promoter will issue Shares numbered 1 to 20 inclusive and allot them to the Owners

Within 45 days of the Syndicate being fully subscribed, the Promoter will apply to the Registrar of Racehorses to register the Horse in the names of the Owners.

2.6 What happens if insufficient money is raised?

This PDS will expire 6 months from its issue date, or such earlier date as the Promoter may determine (**Offer Closing Date**).

If there are insufficient applications for the Twenty (20) Shares (**Minimum Overall Subscription**) by the Offer Closing Date, the Syndicate will not proceed, and all Application Moneys received will be refunded within 10 days.

Until the Minimum Overall Subscription is achieved, the Application Moneys received will be held in a trust account designated for Application Moneys. Such moneys will not be invested in an interest-bearing account and no interest will be paid to the applicants by the Promoter.

Shares will be issued once the Minimum Overall Subscription is achieved.

2.7 The Promoter

The Promoter of the Syndicate is DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) (ABN 64 134 481 539)

The Promoter holds *Australian Financial Services Licence: 336808* and is on the *Register of Approved Promoters* with Racing NSW and Racing Victoria.

The Promoter was incorporated in 2004 and specialises in the establishment and operation of Horse Racing Syndicates. It has held its current AFSL since 2004.

The Promoter is a member of the *Australian Financial Complaints Authority Limited (AFCA)*, an external dispute resolution body member number 14543.

2.8 Director(s) of the Promoter

The sole director of the Promoter is DEAN WARREN WATT. Dean has more than 35 years' experience as a bloodstock consultant and bloodstock agent, syndicating and managing thoroughbred racehorses.

2.9 The Manager

DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) (ABN 64 134 481 539) (**Manager**) has agreed to manage the Syndicate on behalf of the Owners in accordance with the Owners Deed of Agreement.

The Manager has relevant expertise in horse racing and is regarded as able to procure the services of various persons to provide services in relation to the Horse, and the Syndicate, including the Trainer, and to monitor the provision of those services.

The Manager will manage the Syndicate in accordance with the Owners Deed of Agreement, the Rules of Racing, and any rules, regulations, or guidelines, made from time to time by the Principal Racing Authority of the state or territory in which the Horse may race.

The Manager, being a Corporation, will appoint one of its officers to represent it in all dealings relating to the Syndicate and the Rules of Racing.

2.10 The Manager's remuneration

The Manager's remuneration for operating the Syndicate, including managing the Horse, is set out in Section 6.

2.11 The Trainer

CIARON MAHER RACING Ciaron Maher & David Eustace; co-trainers WARWICK FARM & CAULFIELD (ABN 28 062 944 629) (Trainers) has agreed to train the Horse on behalf of the Owners. A copy of the Trainers confirmation letter is included in this PDS as **attachment C**.

The Trainer will provide training and ancillary services in accordance with the terms of its Training Agreement and Fees Notice, copies of which are included in this PDS as **attachment D** and **attachment E** respectively.

2.12 Veterinary Report

The Promoter has arranged for **Dr. TIM ROBERTS – Centennial Park Veterinary Practice (ABN 91 072 794 944)** to examine the Horse and provide a report. The report includes a statement to the effect that, in the opinion of the examining veterinarian, the Horse is suitable for purchase and for syndication as a prospective racehorse. A copy of the report is included in this PDS as **attachment F**.

2.13 Assessment of Value

The Promoter relies upon the Sale Price paid at auction to acquire the Horse (as disclosed in 2.5) as being the fair market value of the Horse.

Any prospective investor requiring an independent assessment of the Horse's value should consult a member of the Federation of Bloodstock Agents Australia (FBAA) as to the value of the Horse before applying for a Share.

2.14 Insurance

The Promoter arranged with LOGAN LIVESTOCK INSURANCE AGENCY PTY LTD (ABN 81 001 826 204) at the time of purchase of the Horse; (a) mortality insurance at the full syndication value of this promotion, (b) \$10,000 emergency surgery policy, (c) professional indemnity insurance specific to this promotion, (d) impairment guarantee, from the Commencement Date expiring **1st November 2022**. The premiums are inclusive in the sale price of the Share. The benefit of mortality and emergency surgery cover will pass to the Owners upon the allotment of the Shares.

A copy of the Memorandum of Insurance is included in this PDS as **attachment G**.

Prospective investors should be aware that when this insurance cover expires, each Owner will be responsible for procuring one's own insurance cover.

2.15 Racing colours

The Horse will carry the following racing colours:

- Set 1 – White, Dynamic Syndications log, red cap
- Set 2 – White, Dynamic Syndications logo, white cap
- Set 3 – White, Dynamic Syndications logo, yellow cap

Sets 2 and 3 will only be used in races where the Manager has multiple horses entered, at the Manager's discretion.

2.16 Code of conduct

All Owners must comply with the Rules of Racing and are expected to act in the best interests of racing, the Horse, and all parties associated with the Syndicate. A copy of the Rules of Racing can be obtained from the Racing Australia Limited website: [www.racingaustralia.com.au].

3. THE SYNDICATE AT A GLANCE

The table below provides a summary of key features of the Syndicate:

Feature	Description
What is the Manager's role?	<p>The Manager is responsible for:</p> <p>Communication</p> <p>All communications:</p> <ul style="list-style-type: none"> o with the Owners, including as to the Horse's general well-being and progress, proposed racing program and race performances (both pre-race and post-race); o with the Trainer; and o with all third parties who provide services in relation to the Syndicate and the Horse. <p>IMPORTANT NOTICE: Owners are not authorised to contact the Trainer directly about the management and training of the Horse.</p> <p>Horse Management</p> <p>The management of the Horse, including arranging for the Trainer to take possession and day-to-day control of the Horse for the purpose of training and racing it to best advantage.</p>
Who can invest?	Only persons who are eligible to invest in Shares in Australia.
How do I access the Manager's services?	<p>By email: info@dynamicsyndications.com.au</p> <p>By telephone: 02 9540 1511</p>
How much can I invest?	<p>Minimum Subscription is for 1 Share.</p> <p>The total number of Shares to be issued is 20 (Twenty).</p>
What is the term of my investment?	<p>The Term of the Syndicate is not fixed. It will commence on the Commencement Date and end on the End Date, which will be determined in accordance with the Owners Deed of Agreement.</p> <p>The Syndicate may be terminated by the Manager at any time, with the Owners approval (evidenced by an Extraordinary Resolution):</p> <ul style="list-style-type: none"> o if the Horse fails to win any significant races or Prize money and the Manager considers it is unlikely to do so; o if in the Manager's reasonable opinion, supported by veterinary advice, the Horse is unsound to continue racing; or o if the Manager considers it to be in the best interests of the Owners to sell the Horse, or to retire it from racing.
How does the Manager apply my Contributions?	<p>Owners' contributions are used to pay the fees and expenses of operating the Syndicate, including maintaining, training and racing the Horse as a whole to best advantage.</p> <p>The Trainer and other Third-Party Service Providers may invoice Owners directly for their proportion of fees and expenses, or the Manager may require the Owners to make contributions to the Syndicate bank account on account of estimated fees and expenses.</p>
What return do I receive for my investment?	Returns are entirely speculative, so no estimates of likely returns are provided.
When do I receive payments?	<p>If the Horse earns any Prize money, Owners Bonus or Incentive Scheme payments, or other bonuses, the Net Prize money and bonuses will be distributed to the Owners either:</p> <ul style="list-style-type: none"> o directly by the relevant Principal Racing Authority via its Stakes Payment System; or o if paid to the Syndicate's designated bank account maintained by the Manager, within 30 days of the Manager receiving any significant amount of Net Prize money into that account, and upon

	the winding up of the Syndicate, subject to the right of the Manager to retain moneys on account of Syndicate operating costs, including Horse expenses.
What fees and charges do I pay?	Each Owner must pay one's proportion of the fees and expenses of operating the Syndicate, including maintaining, training and racing the Horse, as set out in Section 6.
What happens if I don't pay fees and expenses when due?	<p>The Manager has the right to charge interest or late fees and can sell your Share(s).</p> <p>The Manager also has the right:</p> <ul style="list-style-type: none"> o to give a direction for the payment of Prize money and Proceeds, and to deduct such amounts from any distributions of Income and Proceeds otherwise due to you; and o to require you to surrender your Share(s) in the Horse and the Syndicate if your contributions or payments are more than 60 days in arrears.
How do I withdraw funds?	An Owner does not have the right to require the Promoter or the Manager to redeem Shares or to buy them back either at any time during the Term or upon the winding up of the Syndicate. However, an Owner may at any time during the Term transfer one's Share(s) to some other person with the Manager's approval, in accordance with the Owners Deed of Agreement.
Are there risks in investing?	Yes, there are a number of risks which may lead you to lose some or all of your investment. It is important that you read and understand each of the risks set out in Section 5.
What happens at the end of the Horse's racing career?	This will be determined in accordance with the Owners Deed of Agreement.
What happens if the Horse dies?	The Syndicate will be wound up in accordance with the Owners Deed of Agreement.
What happens at the end of the Term?	This will be determined in accordance with the Owners Deed of Agreement.

4. WHAT ARE THE BENEFITS OF INVESTING IN THE SYNDICATE?

Investing in the Syndicate is not without risk. It is important that as well as reading the benefits of investing set out below, you read and understand each of the risks set out in Section 5.

Significant benefits	Description
Participation in horse racing	An investment in the Syndicate allows you to participate in the horse racing industry. The Syndicate will be professionally managed on behalf of the Owners.
Sharing in Prizemoney	Owners will be entitled to receive a proportion of the Syndicate Income (Net Prize money, Owners Bonus or Incentive Scheme payments and other bonuses earned by the Horse) in the same proportion as the number of Shares held bears to the total number of Shares on issue, subject to the right of the Manager to retain moneys on account of Syndicate operating costs, including Horse expenses.
Trophies	In compliance with the Rule of Racing AR 63 (2) (c), the Manager will be entitled to receive and will retain all Original Trophies won by the Horse. Any Owner who wishes to obtain a replica of the Original Trophy will be entitled to request the Manager to assist them in doing so, in accordance with clause 1.7 of the Owners Deed of Agreement.
Other Owners rights	<p>An investment in the Syndicate also affords you the opportunity to experience other Owners rights, including:</p> <ul style="list-style-type: none"> o (naming rights) If the Horse is unnamed at the Commencement Date of the Syndicate, all Owners will have the opportunity to make a nomination on the naming of the Horse. A ballot will then be conducted with the first 3 names drawn being submitted to the Registrar of Racehorses, with the first available name to be allocated by the Registrar. o (facebook) The Owner of each Share will be entitled to have one's name appear in the racebook as an owner of the Horse. If a Share is held by 2 or more persons jointly, the Rules of Racing require you to register a syndicate and to hold the Share in the name of that Syndicate. The registered manager of that syndicate: <ul style="list-style-type: none"> - will hold the Share as trustee for the other members of that syndicate; - will represent them in all dealings relating to the ownership of the Horse; and - will be responsible for ensuring that they comply with their collective obligations as the Owner of a Share under the Owners Deed of Agreement. o (enclosure ticketing) Race Clubs currently normally provide for a maximum of 20 owners enclosure tickets only on race day. On some race days, owner's enclosure ticketing is restricted, in which case the Manager will ballot the available tickets amongst the Owners intending to attend on race day.
Communications	The Manager is expected to ensure that regular reports are provided to the Owners on the Horse's progress, including pre-race and post-race reports and additional ancillary services.

5. WHAT ARE THE RISKS OF INVESTING IN THE SYNDICATE?

5.1 Risk Overview

All investments involve a degree of risk. These risks include (without limitation):

- (a) those associated with the Syndicate, including inherent risks and other risks that may be insignificant or not reasonably foreseeable;
- (b) those that apply to investments generally;
- (c) those that are associated with the Manager; and
- (d) those that individual investors may face.

While a number of these risks are explained below, you should:

- read the whole of this PDS to fully appreciate these matters;
- think about your tolerance to risk and how the potential investment risks of this Syndicate may affect you; and
- seek your own independent legal, financial and tax advice before deciding to invest.

5.2 Specific risks associated with the Syndicate

Investment in racing thoroughbred horses must be considered to be of a speculative nature.

Risks specifically associated with the Syndicate include (without limitation):

- (a) Owners will incur significant expense without the assurance of any financial return;
- (b) there is no guarantee or assurance as to the racing ability of the Horse or that it will progress to winning any races or Prize money;
- (c) the Horse may die, or its suitability for racing or subsequently for breeding may be diminished or lost as a consequence of market forces or the materialisation of an inherent risk, including (without limitation) accident, illness, infertility or sub-fertility, injury or natural cause, or other risk that may be insignificant or not reasonably foreseeable;
- (d) if the Horse is an Entire (a male horse that has not been gelded), it may require gelding. Most male racehorses are gelded as a consequence of physical or behavioural considerations in an effort to enhance racing performance. However, even if the Horse is permitted to remain an Entire, a residual value as a stallion is not assured; and
- (e) racing stables, racecourses and other places where the Horse may be located from time to time can be dangerous places, including because horses do not always behave as expected. Entering into those places involves personal responsibility to be aware of the risk of injury, accident and loss or damage to person or property for all persons who enter.

Owners should also anticipate that the value of the Shares will fluctuate during the Term of the Syndicate and that there will be no ready market for the Shares.

(Payment obligations) As a participant in a co-ownership arrangement (Common Enterprise), you should be aware:

- (a) that either the Horse, or a co-owner's interest in the Horse, may be lawfully sold if any of the co-owners do not pay their proportion of the costs of operating the Syndicate when due; and
- (b) that the failure of any co-owner to comply with one's payment obligations to the Trainer may result in the Trainer stopping or suspending training of the Horse (including entering it for any race or trial), even though the other co-owners are complying with their payment obligations.

(Industry conditions) Changes in the thoroughbred horse racing industry or market conditions could have a positive or negative impact on your investment during the time that you are an Owner, including level of Prizemoney on offer.

It is also possible that restrictions on the racing of thoroughbred horses, or an outright ban on horse racing, could occur in any or all of the Australian states and territories in which the Horse may be raced. If that occurs, you may lose all of your investment, there will be no further Prizemoney and there may be a period of time when you are still required to pay the costs associated with the maintenance and welfare of the Horse.

5.3 General Investment Risks

The Syndicate will be exposed to the direct and indirect consequences of changes in the state of the economy generally, including inflation risks, interest rates, public health, market and investment sentiment and other changes in the economic factors that affect a particular industry or market sector, as well as other factors over which the Manager has no control.

Legal, taxation and regulatory changes in the Australian investment environment, as well as changes in State or Federal Government policy may occur during the time that you are an Owner.

5.4 Manager Risks

(Dependence on the Manager) The Manager is obliged to manage the Syndicate and to ensure the efficient day-to-day operation of the Syndicate. If it fails to do so, then the Owners have the right to appoint an alternate third-party manager. There are risks attached to the Owners' dependence on the Manager, including:

- (a) reliance on the skill and expertise of the Manager to manage the Syndicate, as well as the manner in which these functions are carried out;
- (b) the way in which the Manager performs these functions may affect the returns to Owners; and
- (c) changes in the personnel of the Manager which may reduce its skill level in managing the Syndicate.

(Dependence on the third-party service providers) The Manager will engage the services of various third-party service providers, including the Trainer, to provide services in relation to the Syndicate and the Horse. There are risks attached to the Manager's dependence on those third parties, including (without limitation) the risk that the third party fails to effectively provide the services and support that such parties are contracted to provide.

5.5 Investor Risks

(Illiquid Investment) An investment in the Syndicate is illiquid. You have no right to redeem your Shares, there is no secondary market for them, and you may not be able to find someone to buy them from you.

(Default) You will be in default if you fail to pay an amount when due. If you are in default, then the Manager may:

- (a) charge interest on any outstanding amount owing to the Manager;
- (b) deduct such amounts from Syndicate income otherwise due to you; or
- (c) require you to sell or surrender your Share(s) either to the other Owners or an outside party if you breach a material obligation, including any payment obligation, under the Owners Deed Of Agreement and fail to remedy such breach when requested to do so by the Manager.

The Manager may bring an action against an Owner to collect all amounts due, including interest, late charges and costs. If a Share is owned by more than one person or entity, such holders are jointly and severally liable for all amounts payable in relation to that Share. The Manager is not obliged to sell the Share and, in any event, may be unable to do so. The liability for ongoing costs associated with the ownership of a Share for the Term of the Syndicate may not be avoided by abandoning or surrendering that Share.

6. APPLICATION PRICE, FEES AND EXPENSES (ONGOING), AND TAXATION

6.1 Application Price

The Promoter is offering Shares to prospective investors at the Application Price per Share of **\$13,300.00** (including GST), calculated as follows:

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Offeror – fall of the hammer	\$150,000	\$7,500
B. Promoter's margin 12.5%	\$18,750	\$938
C. Other acquisition costs	\$38,537	\$1,927
D. Syndicate establishment costs	\$19,255	\$963
E. Actual and budgeted Horse husbandry costs to 30/6/22	\$14,586	\$729
Sub-total	\$241,128	\$12,057
F. GST	\$24,112	\$1,205
G. Racing NSW Registration Fees (GST exempt)	\$760	\$38
Total	\$266,000	\$13,300
Application Price per Share – 1/20th [or 5%] Share		\$13,300

Further details in relation to how the Application Price has been calculated are set out in **attachment H**.

6.2 Fees and Expenses (ongoing)

The indicative operating and compliance costs (including GST) of the Syndicate that will be payable by the Owners annually are set out in the following table:

	Total for Syndicate (including GST)	Total per Share (including GST)
Payable to Manager per annum		
Management Fee per Share per day of \$2.49 inc GST [equates to \$75.75 per month: \$68.87 + \$6.88 GST]	\$18,180	\$909
Horse expenses payable to the Trainer and other unrelated external service providers per annum		
Estimate only of total fees and expenses of maintaining, training and racing the Horse, excluding race entry fees for group races, and the cost of any extraordinary (non-routine) veterinary and other treatments, including surgery	\$55,000	\$2,750
Total	\$73,180	\$3,659

6.3 Fees payable to the Manager, including entitlements to Additional Remuneration and Gratuities

The Manager may charge fees for performing the Manager's duties, and will also be entitled to receive or have bestowed additional remuneration and gratuities, subject to the proper performance of one's duties:

Manager's Remuneration

Management Fee:

- Payable by Owner – \$909.00 annually per Share – payable by monthly instalments in advance of \$75.75 (including GST) [\$18,180 including GST annually, for the whole Syndicate] for any horse offered as an **untried / unraced** thoroughbred horse being offered by the promoter (described as a *Yearling, Weanling, 2YO, 2YO Ready-To-Run or 2YO-In-Training*). If an Owner holds 3 or more Shares in any horse as described, that had been offered by the promoter, this fee will be capped at a multiple of 2 shares [\$151.50 including GST per month]. If a Share is held by 2 or more persons as tenants-in-common, **each** joint holder must pay this fee.
- Payable by Owner – For any promotion of a **Racehorse-In-Training** (described as a *tried horse*) offered by the promoter, a standard Monthly Management Fee applies. Notwithstanding

Manager's Additional
Remuneration and Gratuities

whether an existing owner holds 3 or more shares across various promotions, the Monthly Fee for a Racehorse-In-Training promotion of \$75.75 (including GST) is applicable. However, in such circumstance would be reduced to a set amount of \$33.00 (including GST) per calendar month. Should any Owner currently eligible for the lesser rate subsequently reduce their total shareholding across all promotions to one share or two shares, the fee will revert to the standard Monthly Fee of \$75.75 (including GST) per share. If a Share is held by 2 or more persons as tenants-in-common, **each** joint holder must pay this fee.

- Payable by Owner – Percentage of Prize money and bonuses – 2% when the value of the prizemoney won on any individual race is equal to or higher than \$17,000, increasing to 5% once the total value of gross Prize money and bonuses earned exceeds the total value of the Shares offered under this PDS.
- Payable by Owner – Percentage of Sale Price – 5% of the gross Sale Price (excluding GST), at the Manager's discretion.
- Lifetime Service Right(s) – 2 [this only applies if the Horse is an Entire (male horse that has not been gelded) and is retired to stud.

Manager's Additional
Remuneration earned from
Trainers, Pre-Trainers and
Agistment Farms

- Payable by Suppliers (*being: Trainers, Pre-Trainers and Agistment Farms*) – 7.5% of their base advertised daily fee charged by the Supplier for the Horse. This fee is currently estimated at a maximum amount of \$11.55 (including GST) per day, based on a daily training fee of \$154.00 (including GST). This fee is borne and paid solely by the listed Suppliers and is levied at the Manager's discretion.

Maximums and waivers

The Manager may waive its fees and costs in whole or in part.

Fee changes

The Manager may cease any waiver of fees to which it is entitled. It may also increase its fees within the maximum limits provided in the Owners Deed of Agreement.

6.4 Example of the annual cost of holding 1 Share

If you acquire 1 Share you will be required to contribute the following during each year	Monthly fees (including GST)	Annual fees (including GST)
	Per Share	
Syndicate non-Horse expenses	\$75.75	\$909
Syndicate Horse expenses (estimated average)	\$229	\$2,750
EQUALS COST OF 1 SHARE		\$3,659

6.5 Taxation

The Promoter is not an expert in taxation. Owners are advised to consult their professional advisers as to the income tax and capital gains consequences of investing in the Syndicate.

7. ADDITIONAL INFORMATION

7.1 Interests of the Promoter, the Manager, their Directors and Experts

The Promoter and the Manager neither have, nor have had, in the period of 2 years before the date of this PDS, any interest in relation to the Horse (including its sire or dam) or the promotion of the Syndicate, other than the interests detailed in this PDS.

No Director or proposed Director of the Promoter or the Manager has, or has had in the period of 2 years before the date of this PDS, any interest in relation to the Horse (including its sire or dam) or the promotion of the Syndicate, other than emoluments such person may be entitled to receive from the Promoter or the Manager, and which are detailed in this PDS.

The Promoter will ensure that any veterinarian providing a veterinary report to the Promoter or the Manager, neither has, nor has had, any interest in relation to the Horse or the promotion of the Syndicate, except that such person will receive a professional fee for undertaking the examination and providing the report.

There is nothing in the Owners Deed of Agreement to prevent either themselves or any members, officers, directors of the Promoter or the Manager, or any corporation or other person related to any of them, from purchasing, holding, dealing in or disposing of Shares, or from otherwise contracting or acting as agent or entering into or being interested in any contract or transaction whatsoever with any other of them or with any Owner, provided that those persons must act, in connection with any such transaction, in a fiduciary relationship of utmost good faith to the Owners.

7.2 Interests in the Horse's Sire

Compulsory Statement – required by the terms of the ASIC Instrument

The Promoter and the Offeror neither hold nor have held any interest in the Horse's Sire entitling them to a free service to that Stallion.

7.3 Owners Deed of Agreement

The Owners Deed of Agreement is binding upon the Owners and the Manager and covers a number of additional matters to those referred to in other parts of this PDS, including:

- (a) the right of Owners to receive a proportion of any Income of the Syndicate;
- (b) Owners meetings (a resolution may bind an Owner, regardless of how or whether or not the Owner voted);
- (c) the circumstances in which the Manager is and is not liable to the Owners;
- (d) the Manager's rights, powers and entitlement to fees and expenses;
- (e) the Manager's right of indemnification for all costs incurred by it in relation to the operation of the Syndicate (subject to the proper performance of its duties);
- (f) the circumstances in which Manager may give a direction for the payment of a Defaulting Party's proportion of Prize money and Proceeds and to apply same to remedy such default;
- (g) when the Manager can retire;
- (h) the circumstances in which the Owners can remove and replace the Manager or the Trainer; and
- (i) when the Manager can terminate the Syndicate.

The Manager is not obliged to convene Owners meetings but may do so at any time upon the giving of at least 21 days' notice to the Owners.

The Owners may make recommendations to the Manager as to the operation of the Syndicate and the management of the Horse.

Subject to the specific provisions of the Owners Deed of Agreement, the Manager may amend the Owners Deed of Agreement from time to time PROVIDED it reasonably considers that any such amendment will not adversely affect the rights of Owners. Otherwise, the Manager must obtain the Owners approval (evidenced by a Special Resolution) before adopting any proposed amendment.

Any resolution, including an Extraordinary Resolution or a Special Resolution, at an Owners meeting will bind an Owner, regardless of how or whether or not the Owner voted.

7.4 Keeping you informed

The Manager will keep you up to date regarding your investment. For example, you will receive:

- (a) a confirmation notice after the Share you have applied for is issued;
- (b) ongoing regular updates.

Email is our default means of sending you information; however, we will send you information by post if you contact us and request this method of delivery.

7.5 Complaints

If you have any concerns or complaints in relation to the operation of the Syndicate, you should contact the Manager. The Manager will acknowledge receipt of your complaint and attempt to resolve it as soon as practicable.

A procedure for making and handling complaints is set out in the Owners Deed of Agreement.

7.6 Directors' authorisation

The sole Director of the Promoter states that he has made all reasonable enquiries and has reasonable grounds to believe that all statements in this PDS are true and not misleading. The Director has given and has not, at the date of this PDS, withdrawn his consent to the issue of this PDS. The issue of this PDS by the Promoter was authorised by the sole director by resolution dated **1 APRIL 2022**.

7.7 Consents

The persons listed in the table below have given and have not withdrawn their written consent to:

- (a) be named in this PDS in the form and context in which they are named;
- (b) the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this PDS; and
- (c) the inclusion of other statements in this PDS which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included:

Name of person	Named as	Reports or statements
Macquarie Legal Practice	Legal Adviser	Provided template document from which this PDS has been prepared
Dynamic Syndications (Dean Watt Thoroughbreds Pty Ltd trading as)	Promoter, Offeror & Manager	Consent to act
CIARON MAHER Racing – CIARON MAHER & DAVID EUSTACE	Co-Trainers	Provided Trainers Letter, Trainers Agreement, Fees Notice and Consent to act
Dr. Tim Roberts, Centennial Park Vet Practice	Veterinarian	Provided Veterinary Report and Consent to be named
Logan Livestock Insurance Agency Pty Ltd	Insurance agent	Provided an Insurance Memorandum and Consent to be named

None of the persons referred to above has made any statement that is included in this PDS or any statement on which this PDS is based, other than the statement or report included in this PDS with the consent of that person as specified above.

Except for the Promoter, each of the persons referred to above:

- (a) has not authorised or caused the issue of this PDS, and makes no representation or warranty, express or implied, as to the fairness, accuracy or completeness of the information contained in this PDS; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this PDS other than references to its name or a statement or report included in this PDS with the consent of that person as specified above.

7.8 Labour standards or environmental, social or ethical considerations

The Promoter does not take into account labour standards or environmental, social or ethical considerations in determining the selection, retention or realisation of assets. However, to the extent that the Promoter believes those matters may affect the value or performance of an underlying investment, they may be considered.

The Promoter does not have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration, as these will be determined on a case-by-case basis.

7.9 Anti-money laundering laws

The Promoter may be required to collect certain customer identification information and verify that information in compliance with the Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth) (the **AML/CTF Act**) and AML/CTF Rules before it can issue Shares to Applicants.

Customer identification information may include detailed know your customer (**KYC**) information in relation to the Applicant such as, for an individual Applicant, name, address, and date of birth and for an Applicant that is a business entity, details of directors and beneficial owners, and where the Applicant is a trustee, details of the Constitution and beneficiaries. The Promoter may require further KYC information such as information concerning business activities, structure and source of funds of Applicants and from time to time may require an Applicant to provide updated or additional information.

The Promoter may refuse to accept an application or decline to issue Shares to an Applicant until it has satisfactorily concluded a customer identification procedure in relation to the Applicant.

The Promoter may delay or refuse any request or transaction, including by suspending the issue or redemption of Shares if the Promoter is concerned that the request or transaction may cause the Promoter to contravene the AML/CTF Act. The Promoter will not incur any liability to the Applicant by doing so.

7.10 Privacy

The Promoter is committed to respecting the privacy of your personal information.

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information. The Promoter collects personal information from you in the Application Form and may collect additional personal information in the course of managing your investment.

We may also disclose your information to persons who provide services to us, or in relation to the Syndicate, or the Horse.

In addition, we disclose your personal information:

- (a) If you consent to the disclosure; or
- (b) If we required to do so by law, or by any Principal Racing Authority.

A copy of our Privacy Policy is available upon request.

8. HOW TO APPLY

8.1 Becoming the Owner of a Share and a member of the Syndicate

Applications to become an Owner are made using the Share Application Form included with this PDS. If you decide to invest, read the PDS and fill in the Application Form, provide proof of identity and pay the Application Price per Share by EFT or cheque.

Applicants should note that the Promoter has the right to accept or reject any application for Shares, whether in whole or in part, in its absolute discretion and has no obligation to give any reason if it rejects an application.

The completed Share Application Form should be lodged (together with the Application moneys) with:

**Dynamic Syndications
PO Box 2324
TAREN POINT, NSW, 2229**

Note: Applications are accepted for the Minimum Subscription per Applicant, then in multiples of One (1) Share.

8.2 Acknowledgments Conditions and Declarations

By completing the Share Application Form, you:

- declare that you have read and understood this PDS;
- agree to be bound by the conditions of the offer set out in this PDS;
- acknowledge that, unless waived by the Manager, any government levies, duties or taxes will be charged to your account;
- declare that if the Share Application Form is signed under power of attorney, you have no knowledge of the revocation of that power of attorney;
- declare that all information provided in the Share Application Form or any other information provided in support of the application is true and correct;
- declare that you have the power to make an investment in accordance with the application;
- acknowledge that neither the Promoter nor the Manager, nor any of their directors or associates, guarantees the repayment of moneys invested or a return on the investment;
- acknowledge that you have relied upon your own enquiries and independent advice in relation to your financial and legal rights and obligations as an Owner in the Syndicate;
- acknowledge and declare that you have not received any advice either from the Promoter or the Manager, or any representative of either of them, other than as detailed in this PDS;
- acknowledge that any investment in the Syndicate is subject to investment and other risks, including (without limitation) delays in payment and possible loss of capital invested; and
- acknowledge that all information relating to this application for investment or any subsequent information relating to this investment may be disclosed to any service provider to the Syndicate and to your adviser. You understand that this will not include disclosure of your TFN, ABN, or any information in relation to them. This authority will continue unless revoked by you in writing.

9. GLOSSARY

In this PDS, the following terms have the following meaning unless the context otherwise requires:

AML/CTF Act	<i>Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth).</i>
Applicant	A person who submits a Share Application Form, with Application Moneys, applying for a Share.
Application Moneys	Moneys paid by an applicant for a Share in the Horse under this PDS.
Application Price	The price at which Shares are offered under this PDS.
ASB	The <i>Australian Stud Book</i> .
ASIC	The <i>Australian Securities and Investments Commission</i> .
Commencement Date	The Commencement Date of the Syndicate.
End Date	The date upon which the Syndicate is ended in accordance with the Owners Deed of Agreement.
Extraordinary Resolution	A Resolution: <ul style="list-style-type: none">(a) of which notice in accordance with clause 6.1 (of the Owners Deed of Agreement) has been given; and(b) that has been passed by at least 50% of the total votes that may be cast by Owners entitled to vote on the resolution (including Owners who are not present in person or by proxy).
Income	For the Syndicate and the Accounting Period, the net income of the Syndicate, in respect of that period, determined in accordance with generally accepted accounting principles, whether accrued, due or receivable or received and not previously accounted for.
Manager	<i>Dynamic Syndications (Dean Watt Thoroughbreds Pty Ltd t/as) (ABN 64 134 481 539).</i>
Minimum Subscription	1 Share.
Minimum Overall Subscription	20 (Twenty) Shares.
Net Prize money	Prize money after the mandatory deductions under the Rules of Racing.
Owner	Each person who from time to time owns a Share and is bound by the Owners Deed of Agreement.
Owners Deed of Agreement	The provisions (including all covenants, terms and conditions) of the deed governing the relationship between the Owners and the Manager, including any modification or replacement deed adopted by the Manager with the Owners approval.
PDS	Product Disclosure Statement. This document.
Resolution	Subject to any further qualification specified in the Owners Deed of Agreement: <ul style="list-style-type: none">(a) a resolution passed at a meeting of Owners;<ul style="list-style-type: none">(i) on a show of hands, by the majority of Owners present in person or by proxy, representative or attorney; or(ii) if a poll is demanded, by the majority of numbers of Shares held by Owners present in person or by proxy, representative or attorney voting on the poll; or(b) a resolution in writing signed by Owners holding the required majority of the Shares.

Surrender Share	As a (transferor) an owner may give away (free of any consideration price) their share in a Horse only if there is another party willingly available (transferee) to take possession of that share at an agreed date between both parties.
Share	1 of the number of Twenty (20) equal undivided ownership interests in the Horse to be issued under this PDS.
Share Application Form	The Share Application Form included with this PDS, which an Applicant must use to apply for a Share.
Special Resolution	A Resolution: <ul style="list-style-type: none"> (a) of which notice in accordance with clause 6.1 (of the Owners Deed of Agreement) has been given; and (b) that has been passed by at least 75% of the votes cast by Owners entitled to vote on the resolution (including Owners who are not present in person or by proxy).
Syndicate	The arrangement evidenced by the Owners Deed of Agreement pursuant to which the Owners agree to participate in the undertaking (Common Enterprise) of caring for, training and racing the Horse as a whole for their mutual benefit
Syndicate Property	Any contributions to, or Income of, the Syndicate, including (without limitation): <ul style="list-style-type: none"> (a) Owners contributions to the operating costs of the Syndicate (regardless of whether the Trainer and other Third-Party Service Providers invoice the Owners directly, or via the Manager for their proportion of such costs); (b) Prize money (regardless of whether net Prize money is paid by the Principal Racing Authority to the Syndicate's designated bank account maintained by the Manager, or to each Owner directly one's portion of such Prize money); and (c) Owners Bonus or Incentive Scheme payments and other bonuses. <p>The Horse does not comprise Syndicate Property as it is owned by the Owners as tenants-in-common in equal undivided Shares.</p>
Term	The period during which the Syndicate will operate, being from the Commencement Date until the End Date, determined in accordance with this PDS and the Owners Deed of Agreement.
TFN	Tax File Number.

If there is any inconsistency between a definition in this Glossary and a definition of the same term in the Owners Deed of Agreement, the definition set out in the Owners Deed of Agreement will apply.

10. CORPORATE DIRECTORY

Promoter and Manager

Dynamic Syndications
(Dean Watt Thoroughbreds Pty Ltd t/as)
Suite 37/3 Box Road, TAREN POINT, NSW, 2229
PO Box 2324, TAREN POINT, NSW, 2229
Tel: 02 9540 1511
Email: info@dynamicssyndications.com.au
Website: www.dynamicssyndications.com



OWNERS DEED OF AGREEMENT

SCHEDULE 1 – REFERENCE SCHEDULE

Important notice: This Co-ownership arrangement ("Syndicate") is subject to regulation by the Corporations Act. The Offer of Shares in this Syndicate is the subject of a Product Disclosure Statement ("PDS") that has been approved by a Lead Regulator pursuant to the terms of ASIC Corporations (Horse Schemes) Instrument 2016/790. Participation as an Owner is available to investors who receive a PDS from the Promoter and complete the Application Form attached to the PDS. The Promoter must hold an Australian Financial Services Licence ("AFSL") or be an Authorised Representative of an AFS Licensee.

Item 1

Date | This Deed is made the **1st** day of **APRIL 2022**.

Item 2

Promoter/Manager | DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS)
(ABN 64 134 481 539)
Address | Suite 37/3 Box Road, TAREN POINT, NSW, 2229
Postal address | PO Box 2324, TAREN POINT, NSW, 2229
Telephone | 02 9540 1511
Contact Person(s) | Adam Watt: Mobile: 0409 464 378: Email:
adam@dynamicssyndications.com.au
Licence Details | AFSL 336808

Item 3

Horse | **UNNAMED Chestnut Filly foaled 28 JULY 2020, by JUSTIFY (USA)**
From TINGU (FR) [by INTELLO]
Life Number | **AUS01221338**
Microchip Number | **985100012180165**

Item 4

Syndicate Name, if any
(Optional) |

Item 5

Number of Shares | Twenty (20)

Item 6

Application Price | **\$13,300.00**

Item 7

Commencement Date | **1st APRIL 2022**

Item 8

Racing Colours | Set 1 – White, Dynamic Syndications logo, red cap
Set 2 – White, Dynamic Syndications logo, white cap
Set 3 – White, Dynamic Syndications logo, yellow cap
Sets 2 and 3 will only be used in races where the Manager has multiple horses entered.

Item 9

Trainer | **CIARON MAHER RACING (Ciaron Maher & David Eustace) Warwick Farm & Caulfield**

Item 10

Manager's
Remuneration

Management Fee:

- Payable by Owner – \$909 annually per Share – payable by monthly instalments in advance of \$75.75 inc GST (\$68.87 + \$6.88 GST) which equates to \$18,180 inc GST annually [\$16,528 + \$1,652 GST for the whole Syndicate] for any horse being offered as an **untried / unraced** thoroughbred horse being offered by the promoter (*described as a Yearling, Weanling, 2YO, Ready-To-Run or 2YO-In-Training*). If an Owner holds 3 or more Shares in any horse as described, that had been offered by the promoter, this fee will be capped at a multiple of 2 shares [\$151.50 including GST per month]. If a Share is held by 2 or more persons as tenants-in-common, **each** joint holder must pay this fee.
- Payable by Owner – For any promotion of a **Racehorse-In-Training** (*described as a tried horse*) offered by the promoter, a standard Monthly Management Fee of \$75.75 inc GST applies. Notwithstanding whether an existing owner holds 3 or more shares across various promotions, the Monthly Fee for a Racehorse-In-Training promotion is applicable. However, in such circumstance would be reduced to a set amount of \$33.00 including GST (\$30.00 + \$3.00 GST) per calendar month. Should any Owner currently eligible for the lesser rate subsequently reduce their total shareholding across all promotions to one share or two shares, the fee will revert to the standard Monthly Fee of \$75.75 (including GST) per share. If a Share is held by 2 or more persons as tenants-in-common, **each** joint holder must pay this fee.
- Payable by Owner – Percentage of Prize money and bonuses – 2% when the value of the prizemoney won on any individual race is equal to or higher than \$17,000, increasing to 5% once the total value of gross Prize money and bonuses earned exceeds the total value of the Shares offered under this PDS.
- Payable by Owner – Percentage of Sale Price – 5% of the gross Sale Price (excluding GST), at the Manager's discretion.
- Lifetime Service Right(s) – 2 [this only applies if the Horse is an Entire (male horse that has not been gelded) and is retired to stud.
- Payable by Suppliers (*being: Trainers, Pre-Trainers and Agistment Farms*) – 7.5% of their base advertised daily fee charged by the Supplier to each Owner proportionately. This fee is currently estimated up to a maximum of \$11.55 (including GST) per day, based on a daily training fee of \$154.00 (including GST). This fee is borne and paid solely by the listed Suppliers and is levied at the Manager's discretion.

Manager's Additional
Remuneration and
Gratuities

Manager's Additional
Remuneration earned
from Trainers, Pre-
Trainers and Agistment
Farms

Item 11

External Dispute Body

Australian Financial Complaints Authority Limited (AFCA),
Member number: 14543

Item 12

Governing law
(state/territory)

New South Wales

EXECUTED BY THE PARTIES AS A DEED

Executed by)
DEAN WATT THOROUGHBREDS PTY LTD)
(ABN 64134481 539)
in accordance with section 127 of the
Corporations Act 2001:

DEAN WARREN WATT

.....
Name of Sole Director/Sole Company
Secretary
(BLOCK LETTERS)



.....
Sole Director/Sole Company Secretary

This document is comprised of 23 pages, including this page.

CO-OWNERSHIP OF A RACEHORSE

THIS OWNERS DEED OF AGREEMENT is made on the date specified in Schedule 1.

BETWEEN: The Owners

AND: The Manager

WHEREAS

- A. The Owners of the Horse have agreed to their relationship being governed by this Deed to enable them to obtain the benefit of the Horse from racing.
- B. The Manager has agreed to operate the Syndicate on behalf of the Owners in accordance with this Deed.

NOW BY THIS DEED OF AGREEMENT it is agreed as follows:

1. OWNERSHIP

- 1.1 (1) The Owners:
 - (a) agree to the ownership of the Horse, together with the Syndicate Property, being governed by the provisions (including all covenants, terms and conditions) of this Deed;
 - (b) acknowledge that the Syndicate is established and will be operated as a Lead Regulator-approved Syndicate in accordance with the terms of the relief set out in ASIC Corporations (Horse Schemes) Instrument 2016/790 ("ASIC Instrument"), except for which it would be necessary to establish and operate the Syndicate as a registered scheme in accordance with the requirements of Chapter 5C of the Corporations Act; and
 - (c) may at any time determine (evidenced by an Extraordinary Resolution) that the Syndicate be registered. If such a determination is made, then the Manager will facilitate registration.
- (2) This document and its provisions will be legally enforceable by each Owner and the Manager against each other Owner and the Manager respectively, and against all persons claiming through an Owner and the Manager as if they were parties to it.
- 1.2 Subject to each initial Applicant being approved as the Owner of a Share, paying the Application Price and providing a completed Application Deed, for the Term:
 - (a) the Owners:
 - (i) will hold the whole of the legal and beneficial title to the Horse, divided into the number of equal undivided Shares specified in Schedule 1, as tenants-in-common, free of any Encumbrance, except for any Security Interest granted or permitted by this Deed;
 - (ii) will contribute the right to use their respective ownership interests in the Horse to the Syndicate to facilitate the Horse as a whole being used in the Common Enterprise for their mutual benefit;
 - (iii) will participate in the Common Enterprise; and

(iv) will, in consideration of the provisions of clauses 10 and 21, waive any right to apply for an order for sale of the Horse and partition of the Proceeds; and

- (b) the Manager will hold the Syndicate Property upon trust for the Owners, in the number of equal undivided Shares specified in Schedule 1, free of any Encumbrance, except for any Security Interest granted or permitted by this Deed.

1.3 PRIZE MONEY

Subject to the clauses 12.4 and 20.1, each Owner will be entitled to a proportion of net Prize money, Owners Bonus or Incentive Scheme payments and other bonuses earned by the Horse, in the same proportion as the number of Shares held bears to the total number of Shares.

1.4 TROPHIES

If the Horse wins a Trophy ("Original Trophy"):

- (a) The Manager will receive the Original Trophy on behalf of the Owners in accordance with AR.63(2)(c) and will be entitled to retain it, subject to paragraph (b);
- (b) if the Original Trophy is determined to have a significant monetary value, the Manager will compensate the Owners by paying to them an equivalent sum, in the same proportion as the number of Shares held bears to the total number of Shares; and
- (c) if any Owner wishes to acquire a replica of the Original Trophy, the Manager will endeavour to either procure same at the best possible price, which will be invoiced to and paid by such Owner prior to order, or procure and provide to such Owner details of the supplier of the Original Trophy.

1.5 RACEBOOK

- (1) The Owner of each Share (representing no less than a 5% ownership interest in the Horse) will be entitled to have one's name appear in the racebook as a co-owner of the Horse.
- (2) If a Share is held by 2 or more persons jointly, the Manager under the Rules of Racing will require those persons to register a syndicate at their own cost and to hold the Share in the name of that syndicate. The registered manager of any such syndicate:
 - (a) will hold the Share as trustee for the other members of that syndicate;
 - (b) will represent them in all dealings relating to the ownership of the Horse; and
 - (c) will be responsible for ensuring that they comply with their collective obligations as the Owner of a Share under this Deed.

In any event, the total number of registered Owners of the Horse must be no more than 20 and the total number of individual persons who hold a legal interest, jointly or otherwise, in all of the Shares must be no more than 50.

1.6 RACING COLOURS

The Horse will carry the Racing Colours specified in Schedule 1, or such other Racing Colours as the Manager may determine from time to time.

1.7 REGISTRATION OF OWNERSHIP

Each Owner authorises the Manager to do anything required to be done by an Owner in order to comply with this Deed and the Rules of Racing, including (without limitation) authority to sign on one's behalf any instrument required to be signed and lodged with the Registrar of Racehorses or Principal Racing Authority to give effect to any application for registration of the Horse, a syndicate, or transfer of ownership. If the Manager is a corporation, this authority will vest in the duly authorised officer of such entity.

1.8 SYNDICATE RECORDS

All books, records and other documents relating to this Deed will be kept by the Manager but will remain the property of the Owners. If for any reason the Owners take possession of such books, records or other documents, the Manager will have full and unfettered right of access to inspect or copy same.

1.9 This Deed relates to the Horse only and to no other horse or investment.

1.10 None of the provisions of this Deed concerning the Manager, in such capacity, bestow any share or interest in the legal or beneficial title to the Horse.

1.11 The Manager may beneficially hold any number of Shares, without liability to account, and will have the same rights and obligations as the Owner of such Shares as any other Owner, notwithstanding that the Manager is also acting in another capacity under this Deed.

2. OWNERS LIABILITY FOR COSTS

2.1 (1) The Owners will be severally liable for all costs of operating the Syndicate in accordance with this Deed, including (without limitation):

(a) all fees and expenses of caring for, training and racing the Horse, including (without limitation) agistment, pre-training and training fees, race entry fees (nomination, acceptance and scratching) chiropractic, dentistry, farriery and veterinary fees, and transportation costs; and

(b) all other costs, including fees payable to the Manager and compliance expenses.

(2) Subject to paragraph (1), all such costs will be borne and paid by the Owners in accordance with clause 12.4.

(3) If the Horse requires retraining to facilitate its rehoming, all fees and expenses incurred during the process of retraining and rehoming up until it is rehomed will be borne and paid by the Owners in accordance with clause 12.4.

2.2 (1) Any arrangement to pay to or bestow upon the Trainer or the jockey any additional remuneration or gratuity must either:

(a) be in accordance with the terms of the Training Agreement and Fees Notice; or

(b) be approved by the Owners (evidenced by an Extraordinary Resolution);

and such additional remuneration or gratuity will constitute a racing expense payable by the Owners pursuant to clause 2.1.

(2) The Manager may, on behalf of the Owners, as per clause 2.3 of the PDS, incur a racing expense by accepting terms that require payment to the jockey of an additional success fee of 5% of gross Prize money for riding the Horse in any sales series race or group or listed race, subject to the provision of a Tax Invoice.

3. MANAGER

3.1 APPOINTMENT

The Owners appoint the Manager for the Term (subject to clauses 3.9 and 3.10) and the Manager accepts the appointment:

(a) to operate the Syndicate on behalf of the Owners; and

(b) to act as trustee of the Syndicate and custodian of the Syndicate Property;

in accordance with this Deed.

3.2 The Manager may, with the Owners approval (evidenced by an Extraordinary Resolution), delegate any of the Manager's duties under this Deed to a third party, including (without limitation) the Trainer.

3.3 OBLIGATIONS

The Manager must at all times during the Term, exercising reasonable care, skill and diligence:

(a) operate the Syndicate in a proper and efficient manner in accordance with the normal standards applied, provided and maintained in connection with the management of thoroughbred racehorses;

(b) exercise the Manager's powers and perform the Manager's duties in the best interests of all of the Owners collectively;

(c) treat each Owner fairly and impartially;

(d) ensure that no Syndicate Property is applied other than for the purpose of the Syndicate;

(e) comply with the terms of the ASIC Instrument; and

(f) be an AFS Licensee with the necessary licence authorisations for the services to be provided by the Manager under this Deed, including an authorised representative of such licensee, or other person as permitted by the ASIC Instrument and Lead Regulator's Promoter's Policy.

3.4 SYNDICATE PROPERTY

The Syndicate Property must be clearly identified as property of the Syndicate and held separately from the assets of the Manager and any other person.

3.5 If the Manager receives moneys for or on behalf of the Owners, it must be held either as their agent or as Syndicate Property (as the case requires) and the Manager will, subject to clauses 12.4, 16 and 20, if requested by the Owners, apportion and account to them for such moneys.

3.6 DUTIES

The Manager's duties include (without limitation):

- (a) (i) obtaining the Owners approval prior to the appointment of any change of Trainer (evidenced by an Extraordinary Resolution);
 - (ii) providing to the Owners a copy of the Training Agreement and Fees Notice; and
 - (iii) communicating on a regular basis with the Trainer on behalf of the Owners and the Owners on behalf of the Trainer in relation to the management, training and racing, of the Horse, including (without limitation) the Horse's general well-being and progress, proposed racing program and race performances (pre-race and post-race reports).
 - (b) arranging for the Trainer and other Third-Party Service Providers to invoice all fees and charges of caring for, training and racing the Horse either:
 - (i) to the Owners via the Manager; or
 - (ii) subject to clause 2.1, to each Owner directly one's proportion of such fees and charges;
 - (c) arranging for the Principal Racing Authority to distribute Prize money due to the Owners either:
 - (i) to the Syndicate's designated bank account maintained by the Manager; or
 - (ii) to each Owner directly one's proportion of such Prize money;
 - (d) establishing and maintaining a trust account, or other designated bank account, into which all moneys received on behalf of the Owners must be deposited and from which all fees and expenses payable by the Owners and distributions of Income payable to the Owners must be paid, except for when direct invoicing and distribution arrangements contemplated by paragraphs (b)(ii) and (c)(ii) are in place;
 - (e) appointing a person to be Secretary to the Syndicate and keep the Accounts and such other records of the Syndicate as the Manager considers necessary;
 - (f) providing or arranging for the provision of all necessary accounting, taxation and legal advice to the Syndicate;
 - (g) keeping a register of Owners, which contains their names, addresses, contact details (including telephone and facsimile numbers and email addresses), and the number of Shares held by each Owner, the date upon which the Owner was entered in the register and the date upon which any person ceased to be an Owner and in respect of any Security Interest referred to in clause 11. The Manager will make available to any Owner for inspection at all reasonable times and without charge, the register of Owners and a copy of this Deed. Subject to clause 11, the Manager will not be obliged to enter into the register notice of any trust, whether express or implied, and only the person so entered will be entitled to vote, or otherwise exercise, the rights of an Owner under this Deed;
 - (h) administering race day Owners privileges, including the allocation of ticketing and mounting yards passes on each day that the Horse is racing and Owners privileges are restricted, resulting in the number of Owners privileges allocated by the relevant race club being insufficient to enable an equal distribution to all of the Owners; and
 - (i) If required by ASIC or the Lead Regulator:
 - (i) making available all the records of the Syndicate, including the Accounts, secretarial records, share register and transfer journal;
 - (ii) providing all information requested in relation to the Syndicate; and
 - (iii) lodging a copy of the Accounts and all other documentation relating to the performance of the Syndicate forwarded to Owners at the same time as the Accounts and such other documentation is forwarded to the Owners.
- 3.7 The Manager is not obliged:
- (a) to act in accordance with any direction of an Owner or Owners, unless such direction is set out in either:
 - (i) a Resolution proposed at a meeting of Owners and passed by more than 50% of the votes that may be cast by Owners entitled to attend the meeting and vote on the Resolution; or
 - (ii) an Extraordinary Resolution or a Special Resolution (as the case requires); or
 - (b) to sell a Share on behalf of an Owner. If the Manager sells a Share as agent on behalf of an Owner, this will not obligate the Manager to sell a Share on behalf of any other Owner.
- 3.8 REMUNERATION
- Subject to the proper performance of the Manager's duties under this Deed, the Manager will be entitled:
- (a) to charge and be paid the fee specified in Schedule 1 for the first year of the Syndicate and, for subsequent years, as adjusted in accordance with increases in the consumer price index (all groups) for the capital city of the state or territory specified in Schedule 1, as remuneration for performing those duties;
 - (b) to charge and be paid or reimbursed the cost of any accounting, administration, bookkeeping, legal and secretarial services provided or procured, and for reasonable travel and accommodation expenses incurred, in relation to the Syndicate; and
 - (c) to receive or have bestowed the following additional remuneration or other entitlements:
 - (i) if the Horse earns gross Prize money, Owners Bonus or Incentive Scheme payments, or other bonuses, above the amount specified in Schedule 1 (Surplus Prize money), a proportion of Surplus Prize money equal to the percentage specified in Schedule 1;
 - (ii) if the Horse or a Share in the Horse is sold (including any allotment and sale

of additional shares), a commission on the gross sale price (excluding GST) equal to the percentage specified in Schedule 1; and

- (iii) if the Horse is an Entire and retired from racing to perform stud duties at a stud, the number of Lifetime Service Rights specified in Schedule 1.

The provisions of this paragraph (c) will apply for the benefit of the first appointee only of the Owners as Manager (as named in Schedule 1). Furthermore, the Owners must ensure that any buyer of a Share, or the Horse, is made aware of and agrees to novate these provisions.

3.9 RETIREMENT

Subject to the requirements of the ASIC Instrument, the Manager may at any time give the Owners not less than 30 days' notice of an intention to retire as Manager, in which case the Owners must agree the appointment of a new Manager (evidenced by an Extraordinary Resolution). If the Manager retires voluntarily, clause 3.8(c) will no longer apply.

3.10 REMOVAL

The Owners may at any time agree (evidenced by an Extraordinary Resolution) to remove the Manager and appoint a new Manager.

3.11 (1) The outgoing Manager:

- (a) must deliver up to the new Manager all books, records and other documents relating to this Deed, but retains a right of access to inspect or copy same; and

- (b) is released from any further obligations under this Deed.

- (2) The retirement or removal of the Manager will not affect any right of indemnity which the Manager may have in relation to the exercise of the Manager's powers and the performance of the Manager's duties prior to retirement or removal.

3.12 The Manager must not accept any payment, gratuity or benefit for ceasing to act as Manager, unless such payment, gratuity or benefit is approved by the Owners (evidenced by an Extraordinary Resolution).

4. CARE OF HORSE

4.1 MANAGER

For so long as the Horse continues to race for the benefit of the Owners during the Term, the Manager will manage the Horse, including (without limitation) appointing the Trainer:

- (a) to take possession and day-to-day control of the Horse on behalf of the Owners for the purpose of training and racing it to best advantage;
- (b) to care for and maintain the Horse, including:
 - (i) providing stabling and ancillary facilities, equipment and gear, feed and supplements; and
 - (ii) providing or as the agent of the Owners procuring agistment, pre-training and transportation;
- (c) as the agent of the Owners, to procure the services of such Third-Party Service Providers as the Trainer considers necessary

- to provide services in relation to the Horse, including (without limitation) chiropractic care, dentistry, farriery and veterinary care;
- (d) to determine in consultation with the Manager the racing program of the Horse and also the jockey who will ride the Horse in each of its races; and

- (e) as the representative of the Manager, to enter (including nominate and accept) the Horse for or scratch the Horse from any race or trial, at the Trainer's discretion, unless otherwise specifically agreed with the Manager. The Manager will not be liable to the Owners for any act or omission on the part of the Trainer resulting in the Horse not being entered for any specific race that may be preferred by the Owners.

4.2 TRAINER AND OTHER THIRD-PARTY SERVICE PROVIDERS

The Owners acknowledge that it will be necessary for the Manager to place the Horse in the care of the Trainer and other Third Party Service Providers from time-to-time, in the normal course, to facilitate the Horse being properly cared for while on agistment, in pre-training, training and racing, including transportation, AND THAT it will also be necessary for those Third Party Service Providers from time-to-time, at their discretion, to prescribe and administer various treatments, including (without limitation) chiropractic care, dentistry, farriery and veterinary care.

4.3 If the Horse is an Entire it must not be gelded, except with the approval of the Manager and the Owners (evidenced by an Extraordinary Resolution).

4.4 Except in circumstances that do not afford the Manager the opportunity to obtain veterinary advice and the Owners approval (evidenced by an Extraordinary Resolution), the Manager will not permit the Horse to be euthanized as a consequence of accident, illness, injury, or other cause, unless such action is recommended on humane grounds and certified by a qualified equine veterinarian retained at the discretion of the Manager or relevant race club.

5. RULES OF RACING

The Owners and the Manager must at all times comply with the Rules of Racing, including the Training Fees Disputes Resolution Procedures, as administered by the Principal Racing Authority in the place where the Horse is racing or may race. Furthermore, each Owner and the Manager must at all times be eligible to be an Owner under the Rules of Racing.

6. OWNERS MEETINGS

- 6.1 (1) The Manager is not obliged to convene Owners meetings but may do so at any time upon the giving of at least 21 days' notice to the Owners. The Manager may determine the date, place and time for an Owners meeting and the manner in which it will be convened.
- (2) Subject to clause 20.1, an Owner or Owners with at least 5% of the votes that may be cast on any Extraordinary Resolution or Special Resolution may either request the

- Manager to call an Owners meeting, or call such meeting upon the giving of at least 21 days' notice to the other Owners and the Manager. If the Manager receives a request to call an Owners meeting, the Manager must within 21 days call such meeting, which must be held not later than 2 months after such request is made.
- (3) The notice must state the date, place and time for the Owners meeting (and, if such meeting is to be held in 2 or more places, the technology that will be used to facilitate this) and the general nature of the business to be dealt with. If there is any dispute as to the date, place and time for the meeting, such dispute will be determined by the Manager.
- (4) A notice of meeting at which either an Extraordinary Resolution or a Special Resolution is to be proposed:
- must set out an intention to propose the Extraordinary Resolution or Special Resolution and state the resolution; and
 - must contain a statement setting out the following information:
 - that the Owner has the right to appoint a proxy;
 - that the proxy does not need to be an Owner; and
 - that if the Owner appoints 2 proxies the Owner must specify the proportion or number of votes each proxy is appointed to exercise.
- (5) Subject to clause 20.1, the Owner of each Share and the Manager may attend and be heard at any Owners meeting.
- 6.2 A quorum for an Owners meeting is 2 Owners present either in person, or by attorney, proxy or representative.
- 6.3 (1) The Manager will either act as Chairman, or nominate a person to so act, of any Owners meeting convened by the Manager.
- (2) If an Owners meeting is called by an Owner or by the Manager in response to a request by an Owner to call an Owners meeting, then the Manager will act as Chairman of the meeting, unless the Owners nominate or elect an alternate Chairman.
- (3) If no such Chairman is nominated or elected, or if at any Owners meeting, the Chairman is not present at the time appointed for the commencement of such meeting, then the Owners present may choose 1 of their number to be Chairman.
- 6.4 (1) Owners may vote personally, or by attorney, proxy, or representative.
- (2) No business will be transacted at an Owners meeting unless a quorum is present and if a quorum is not present within 30 minutes of the time for commencement of the meeting, such meeting will be adjourned to the same day of the next week, at the same time and place, or such other date, time and place as the Manager determines, and at that meeting any 1 or more of the Owners present in person or by proxy, attorney or representative will constitute a quorum.
- (3) When an Owners meeting is adjourned, notice of the adjourned meeting must be given to the Owners and, if the meeting has been convened by an Owner or Owners, notice must also be given to the Manager.
- 6.5 Subject to clause 20.2, the Owner of each Share is entitled to 1 vote and the passing of a Resolution will, unless otherwise stated in this Deed, be by simple majority (passed by more than 50% of the votes cast by Owners who vote on the Resolution). The Chairman does not have a second or casting vote. A Resolution binds all Owners, whether or not they are present at the meeting. No objection may be made to any vote cast unless the objection is made at the meeting. The decision of the chair on any matter is final.
- 6.6 Notwithstanding anything to the contrary in this clause 6, but subject to the Manager's approval, at one's discretion, and there being no objection received by the Manager from any Owner within 2 days after giving notice to the Owners of a proposal to proceed with either of the following:
- the period of notice required to be given in relation to the calling of an Owners meeting at which it is intended to propose an Extraordinary Resolution or Special Resolution may be shortened or dispensed with if the Owners with the number of votes required to pass such a resolution at such meeting agree; or
 - an Extraordinary Resolution or Special Resolution in writing and signed by at least the number of Owners required to pass such a resolution will be as effective as an Extraordinary Resolution or Special Resolution passed at an Owners meeting, duly convened and held, and may consist of several documents in like form, each signed by one or more of the Owners (including any proxy, attorney or representative).
- 6.7 The Manager will ensure that minutes are kept of all Owners meetings which must be signed by the Chairman as a true record of the proceedings when Resolutions are reduced to writing.
- 7. PROXY ATTORNEY OR REPRESENTATIVE**
- 7.1 An Owner may appoint another person as one's proxy, attorney or representative for any question to be considered at an Owners meeting and must give notice to the Manager of that appointment in the manner and no later than such period as is advised in the notice of meeting.
- 7.2 A proxy is valid:
- for such period as is advised in the notice of an Owners meeting; and
 - after the Owner who gave it dies, or becomes subject to a legal disability, or becomes bankrupt or insolvent, resulting in one's assets having passed to a trustee in bankruptcy, or similar administrator, unless the Manager has received written notice or has actual knowledge of that fact before the relevant Owners meeting.
- 7.3 A proxy will be in such form as the Manager determines.

- 7.4 The Manager is not obliged to enquire whether the appointment of a proxy, attorney or representative has been validly made.

8. JOINT HOLDERS

Where a Share is held by 2 or more persons (whether in equal shares or not):

- (a) seniority will be determined by the order in which the names appear in the register of Owners.
- (b) at an Owners meeting the vote of the most senior who tenders a vote (whether in person or by proxy or attorney) will be accepted to the exclusion of the vote of the other joint holders;
- (c) any notice, demand, consent or other document may be given to all joint holders by giving it to the senior joint holder;
- (d) any 1 of the joint holders may give an effectual receipt for any money payable to joint holders pursuant to this Deed; and
- (e) this Deed will bind the joint holders of a Share jointly and each of them severally.

If there is any dispute between the joint holders of a Share, the Manager may direct all dealings in relation to the Share to the senior joint holder under paragraph (a).

9. BALLOTS

Any ballot under this Deed will be conducted by the Manager as follows:

- (a) each person entitled to participate in a ballot will be given 7 days' notice of the time and place of such ballot and will be entitled to attend and observe such ballot, either in person or by proxy, attorney or representative; and
- (b) at such ballot an Owner will be entitled to one ballot paper (marked with such Owner's name) for each Share owned.

10. TRANSFER OF SHARES

- 10.1 An Owner may transfer, sell or otherwise dispose of a Share in accordance with the procedures set out in this clause 10, with the Manager's approval, which will not be unreasonably withheld or delayed. However, it will not be unreasonable for the Manager to withhold approval if the Owner is in breach of any payment obligation under this Deed.
- 10.2 Notwithstanding anything contained in this Deed, any transfer, sale or other disposal of a Share will be conditional upon:
- (a) the transferee receiving a PDS;
 - (b) the transferee being capable of being registered as an owner under the Rules of Racing;
 - (c) the transferee entering into an Application Deed in favour of the Manager and the Owners pursuant to which the transferee covenants to be bound by this Deed as if such transferee was an original party to it;
 - (d) the transferee and the transferor executing a Share Transfer; and
 - (e) the transferee and the transferor, or the Manager on behalf of each of them, executing a form of transfer of ownership as required by the Registrar of Racehorses.

- 10.3 Subject to clauses 10.1 and 10.2, the Manager's approval will not be required for the transfer, sale, or other disposal of a Share:

- (a) to another person known to the transferor who is already an Owner or otherwise party to this Deed;
- (b) to the spouse or child of an Owner, or family trust or company in either case that is and remains controlled by such Owner, spouse or child;
- (c) for the purpose of transmitting a Share to the legal personal representative of a deceased Owner; or
- (d) by the legal personal representative of a deceased Owner to the heir or beneficiary of the estate of such deceased Owner.

Clause 10.4 will not apply to the transfer, sale, or other disposal, of a Share to any of these persons.

- 10.4 (1) If at any time an Owner wishes to transfer a Share ("proposing transferor") to any person other than a person referred to in clause 10.3, such Owner or Owner's authorised representative must give notice to the Manager ("transfer notice") that the Owner wishes to transfer the Share at the price and on the terms ("sale terms") specified in the transfer notice. A transfer notice will constitute the Manager the Owner's agent for the sale of the Share on the sale terms. Subject to the right of the proposing transferor to offer any number of Shares for sale and to require that such Shares be sold together as one transaction, if a transfer notice relates to more than 1 Share it will operate as if it were a separate transfer notice for each Share. A transfer notice cannot be revoked except with the approval of the Manager, at one's discretion.
- (2) Upon receipt of a transfer notice the Manager must forthwith offer the Share for sale to the other Owners on the sale terms, allowing each of them 14 days within which to notify the Manager in writing if such Owner wishes to accept the offer and acquire the Share.
- (3) If the Manager within 21 days after being served with a transfer notice finds a buyer for the Share on the sale terms and gives notice to the proposing transferor, such proposing transferor will be bound upon payment of the price in accordance with the sale terms to transfer the Share to the buyer (subject to clause 10.1) and will execute any instruments and do any act or thing required to convey and assure the buyer the Share sold.
- (4) If more than 1 Owner accepts the offer of the Share, then such Owners will acquire the Share jointly, as tenants-in-common, in the same proportions as the number of Shares held.
- (5) If no buyer of the Share is found by the Manager following the procedure required by this clause 10.4, then the proposing transferor may at any time within the next 90 days, subject to clauses 10.1 and 10.2:

- (a) sell and transfer the Share to any person on the sale terms;
 - (b) publicly advertise or promote the Share for sale on the sale terms; or
 - (c) offer the Share for sale by public auction or tender. The proposing transferor must give the Manager at least 21 days prior notice of the date, place and time of the proposed public auction or tender, which information the Syndicate Manager must communicate to the Owners.
- 10.5 (1) An Owner must obtain the Manager's approval before either directly or via an agent:
- (a) publicly offering a Share for sale by any means, including (without limitation) by private treaty, public auction or tender; or
 - (b) publicly advertising or promoting a Share for sale by any means, including (without limitation) issuing an invitation to treat offers in the print media, on radio, TV or the internet.
- (2) If the proposing transferor is required by the Corporations Act, or the ASIC Instrument, to provide a prospective buyer with a PDS, the Manager will, upon being requested to do so, provide a PDS for the purpose of enabling the proposing transferor to publicly offer the Share for sale.
- 10.6 The costs and disbursements incurred by the Manager in properly complying with the procedure set out in this clause 10 will be borne and paid by the proposing transferor regardless of whether or not the Share is sold.
- 10.7 The transferee will be liable for all obligations and liabilities attaching to the Share whether arising before or after the date of registration of the transferee as the Owner, but the transferor will also not be released from and will remain liable for all such obligations and liabilities attaching to the Share to the date of registration of the transferee as the Owner until they are satisfied.
- 10.8 This clause 10 will also apply to an interest in a Share.

11. GRANT OF SECURITY INTEREST TO OUTSIDE PARTY

- 11.1 An Owner may grant a Security Interest attaching to one's own Share, subject to giving 7 days' notice to the Manager. Such notice must include the name, address and description of the grantee of the Security Interest ("Grantee"), the identity of the party entitled to receive Prize money during the term of the Security Interest and any other information that may reasonably be required by the Manager to enable the Manager to make the appropriate recording of the Security Interest in the register of Owners.
- 11.2 Upon entering the name of the Grantee into the register of Owners in relation to a Share the Manager will issue the Grantee with a certificate ("Caveat Certificate"). Until such time as the Caveat Certificate is surrendered to the Manager by the Grantee no further transactions in respect of that Share will be registered.
- 11.3 While a person is recorded in the register as the Grantee of a Security Interest, that person in lieu

of the Owner will be entitled to the rights attaching to the Share. If there is more than 1 Grantee recorded in respect of a Share, the voting and attendance rights will belong to the Grantee first recorded in the register of Owners.

- 11.4 Unless the Manager has any reason to believe that the information provided in relation to a Security Interest is not genuine, the Manager may at all times rely and act upon the matters recorded in the register of Owners in respect of any Security Interest and will not be obliged to take account of any claim or any other matter alleged by either the Owner, or the Grantee of a Security Interest, unless ordered to do so by a court of competent jurisdiction.
- 11.5 The rights of the Grantee under any Security Interest recorded on the register of Owners in accordance with this clause will be subject to the proper performance of this Deed on the part of the Owner and the Security Interests granted by each Owner to the other Owners and the Manager under this Deed having priority over such Security Interest.
- 11.6 The Manager will be entitled to a reasonable fee from the Owner and Grantee in relation to all acts properly carried out under this clause 11 and the Manager will not be obliged to record any entries in the register of Owners prior to receipt of such fee.

12. OWNERS COSTS

12.1 INSURANCE

- (1) Each Owner is responsible for procuring insurance cover for mortality and other insurable risks in relation to one's own Share. If the Manager procures insurance cover for any of the Owners, it will be as their representative (duly authorised in writing), and neither the policy of insurance nor any proceeds received in settlement of a claim will comprise Syndicate Property. Furthermore, each Owner is directly and solely responsible:
- (a) for payment of that proportion of the insurance premium as relates to one's own Share; and
 - (b) for all negotiations and arrangements with the relevant insurer regarding either renewal of the existing cover, or the procurement of alternative cover, unless otherwise agreed with and confirmed in writing by the Manager prior to the expiry date of the existing cover.
- (2) The Manager may procure such public liability cover in relation to the Horse as the Manager considers is desirable and able to secure the cost of which will be borne and paid by the Owners.

12.2 SALE RACE SERIES AND OWNERS BONUS OR INCENTIVE SCHEME

- (1) The Manager may from time to time pay a sum of money ("Qualifying Fee") to any person or entity conducting a Sale Race Series or Owners Bonus or Incentive Scheme.
- (2) If the Manager elects to pay a Qualifying Fee, it will be borne and paid by the Owners.

- (3) Subject to clauses 12.4 and 20.1, if the Manager receives any significant Owners Bonus or Incentive Scheme payments, those moneys will be payable to the Owners noted in the register of Owners at the time they are earned and must be paid to them by the Manager within 30 days of receipt.
- 12.3 COMPLIANCE EXPENSES**
The Owners must pay or reimburse the Manager all fees and expenses properly earned or incurred in complying with this Deed, including (without limitation) the cost of:
- administering the Complaints handling procedures under clause 15;
 - obtaining accounting and legal advice, as necessary, in relation to the Syndicate; and
 - reviewing and amending, as necessary, this Deed.
- The bona fide determination as to whether any fees and expenses are compliance expenses and the amount thereof will be made by the Manager, whose determination will be final and binding upon the Owners, and may be invoiced proportionately to the Owners by the Manager in accordance with clause 12.4.
- 12.4 LIABILITY FOR COSTS**
- Subject to clause 2.1, all costs of operating the syndicate will be borne and paid by each Owner proportionately, in the same proportion as the number of Shares held bears to the total number of Shares.
 - The Manager may from time to time, by notice, require the Owners to make contributions, in the proportions required by paragraph (1), to cover all fees and expenses which the Manager estimates all parties who provide services in relation to the Syndicate, including the Trainer and all other Third-Party Service Providers, will properly earn or incur during the Accounting Period, and such contributions must be made by the Owners within 14 days after notice is given.
 - The Owners must, in the proportions required by paragraph (1), pay or reimburse (within 14 days after notice requiring payment is given by the Manager) all fees and expenses properly earned or incurred by all parties who provide services to the Syndicate, including the Trainer and other Third Party Service Providers.
 - The Manager may from time to time retain out of Income or any other moneys, including Proceeds, received for or on behalf of the Owners, such amount as may be required to satisfy any obligation of the Owners to make a contribution or payment pursuant to this clause 12.4.
 - The rights of the Manager pursuant to this clause 12.4 are subject to clause 17.2.
- 13. COSTS**
The Owners will bear and pay the costs of and incidental to this Deed.
- 14. GST**
- 14.1 The parties acknowledge that the GST Act has application and accordingly any charge hereunder will increase by the amount of GST payable under the GST Act for providing a Taxable Supply.
- 14.2 Each party warrants that if required by the GST Act, such party will be registered at the time of any supply made on which GST is imposed. If the other party requests written evidence of registration, the party claiming to be registered will promptly produce evidence satisfactory to the party seeking such evidence.
- 14.3 Any invoice rendered by a party to this Deed in connection with a supply under this Deed which seeks to recover an amount of GST payable by that party must conform to the requirements for a Tax Invoice.
- 15. COMPLAINTS**
- 15.1 The Owners and the Manager agree that all internal Complaints will be dealt with in accordance with the complaints handling guidelines Australian Standard AS ISO 10002-2014.
- 15.2 If the Manager receives a Complaint from an Owner regarding the operation of the Syndicate, or the conduct of the Manager, including the amount of any fees and expenses charged under this Deed, then the Manager:
- must acknowledge the Complaint as soon as practicable;
 - must ensure the Complaint is given proper consideration;
 - must act in good faith to correct any problem identified by the complaint as far as possible without adversely affecting the rights of third parties;
 - may provide any of the following remedies:
 - an explanation of the circumstances giving rise to the Complaint;
 - an apology; or
 - such other remedy as the Manager considers is appropriate in the circumstances; and
 - must communicate with the complainant within 45 days of receipt of the Complaint:
 - the determination in relation to the Complaint;
 - the remedies (if any) available to the complainant; and
 - information regarding further avenues of Complaint including, subject to agreement between the parties, independent arbitration of the dispute.
- 16. LIEN AND CHARGE**
- 16.1 Each Owner grants to the other Owners collectively and the Manager a Lien over one's Share and a Charge over one's Share, Prize money and Proceeds, as security for the proper performance of one's obligations under this Deed, including (without limitation):
- to pay one's proportion of all costs of operating the Syndicate as and when due; and
 - not to transfer, sell or otherwise dispose of, or create any Encumbrance in relation to, the Share, other than in accordance with this Deed.
- 16.2 This Lien or Charge:
- entitles the Manager to possession of the Owner's Share; and

- (b) includes the right of the Manager:
 - (i) to give a direction in accordance with clause 20.3 for the payment of Prizemoney and Proceeds; and
 - (ii) to sell and transfer the Owner's Share in accordance with clause 20.4;
 when the Owner's breach of this Deed occurs.

16.3 The rights conferred by this clause 16 are in addition to and not in substitution of any rights of the parties at common law or under any statute.

17. INDEMNITIES

- 17.1 Each Owner covenants with every other Owner to indemnify them and keep them indemnified against all liabilities and expenses to the extent that such liabilities and expenses are borne otherwise than in the proportions stated in this Deed, PROVIDED THAT nothing in this clause will require an Owner to indemnify any other Owner for liabilities and expenses which may be incurred as a result of a particular Owner's breach of a material obligation under this Deed.
- 17.2 No Owner will pledge the credit of the Syndicate or hold oneself out as acting on behalf of the other Owners, and if an Owner purports to do so such Owner will be personally liable for any debt so created.
- 17.3 Unless specifically contemplated by this Deed, no Owner will bind any other Owner to a transaction with any third party except with a written authorization from that Owner enabling the first mentioned Owner to do so.
- 17.4 (1) The Owners must indemnify the Manager for all liabilities and expenses incurred in the course of performing one's duties under this Deed.
- (2) The right of the Manager to be paid fees out of Syndicate Property, and to be indemnified for liabilities or expenses incurred in relation to the performance of one's duties, will only arise after the duties have been performed and is subject to the proper performance of those duties.

18. LIMITATIONS TO OWNERS RIGHT OF INDEMNITY

- 18.1 The Manager will not be liable to the Owners for damages for harm suffered by the loss or diminution in value of the Horse through market forces, or if it dies, or value is diminished as a consequence of:
 - (a) the materialisation of a risk, howsoever arising, that is either:
 - (i) an Inherent Risk, including (without limitation) accident, illness, infertility or sub-fertility, injury, or natural cause; or
 - (ii) any other risk that was insignificant or not reasonably foreseeable; or
 - (b) its failure to compete in or win any races or Prize money.
- 18.2 (1) Except for any right of indemnity specifically preserved by this Deed, the Owners expressly surrender, so far as the law permits, any rights which any of them, either individually or collectively, may have against the Manager to claim damages for harm suffered by the loss or diminution in value of the Horse, howsoever arising,

including liability in negligence and the right of an Owner to claim for economic loss or loss of opportunity to earn future income.

- (2) Any such right of indemnity either specifically preserved or not capable of surrender will be limited in damages to the Application Price.

- 18.3 Certain legislation, including the *Competition and Consumer Act 2010 (Cth)*, may impose consumer guarantees or imply warranties or conditions or impose obligations upon the Manager which cannot be excluded restricted or modified, or cannot be excluded restricted or modified except to a limited extent. This Deed must be read subject to these statutory provisions. If these statutory provisions apply, to the extent to which the Manager is entitled to limit one's liability, such liability is limited to:
 - (a) in the case of goods, at the Manager's option:
 - (i) the replacement of the goods or the supply of equivalent goods;
 - (ii) the repair of the goods;
 - (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods; or
 - (iv) the payment of the cost of having the goods repaired; and
 - (b) in the case of services, at the Manager's option:
 - (i) the supplying of the services again; or
 - (ii) the payment of the cost of having the services supplied again.

19. OWNERS ACKNOWLEDGEMENTS AND DECLARATIONS

- 19.1 Each Owner acknowledges entering into this Deed at one's own risk and that, except for what is set out in this document, the Manager has neither made any representation nor provided any warranty in relation to:
 - (a) the services to be provided by the Manager;
 - (b) the physical soundness or suitability of the Horse for racing or any other purpose;
 - (c) the adequacy or reliability of any insurance cover procured by the Manager pursuant to clause 12.1; or
 - (d) the future value or saleability of the Shares, or the Horse, either at any time during the Term or upon termination of the Syndicate.
- 19.2 Each Owner further acknowledges:
 - (a) that owning and racing the Horse and thoroughbred horses generally:
 - (i) is speculative, as the Owners will incur significant obligations and expense without the assurance of any financial return; and
 - (ii) involves risks, including (without limitation) those risks specifically referred to in clause 18.1;
 - (b) that prior to entering into this Deed, the Owner has been given and has read and understood the attachment marked "WARNING – IMPORTANT INFORMATION";
 - (c) that a breach by any Owner of a payment obligation may result in the Syndicate Property being insufficient to pay all costs of operating the Syndicate in accordance with this Deed, necessitating the sale of

- the Horse and the winding up of the Syndicate;
- (d) that there may be no ready market for the Shares, or the Horse, either at any time during the Term or upon termination of the Syndicate;
- (e) that the Horse, if it is an Entire, may require gelding as a consequence of physical or behavioural considerations in an effort to enhance racing performance, or if permitted to remain an Entire, a residual value as a stallion is not assured; and
- (f) that any assessment or expression of opinion by the Manager as to how the Horse may perform in any specific race, or generally, will not constitute a representation or warranty as to performance.

19.3 Each Owner declares that such Owner has had the opportunity to obtain:

- (a) independent legal advice in relation to one's individual and collective rights and obligations under this Deed;
- (b) a copy of the Training Agreement, including the Fees Notice; and
- (c) a copy of the Rules of Racing from website [www.racingaustralia.com.au];

and has either done so or freely declined the opportunity to do so.

20. DEFAULT

- 20.1 (1) If an Owner is in breach of a payment obligation and does not remedy such breach within 14 days after being given a notice by the Manager requiring that it be remedied, the Manager may charge such Owner compound interest at the rate of 1% per month on the outstanding amount for the period commencing on the due date and ending on the date payment is received.
- (2) The right conferred by paragraph (1) will not prejudice any other rights which the Manager may have against such Owner.

20.2 If an Owner:

- (a) breaches a material obligation under this Deed, including (without limitation) a payment obligation, and does not remedy such breach within 14 days after being given notice by the Manager requiring that it be remedied;
- (b) is declared by a Principal Racing Authority to be ineligible to be an Owner under the Rules of Racing; or
- (c) is either bankrupt or insolvent resulting in one's assets having passed to a trustee in bankruptcy or similar administrator;

then such Owner ("Defaulting Party") will not until such time as the breach is remedied be entitled to exercise any of the rights conferred upon an Owner by this Deed, and the Manager may suspend all such rights and proceed to exercise the full range of legal remedies against the Defaulting Party.

20.3 RIGHT TO GIVE A DIRECTION FOR THE PAYMENT OF PRIZE MONEY AND PROCEEDS

- (1) The Manager may exercise one's right to give a direction for the payment of Prize money and Proceeds:

- (a) if the Horse is racing, by notice to the Principal Racing Authority;
- (b) if the Defaulting Party's Share or the Horse is sold, by notice to the selling agent or buyer, as the case requires; and
- (c) if there is a claim under any insurance policy attaching to the Defaulting Party's Share or the Horse, by notice to the insurer;

requiring payment directly to the Manager of such amount as is required to fully discharge any outstanding payment obligation of the Defaulting Party under this Deed as a first call on the Defaulting Party's proportion of any net Prize money or Proceeds.

- (2) The Defaulting Party expressly and irrevocably directs the third-party recipient of a notice given pursuant to paragraph (1) to make payment in accordance with that notice without reference to the Defaulting Party and without requiring a court order for payment and attachment of debt.

20.4 POWER OF SALE

- (1) If an Owner is in breach of a material obligation under this Deed, including any payment obligation, for more than 60 days, the Manager may require the Defaulting Party to sell one's Share either:

- (a) to the other Owners (in the same proportion as the number of Shares held, or on such other basis as the Manager determines); or
- (b) to such other person and by such means as the Manager requires;

by giving written notice to the Defaulting Party and without requiring a court order for sale and attachment of debt.

- (2) For the purpose only of the Manager exercising one's right to sell the Defaulting Party's Share when the Defaulting Party's breach of this Deed occurs, the Defaulting Party:

- (a) in consideration of these presents and for good and valuable consideration, irrevocably appoints and directs the Manager, as the Defaulting Party's agent, attorney or representative, as the law permits, to execute any instrument and do any act or thing required to effect the sale and convey and assure the buyer the Share sold, including (without limitation) registration of the transfer of ownership with the Registrar of Racehorses or Principal Racing Authority; and
- (b) expressly and irrevocably directs the Registrar of Racehorses or Principal Racing Authority to register such transfer without reference to the Defaulting Party and without requiring a court order for registration.

- (3) Any sale of the Defaulting Party's Share, other than at public auction, must be at a price not less than the fair market value of such Share, as determined in writing by either MM or WI, or if neither of them is able

and willing to act, then another member of the FBAA who is able and willing, at the Manager's discretion. For the purpose of this Deed, such determination will be as an expert and will be final and binding upon the parties.

- (4) The Manager will effect the sale of the Defaulting Party's Share as soon as practicable after the sale price has been determined.
- (5) Upon the sale of the Defaulting Party's Share the Manager must apply the Proceeds:
 - (a) firstly, in payment of all sale fees and charges, including (without limitation) the sale entry fee and commission; and
 - (b) secondly, in payment to the Manager of all fees and expenses, including (without limitation) those referred to in clause 20.5, that are outstanding and payable by the Defaulting Party under this Deed.

The Manager must pay to the Defaulting Party any Proceeds not required to be applied by the Manager either in remedying or as a consequence of the Defaulting Party's breach of this Deed.

20.5 RIGHT TO INDEMNITY COSTS

If the Manager or nominee undertakes any debt recovery action with any agency or legal proceedings against the Defaulting Party in relation to the breach of a material obligation, including (without limitation) any payment obligation, under this Deed, the Manager may recover from the Defaulting Party all fees and expenses, including agency commissions, legal fees and other costs, incurred in relation to such action or proceedings on a full indemnity basis.

20.6 OTHER RIGHTS

The rights conferred by clauses 20.1 to 20.5 inclusive will not prejudice any other rights which the Manager or other party to this Deed may have against the Defaulting Party.

20.7 INSOLVENCY

- (1) If the Manager is unable either:
 - (a) to secure the Defaulting Party's compliance with one's payment obligations; or
 - (b) to effect the sale of the Defaulting Party's Share to the other Owners or an outside party;then the Manager may declare, by giving written notice to the Owners, that the Syndicate's purpose cannot be accomplished as a consequence of the Syndicate Property being insufficient to pay all costs of operating the Syndicate in accordance with this Deed, and an intention to sell the Horse and wind-up the Syndicate.
- (2) If the situation which caused the Manager to give the notice referred to in paragraph (1) is rectified within 28 days after notice is given, the Manager will not take any further action. However, if the situation remains unrectified, The Manager may then proceed to sell the Horse by private treaty or public auction and wind up the Syndicate, or

appoint a receiver to do so, without requiring a court order for such action.

- (3) Upon the sale of the Horse pursuant to this clause 20.7, the Manager or receiver, as the case requires, will apply the Defaulting Party's proportion of the net Proceeds in accordance with clause 20.4(5).

21. TERMINATION

21.1 This Deed (as amended by modification or replacement deed) will have full force and effect until it is ended by the first to occur of the following:

- (a) the Horse either dies, or is retired from racing, sold or otherwise disposed of in accordance with this Deed;
- (b) the Owners agree (evidenced by an Extraordinary Resolution) to end the Syndicate and terminate the rights, powers and authorities conferred by this Deed;
- (c) the Manager exercises one's right under clause 20.7 and requires that the Horse be sold, and the Syndicate wound up; or
- (d) a direction is given by order of the court requiring the winding up of the Syndicate.

21.2 RETIREMENT FROM RACING

- (1) If the Horse is to be retired from racing and is suitable for breeding purposes, the Horse must be sold in accordance with clause 21.3, unless:
 - (a) the Owners agree (evidenced by an Extraordinary Resolution) to modify or replace this Deed with terms that provide for the continuing ongoing operation of the Common Enterprise as a breeding enterprise; and
 - (b) any Owner who wishes to sell one's Share is able to achieve a sale via the process set out in clause 10.4.
- (2) If the Horse is a gelding or otherwise unsuitable for breeding purposes, the Horse must be sold in accordance with clause 21.3, unless all of the Owners agree (evidenced by a Resolution at a meeting of Owners with all Owners who vote on the Resolution casting votes to pass the Resolution):
 - (a) to the Horse being transferred to an Owner or other appropriate person for its retirement; or
 - (b) to it being retrained and rehomed as an equestrian or riding horse.

If the Horse requires retraining to facilitate its rehoming, all fees and expenses incurred during the process of retraining will be borne and paid by the Owners.

21.3 SALE

- (1) Unless otherwise expressly authorised by this Deed or order of the court, the Horse will only be transferred, sold or otherwise disposed of by the Manager on behalf of the Owners pursuant to and in accordance with the terms of an Extraordinary Resolution of the Owners. In the absence of an Extraordinary Resolution of the Owners to the contrary, any sale other than by public auction must be at arms' length and at a price not less than the fair market value of the Horse as determined in writing by either MM or WI, or if neither of them is able and

willing to act, then another member of the FBAA who is able and willing, at the Manager's discretion.

- (2) The Manager will be deemed to be the Owners duly appointed agent, attorney or representative, as the law permits, to undertake the sale of the Horse and to execute any instrument and do any act or thing required to effect the sale. Upon the sale of the Horse, each Owner will thereafter be entitled (subject to clause 12.4) to receive a proportion of the net Proceeds, in the same proportion as the number of Shares held bears to the total number of Shares.

21.4 If the Manager proceeds to sell the Horse either by private treaty or at public auction, any Owner, except for a Defaulting Party under clause 20.2, may submit an offer to purchase or bid at auction without reference to the other Owners. A Defaulting Party under clause 20.2 will not be entitled to submit an offer to purchase or bid at auction.

21.5 All rights and obligations accruing prior to the End Date will not be affected or prejudiced by the Syndicate ending.

21.6 Upon the termination of this Deed and the completion of the winding up of the Syndicate, the Manager:

- (a) must distribute to each Owner one's proportion of the Syndicate Property;
- (b) must prepare the Accounts for the Accounting Period; and
- (c) must forward to each Owner a copy of the Accounts.

22. PPSA

22.1 SECURITY AGREEMENT

The provisions of this Deed constitute a Security Agreement under the PPSA. These provisions are in addition to and not in substitution of any rights of the parties at common law or under any statute.

22.2 GRANT OF SECURITY INTEREST AND CONSENT TO REGISTRATION

Each Owner:

- (a) grants to the other Owners collectively and the Manager (each a "Secured Party") a Security Interest over one's Share in the Horse as livestock (as that term is defined in the PPSA) and Proceeds to secure the proper performance of the Owner's obligations under this Deed;
- (b) consents to the Secured Parties registering the Security Interests on the PPSR;
- (c) authorizes the Manager to create a secured party group which includes all of the Secured Parties, and to act as their agent for the purposes of registration, maintenance and enforcement of the Security Interests;
- (d) undertakes:
 - (i) to execute any instrument required to enable the Manager to register a Financing Statement or Financing Change Statement from time to time on the PPSR to perfect each of the Security Interests and, together with the other Secured Parties, to pay all

fees and expenses incurred in relation to the registration, maintenance, enforcement or discharge of the Security Interests; and

- (ii) not to grant any Encumbrance to any other person in one's Share without first obtaining the consent in writing of the Manager, which consent will be deemed to be consent of all the Secured Parties;
- (e) declares that, to the extent permitted under the PPSA, sections 142 and 143 of the PPSA do not apply to this contract, or the Security Interests; and
- (f) waives any right as permissible under the PPSA to receive a notice.

23. NOTICES

23.1 Any notice, demand, or other instrument given pursuant to this Deed will be deemed properly given if it is in writing and delivered to or sent by prepaid mail to an address within Australia, or by prepaid airmail post to an address outside Australia, or by facsimile or email transmission, in the case of:

- (a) the Manager, to the Manager's address or number specified in Schedule 1; and
- (b) an Owner, to the Owner's address or number set out in the register of Owners.

23.2 Notice given in accordance with clause 23.1 will be deemed to have been duly served, in the case of:

- (a) prepaid mail to an address within Australia, upon the expiration of 3 days after the day of posting;
- (b) prepaid airmail post to an address outside Australia, at the expiration of 10 days after the day of posting; and
- (c) facsimile or email transmission, on the day after the date of transmission.

24. FURTHER ASSURANCES

24.1 Each Owner will at one's own cost, when called upon by the Manager to do so, execute any instrument and do any act or thing required to give effect to this Deed.

24.2 If an Owner fails for a period of 14 days after notice of such failure has been given by the Manager to perform any obligations under clauses 10.1, 10.4, or 24.1, then the Manager will, upon the expiration of the 14 days, be deemed to be the Owner's duly appointed agent, attorney or representative, as the law permits, to execute any instrument and do any act or thing required to fulfil the obligation.

25. GOVERNING LAW

25.1 The law governing this Deed is the law of the Commonwealth of Australia and of the state or territory specified in Schedule 1, and the forum for all disputes will be either the Federal Court of Australia, or the Courts, of that place, to the authority of and which, including any appellate jurisdictions of such courts, the parties unconditionally submit and confine themselves.

25.2 The parties submit themselves to the jurisdictions of the Courts of the Commonwealth of Australia and that place for all proceedings arising from this Deed.

26. AMENDMENT

- 26.1 The Manager may only amend (including add to or delete from) this Deed by modification or replacement deed with the Owners approval (evidenced by a Special Resolution).
- 26.2 No amendment will be made to this Deed that adversely affects the rights of each Owner to receive one's proportion of Prize money, Owners Bonus or Incentive Scheme payments, other bonuses and Proceeds.

27. EXECUTION

An Owner can apply to become a party to this Deed by executing an Application Deed and forwarding it to the Manager and will become bound by this Deed upon being registered as an Owner.

28. DEFINITIONS AND INTERPRETATION

- 28.1 The following words have these meanings in this Deed unless the contrary intention appears:

Accounting Period means any one of the following periods:

- (a) the period from the Commencement Date to 30 June next;
- (b) each following period of 12 months ending on 30 June in each year until 30 June immediately preceding the End Date; or
- (c) the period from 1 July immediately preceding the End Date to the End Date;

but the Manager may alter the Accounting Period to a period of 12 months ending on a date other than 30 June and in those circumstances the reference to 30 June and 1 July are altered accordingly.

Accounts means the profit and loss accounts and balance sheet for the Syndicate and includes statements, reports and notes attached to or intended to be read with any of those profit and loss accounts or balance sheets, which accounts must be prepared in accordance with generally accepted accounting principles.

AFSL means *Australian Financial Services Licence*.

AFS Licensee means a person or entity that holds an AFSL.

Applicant means each person who, in accordance with this Deed, is entitled to acquire a Share.

Application Deed means an application for a Share in the form of Schedule 2.

Application Price means the amount specified in Schedule 1 at which Shares were initially offered for sale prior to the Commencement Date of the Syndicate.

ASIC means the *Australian Securities & Investments Commission*.

Associate has the meaning ascribed to that word by the Corporations Act.

Business Day means a day that is not a Saturday, Sunday, bank holiday or public holiday in the state specified in Schedule 1.

Charge means right to seize and sell (including a power of sale and right to receive and apply Prize money and Proceeds).

Commencement Date means the commencement date of the Syndicate or this Deed, as the context requires.

Competition and Consumer Act means the *Competition and Consumer Act 2010 (Cth)*, as amended.

Complaint means an expression of dissatisfaction made to an organisation, related to its products or services, or the complaints handling process itself, where a response or resolution is explicitly expected.

Corporations Act means the *Corporations Act 2001 (Cth)*, as amended.

Deed means the provisions (including all covenants, terms and conditions) of this document, including any modification or replacement deed adopted by the Manager with the Owners approval.

Encumbrance means:

- (a) any Security Interest;
- (b) any right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors, including any right of set-off;
- (c) any third party right or interest in property, or any right arising as a consequence of the enforcement of a judgement;

or any agreement to create any of them or allow them to exist.

End Date means the date upon which the Syndicate is ended in accordance with clause 21.

Entire means a male horse that has not been gelded.

External Dispute Body means the external dispute body of which the Manager is a member specified in Schedule 1.

Extraordinary Resolution means a resolution:

- (a) of which notice in accordance with clause 6.1 has been given; and
- (b) that has been passed by at least 50% of the total votes that may be cast by Owners entitled to vote on the resolution (including Owners who are not present in person or by proxy).

FBA means *Federation of Bloodstock Agents Australia Ltd (ABN 27 003 596 718)*.

Fees Notice means the notice (as amended) of the Trainer's current basic fees and charges, including any additional remuneration or gratuities that the Owners may be required to pay to or bestow upon the Trainer for maintaining, training and racing the Horse.

Financing Statement has the meaning ascribed to it in the PPSA.

Financing Change Statement has the meaning ascribed to it in the PPSA.

GST Act means the "*A New Tax System (Goods and Services Tax) Act 1999*", as amended.

Horse means the thoroughbred colt, filly, Entire, gelding or mare the object of this Deed described in Schedule 1.

Income means, for the Syndicate and any Accounting Period, the net income of the Syndicate, in respect of the Accounting Period, determined in accordance with generally accepted accounting principles, whether accrued, due or receivable or received and not previously accounted for.

Inherent Risk means a risk of something occurring that cannot be avoided by the exercise of reasonable care.

Lead Regulator means one of the following **Principal Racing Authorities** with whom the Manager is registered as an approved promoter of horse racing syndicates: *Racing NSW, Racing Victoria Limited, Racing & Wagering WA, Thoroughbred Racing NT, Thoroughbred Racing SA Limited, Queensland Racing Limited and Tasmanian Racing Board.*

Lien means the right to retain.

Lifetime Service Right means a service right each stud season free of any service fee. The granting of a Lifetime Service Right will not bestow any interest in the legal and beneficial title to the Horse.

MM means *Magic Millions Sales Pty Ltd. ABN 54 078 396 317*

Managed Investment Scheme has the meaning ascribed to that term by the Corporations Act.

Manager means the person or entity named in Schedule 1, or subsequently appointed by the Owners under this Deed, as the Manager.

Month means calendar month.

Owner means a person who holds an interest in the Syndicate. For the purpose of this Deed joint holders of an interest will count as a single Owner unless otherwise provided.

Owners Bonus or Incentive Scheme means any owners bonus or incentive scheme (e.g. BOBS, QRIS, SABIS or VOBIS) for which the Horse is eligible.

PDS means either the Lead Regulator-approved Product Disclosure Statement issued by the Promoter for the initial offering of the Shares, or any Product Disclosure Statement subsequently issued by the Manager pursuant to clause 10.6.

PPSA means the *Personal Property Securities Act 2009 (Cth)*, as amended.

PPSR means the *Personal Property Securities Register* under the PPSA.

Principal Racing Authority means the body responsible for the regulation of thoroughbred horse racing in the place in which the Horse is racing or may race.

Prize money means money earned from racing the Horse.

Proceeds means proceeds of sale or of any insurance claim paid in relation to a Share or the Horse, as the context requires.

Promoter means the AFS Licensee named as the Promoter in Schedule 1.

Racing Colours means the racing colours referred to in clause 1.6 and specified in Schedule 1.

Registrar of Racehorses means the registrar under the Rules of Racing.

Resolution (subject to any further qualification specified in this Deed) means:

- (a) a resolution passed at an Owners meeting;
 - (i) on a show of hands, by the required majority of Owners present in person or by proxy, representative or attorney; or
 - (ii) if a poll is demanded, by the required majority of numbers of Shares held by Owners present in person or by proxy,

representative or attorney voting on the poll; or

- (b) a resolution in writing signed by Owners holding the required majority of the Shares.

Rules of Racing means the rules of racing applying in the place where the Horse is racing or may race. The Australian Rules of Racing ("AR") are published by Racing Australia Limited and supplemented by local rules ("LR") determined by each Principal Racing Authority, as amended.

Sale Race Series means any sale race or race series (e.g. MM, QRIS, or WI) for which the Horse is eligible.

Secretary means the Secretary referred to in clause 3.6(e) of this Deed.

Secured Party means a person who is granted a Security Interest under this Deed.

Security Interest means:

- (a) in relation to any personal property (as defined in the PPSA), has the same meaning as under the PPSA; and
- (b) in relation to any other property, means any charge, mortgage, pledge, bill of sale, hypothecation, lien, arrangement concerning the deposit of documents evidencing title, trust, power or title retention arrangement, or any other covenant or arrangement of any nature made to secure the payment of money or the observance of an obligation.

Share means one (1) of the number of equal undivided ownership interests in the Horse specified in Schedule 1.

Share Transfer means a Share Transfer in the form of Schedule 3.

Special Resolution means a resolution:

- (a) of which notice in accordance with clause 6.1 has been given; and
- (b) that has been passed by at least 75% of the votes cast by Owners entitled to vote on the resolution (including Owners who are not present in person or by proxy).

Syndicate means the arrangement evidenced by this Deed pursuant to which the Owners agree to participate in the undertaking ("Common Enterprise") of caring for, training and racing the Horse as a whole for their mutual benefit.

Syndicate Name means the syndicate name, if any, specified in Schedule 1 and registered with the Registrar of Racehorses by the Manager on behalf of the Owners.

Syndicate Property means any contributions to, or Income of, the Syndicate, including (without limitation):

- (a) Owners contributions to the costs of operating the Syndicate (regardless of whether the Trainer and other Third-Party Service Providers invoice the Owners directly, or via the Manager, for their proportion of such costs);
- (b) Prize money (regardless of whether net Prize money is paid by the Principal Racing Authority to the Syndicate's designated bank account maintained by the Manager, or to each Owner directly one's proportion of such Prize money); and
- (c) Owners Bonus or Incentive Scheme payments and other bonuses.

The Horse does not comprise Syndicate Property as it is owned by the Owners as tenants-in-common in equal undivided Shares.

Tax Invoice has the meaning ascribed to it in the GST Act.

Taxable Supply the meaning ascribed to it in the GST Act.

Term means the period from the Commencement Date until the End Date.

Third Party Service Provider means any external service provider contracted by either the Manager, or the Trainer, to provide services in relation to the Horse, including, but not limited to, agistment, pre-training, training and racing, dentistry, farriery, veterinary, and transportation.

TOR Rules means those rules set out in Schedule 1 of the Rules of Racing.

Trainer means the appropriately licensed person named in Schedule 1, or subsequently appointed by the Manager as the Trainer under this Deed.

Training Agreement means the agreement (including all covenants, terms and conditions) between the Trainer and the Owner upon which the Trainer agrees to provide training and ancillary services in relation to the Horse.

Training Fees Disputes Resolution Procedures means the procedures for the determination of disputes between the trainers and owner relating to the payment of training fees set out in the TOR Rules.

Trophy includes any trophy, rug, sash, trinket, prize or other non-cash benefit.

WI means *William Inglis & Son Ltd (ABN 75 000 011 307)*.

28.2 In this Deed unless the contrary intention appears:

- (i) the singular includes the plural and the plural includes the singular;
- (ii) a reference to any one gender includes a reference to each other gender;
- (iii) a reference to a person includes a reference to a firm, corporation or other corporate body;
- (iv) a reference to writing includes a reference to printing, typing and other methods of producing words in a visible form;
- (v) a reference to any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
- (vi) a reference to any regulatory policy, legislative instrument, or similar, includes that policy, legislative instrument, or similar, as modified or replaced;
- (vii) where a word or expression is given a meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings;
- (viii) headings are for ease of reference and do not affect the construction of this Deed;
- (ix) if a party consists of more than one person this Deed binds them jointly and each of them severally;
- (x) this Deed binds in addition to the parties, their respective legal personal representatives and successors; and
- (xi) any schedule or annexure will form part of this Deed.

SCHEDULE 2

SHARE APPLICATION – TO BE COMPLETED AND EXECUTED BY OWNER

THIS DEED OF AGREEMENT is made on the day of , 20 .

BY:

Applicant (1) – Surname:		
Given name(s):		Date of Birth:
Syndicate/trading name, if any:		
Street address:		
PO Box, if preferred mailing address:		
Suburb:	State:	Postcode:
Telephone: (Bus)	Home:	Mobile:
Email:		
Tax file number (voluntary):		
Australian Business Number (ABN), if applicable:		
If you have an ABN number, are you registered for GST (if applicable):		
Where ABN is not supplied, please confirm that you are a hobby owner:		

BANK ACCOUNT DETAILS FOR PAYMENT OF DISTRIBUTIONS, IF ANY, BY EFT

ACCOUNT NAME	BANK NAME	BSB NUMBER	ACCOUNT NUMBER

[ALL DETAILS specified in the above table MUST be provided as the information is required by the Registrar of Racehorses when registering the ownership].

IN FAVOUR

OF: The Manager

AND: Each person who from time to time is bound as an Owner by the Owners Deed of Agreement dated the day of , governing the ownership of the thoroughbred horse

Name of Horse: UNNAMED		
Colour: CHESTNUT	Sex: FILLY	Year foaled: 2020
Sire: JUSTIFY (USA)	Dam: TINGU (FR)	
Life number: AUS01221338	ASB Microchip number: 985100012180165	

by reason of executing a deed in the form of this deed (each separately called an "Owner" and collectively the "Owners").

RECITALS

- A. The Applicant has been accepted by the Manager as an Owner, subject to the Owners Deed of Agreement.
- B. The Applicant has agreed to enter into this deed for the benefit of each other party to the Owners Deed of Agreement.

NOW BY THIS DEED OF AGREEMENT it is agreed as follows:

- 1. The Applicant hereby covenants and agrees with the Manager and the Owners from time to time of Shares in the Horse and the Syndicate that the Applicant will be bound by the Owners Deed of Agreement and will comply with all the obligations imposed on each Owner as if the Applicant had executed the Owners Deed of Agreement and was an original party to it.
- 2. Words and expressions used in this deed will have the same meaning as they have in the Owners Deed of Agreement.

EXECUTED BY THE PARTIES AS A DEED

[Applicant - if an individual]

Signed, Sealed and Delivered by)
)
in the presence of:)

.....
Signature of witness

.....
Signature of Applicant

.....
Name of witness (BLOCK LETTERS)

[Applicant - if a company]

Executed by)
)
ACN/ABN #)
in accordance with section 127 of the *Corporations Act*)
2001:)

.....
Director/Company Secretary

.....
Director

.....
Name of Director/Company Secretary
(BLOCK LETTERS)

.....
Name of Director (BLOCK LETTERS)

Executed by)
PTY LTD)
ABN)
in accordance with section 127 of the *Corporations Act*)
2001:)

.....
Name of Sole Director/Sole Company secretary (BLOCK
LETTERS)

.....
Sole Director/Sole Company Secretary

SCHEDULE 3

SHARE TRANSFER – TO BE COMPLETED AND EXECUTED BY BOTH TRANSFEROR AND TRANSFeree

THIS TRANSFER is dated the _____ day of _____, 20_____.

BETWEEN: _____ ("Transferor")

AND: _____ ("Transferee")

The Transferor in consideration of \$ _____ paid by the Transferee
HEREBY TRANSFERS to the Transferee Share Number _____ () of the Shares in the thoroughbred horse

Name of Horse:		
Colour:	Sex:	Year foaled:
Sire:	Dam:	
Life number:	ASB Microchip number:	

and the # [INSERT NAME OF HORSE (#)] Syndicate constituted by Owners Deed of Agreement deed dated the _____ day of _____, 20_____, and made between the parties to hold the same unto the Transferee subject to that document.

[Transferor - if an individual]

Signed _____)
_____)
in the presence of: _____)

.....
Signature of witness

.....
Signature of Transferor

.....
Name of witness (BLOCK LETTERS)

[Transferor - if a company]

Executed by _____)
_____)
ACN/ABN _____)
in accordance with section 127 of the *Corporations Act* _____)
2001: _____)

.....
Director/Company Secretary

.....
Director

.....
Name of Director/Company Secretary
(BLOCK LETTERS)

.....
Name of Director (BLOCK LETTERS)

Executed by _____)
PTY LTD _____)
ABN _____)
in accordance with section 127 of the *Corporations Act* _____)
2001: _____)

.....
Name of Sole Director/Sole Company secretary (BLOCK
LETTERS)

.....
Sole Director/Sole Company Secretary

[Transferee - if an individual]

Signed)
)
in the presence of:)

.....
Signature of witness

.....
Signature of Transferee

.....
Name of witness (BLOCK LETTERS)

[Transferee - if a company]

Executed by)
)
ACN/ABN)
in accordance with section 127 of the *Corporations Act*)
2001:)

.....
Director/Company Secretary

.....
Director

.....
Name of Director/Company Secretary
(BLOCK LETTERS)

.....
Name of Director (BLOCK LETTERS)

Executed by)
PTY LTD)
ABN)
in accordance with section 127 of the *Corporations Act*)
2001:)

.....
Name of Sole Director/Sole Company secretary (BLOCK
LETTERS)

.....
Sole Director/Sole Company Secretary

ATTACHMENT

WARNING – IMPORTANT INFORMATION

The ownership and racing of thoroughbred horses involves risks, including Inherent Risks and other risks that may be insignificant or not reasonably foreseeable. Be aware that:

- The value of the Horse may be diminished or lost through:
 - market forces;
 - the failure of the Horse to compete in or win any races or Prize money;
 - the death of the Horse; or
 - the materialisation of an Inherent Risk, including (without limitation) accident, illness, injury, infertility or subfertility, or natural cause.
- The Horse may have no residual value as a stallion or broodmare.
- Racing stables, racecourses, agistment farms and other places where the Horse and other horses may be located from time to time can be dangerous places, including because horses do not always behave as expected. Entering into those places involves the risk of injury, accident and loss or damage to person or property for all persons who enter.

PAYMENT OBLIGATIONS

The Owners should be aware that the failure of any Owner to comply with one's payment obligations:

- may result in the Trainer stopping or suspending training of the Horse until all outstanding accounts of the Trainer and Third-Party Service Providers are paid; and
- may render the Syndicate Property insufficient to pay all costs of operating the Syndicate, necessitating the sale of the Horse and the winding up of the Syndicate.

Account of COOLMORE STUD (As Agent), Jerry's Plains, NSW.



Lot 629 (75% GST) CHESTNUT FILLY

Stable B 16

Foaled 28th July 2020

Branded : nr sh; 4 over 0 off sh

Sire	Scat Daddy	Johannesburg	Hennessy
JUSTIFY (USA)		Love Style	Mr. Prospector
2015	Stage Magic	Ghostzapper	Awesome Again
		Magical Illusion	Pulpit
Dam	Intello	Galileo	Sadler's Wells
TINGU (FR)		Impressionnante	Danehill
2015	Painting	Peintre Celebre	Nureyev
		Zelding	Warning

JUSTIFY (USA) (Chestnut 2015-Stud 2019). Horse of the Year in USA in 2018. Equal Leading 3YO Male on the 2018 WTR (Mile). Champion 3YO Colt in USA in 2018. 6 wins 7f to 1½m, US\$3,798,000, Kentucky Derby, Gr1, Belmont S., Gr1, Pimlico Preakness S., Gr1, Santa Anita Derby, Gr1. Half-brother to SW The Lieutenant (Golden Gate All American S., Gr.3). Out of SP Stage Magic. His oldest SH-bred progeny are yearlings.

1st dam

TINGU, by Intello. **Winner** at 1800m in France. Half-sister to **PISANELLO**. This is her first foal.

2nd dam

PAINTING, by Peintre Celebre. Placed at 3 in France. Half-sister to **BEAUTY IS TRUTH** (dam of **HERMOSA, HYDRANGAEA, THE UNITED STATES, FIRE LILY**), **GLORIOUS SIGHT** (dam of **GLYCON**). Dam of 5 foals, all raced, **4 winners**-

PISANELLO (Raven's Pass). **2 wins**-1 at 2-at 1600m, Saint-Cloud Prix Omnium II, **L**, Prix Tanerko, 3d ParisLongchamp Prix du Pont au Change.

Merchants Quay. **Winner** at 2 at 6f, Curragh Irish Stallion Farms 2YO S., 2d Curragh Tally-Ho Stud 2YO S., 4th Curragh Railway S., **Gr.2**.

Elusive Lily. Raced 3 times. Dam of 3 winners-

Kilfrush Memories (Shakespearean). **4 wins**-1 at 2-at 1100m, 1200m, €157,530, to 2021, Deauville Prix de la Place Morny, Chantilly Prix de la Vierge de Lorette, 3d Chantilly Prix d'Arenberg, **Gr.3**.

3rd dam

ZELDING, by Warning. **3 wins**-2 at 2-at 1006m, Deauville Prix du Bois, **Gr.3**, Prix du Cercle, **L**, 2d Chantilly Prix La Fleche, **L**, Prix Servanne, **L**, 3d Chantilly Prix du Gros-Chene, **Gr.2**, Maisons-Laffitte Prix Robert Papin, **Gr.2**, 4th Prix de l'Abbaye de Longchamp, **Gr.1**. Half-sister to **ZIPPING**, **NIPPING**, **Aso Rock**. Dam of 12 foals, all raced, **10 winners**, inc:-

BEAUTY IS TRUTH (Pivotal). **3 wins**-2 at 2-at 1000m, 1100m, €172,000, Chantilly Prix du Gros-Chene, **Gr.2**, Prix d'Arenberg, **Gr.3**, Deauville Prix Yacowlef, **L**, 2d Longchamp Prix de Saint-Georges, **Gr.3**. Dam of-

THE UNITED STATES (Galileo). **7 wins**-1 at 2-1400m to 2500m, \$2,216,066, ATC Ranvet S., **Gr.1**, MVRC Schweppes Crystal Mile, **Gr.2**, Moonee Valley Cup, **Gr.2**, Leopardstown Enterprise S., **Gr.3**, 2d ATC Queen Elizabeth S., **Gr.1**, 3d ATC Ranvet S., **Gr.1**. Sire.

HERMOSA (Galileo). **4 wins**-2 at 2-at 7f, 1m, £808,128, The One Thousand Guineas, **Gr.1**, Irish One Thousand Guineas, **Gr.1**, Naas Park S., **Gr.3**, 2d Royal Ascot Coronation S., **Gr.1**.

HYDRANGAEA (Galileo). **4 wins**-1 at 2-7f to 1½m, Leopardstown Matron S., **Gr.1**, Ascot British Champions Fillies & Mares S., **Gr.1**, Leopardstown One Thousand Guineas Trial, **Gr.3**, 2d Newmarket Fillies' Mile, **Gr.1**.

FIRE LILY (Dansili). Champion 3YO Filly Sprinter in Ireland in 2012. **4 wins**-2 at 2-5f to 6¼f, £259,847, Leopardstown Ballyogan S., **Gr.3**, Curragh Anglesey S., **Gr.3**, 2d Longchamp Prix Marcel Boussac, **Gr.1**.

GLORIOUS SIGHT (Singpiel). **3 wins** in succession at 1600m, 1800m, €301,840, Longchamp Prix Finlande, **L**, 2d Longchamp Poule d'Essai des Pouliches, **Gr.1**, 3d Chantilly Prix de Diane, **Gr.1**. Dam of 5 winners-

GLYCON (Le Havre). **6 wins**-3 in succession-1500m to 2500m, €280,005, to 2021, Grand Prix de Deauville, **Gr.2**, Deauville Prix de Reux, **Gr.3**.



Ciaron Maher Racing Pty Ltd

PO Box 83
Glen Huntly VIC 3163
Phone: +61 3 9571-1455
ABN: 50 527 688 389

Web: www.ciaronmaher.com.au

31 March, 2022

Racing NSW
Level 7, 51 Druitt Street
SYDNEY, NSW, 2000.

RE: Commitment to Train for DYNAMIC SYNDICATIONS

To whom it may concern,

We confirm that Dean Watt, on behalf of his company Dynamic Syndications, inquired if we were interested in training the following horse on their behalf:

JUSTIFY (USA) x TINGU (FR) Chestnut Yearling Filly - Foaled 28/7/2020

We were pleased to have been offered the abovementioned horse to train and have agreed to train the horse in accordance with our standard terms of trade. These terms are attached to this letter and are available from our office upon request.

Further, our business practice is in accordance with the Product Disclosure Statement supplied with this horse.

We acknowledge that Dynamic Syndications employ Dr. Tim Roberts as their contracted veterinarian.

For avoidance of a potential or perceived conflict of interest, we are aware Dr. Roberts has seen this horse prior to purchase, where it passed a physical examination and X-ray inspection which did not reveal any areas of concern.

We are also aware the horse passed an endoscopic evaluation and the horse was passed as:

"Suitable for Syndication for Racing Purposes."

We offer this letter and our Terms of Trade for inclusion with the Dynamic Syndications Product Disclosure.

We advise that we had no financial interest with this horse prior to being asked to train it for Dynamic Syndications.

We look forward to training this horse for its ownership team.

Yours sincerely,

Ciaron Maher
Head Trainer

David Eustace
Co-Trainer

CIARON MAHER RACING PTY LTD (ABN 50 527 688 389)

FEES NOTICE [from 1/8/2021]

This Fees Notice is intended to provide an Owner with an estimate only of fees and expenses. It is not a fixed price quotation. Fees and charges are invoiced monthly in arrears. It is not possible to indicate in advance the exact total monthly cost. While some fees and charges are at a daily rate (e.g. training fee etc.), others are per treatment (e.g. chiropractic, dentistry, farriery, veterinary etc.), and transportation per trip. Also, horses vary in the rate at which they mature and progress while on agistment and throughout each preparation.

1. PROPRIETOR'S BASIC FEES AND CHARGES		Daily Fee (excluding GST)	GST	Daily Fee (including GST)
Training Fee	➤ Caulfield	\$132.00	\$13.20	\$145.20
	➤ Balnarring (Beach Training)	\$132.00	\$13.20	\$145.20
	➤ Ballarat (includes track fee)	\$132.00	\$13.20	\$145.20
	➤ Fingal (Beach Training)	\$132.00	\$13.20	\$145.20
	➤ Warwick Farm	\$132.00	\$13.20	\$145.20
Race day staffing fees	➤ Official Trials	\$50.00	\$5.00	\$55.00
	➤ Race Meetings (Monday – Saturday) Day Meetings	\$125.00	\$12.50	\$137.50
	➤ Race Meetings (Sunday)	\$165.00	\$16.50	\$181.50
	➤ Race Meetings (Night meetings & Public Holidays)	\$165.00	\$16.50	\$181.50

2. OTHER FEES AND CHARGES (Estimate only) – actual fees and charges will be invoiced on a per treatment/track gallop/trip basis and may vary depending upon the service provider and the nature of the treatment/length of the trip		Fee (excluding GST)	GST	Fee (including GST)
Chiropractic	Consultation	\$77.00	\$7.70	\$84.70
Dentistry	Teeth Dressed	\$70.00	\$7.00	\$77.00
Farriery - main provider is J Bunting Enterprises	➤ Work Shoes	\$180.00	\$18.00	\$198.00
	➤ Race Plates	\$200.00	\$20.00	\$220.00
	➤ Shoes Off/Trim	\$80.00	\$8.00	\$88.00
Feed Supplements	➤ Caulfield – daily fee	\$1.75	\$0.18	\$1.93
Feed Supplements	➤ Warwick Farm – daily fee	\$6.75	\$0.68	\$7.43
Track fees	➤ Caulfield – daily fee	\$5.00	\$0.50	\$5.50
Track fees	➤ Warwick Farm – daily fee	\$7.00	\$0.70	\$7.70
Transportation	➤ CMR Caulfield to Flemington Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Caulfield to Moonee Valley Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Caulfield to Cavallino (One way)	\$150.00	\$15.00	\$165.00
	➤ CMR Caulfield to Balnarring (One way)	\$150.00	\$15.00	\$165.00
	➤ CMR Ballarat to Flemington Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Ballarat to Moonee Valley Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Ballarat to Caulfield Races (Return)	\$300.00	\$30.00	\$330.00
	➤ CMR Ballarat to Caulfield (One Way)	\$110.00	\$11.00	\$121.00
	➤ CMR Ballarat to Cavallino (One Way)	\$150.00	\$15.00	\$165.00
	➤ CMR Warwick Farm to Rosehill Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Warwick Farm to Canterbury Races (Return)	\$250.00	\$25.00	\$275.00
	➤ CMR Warwick Farm to Randwick Races (Return)	\$250.00	\$25.00	\$275.00
	➤ Other trips, including provincial and country racecourses	Variable		
Veterinary (routine stable treatments) - main provider is The Horse Vet who bill owners directly for non stable administered treatments	➤ Saline Drench	\$60.00	\$6.00	\$66.00
	➤ Worm	\$35.00	\$3.50	\$38.50
	➤ 2in1 Vaccination	\$45.00	\$4.50	\$49.50
	➤ Other treatments	Variable		
Credit Card Fee (inc GST)	Visa – 1.32%, MasterCard – 1.12%, AMEX/Diners – 2.86%			

CIARON MAHER RACING PTY LTD (ABN 50 527 688 389)

FEES NOTICE [from 1/8/2021]

Notes:

- (1) An estimate of race and trial entry fees is not included and will be additional. All race and trial entry fees (including nomination, acceptance and scratching fees) are set by the Principal Racing Authority or Race Club and are passed onto the Owner at cost.
- (2) An estimate of Interstate or overseas travel is not included and will be additional. Should the Horse race interstate or overseas, charges reflecting a proportion of the additional associated expenses, plus GST, will apply.

OTHER FEES AND CHARGES (Estimate only) – actual fees and charges may vary depending upon the service provider		Daily Fee (excluding GST)	GST	Daily Fee (including GST)
Agistment	➤ Victoria	\$32.00	\$3.20	\$35.20
	➤ NSW	\$35.00	\$3.50	\$38.50
Pre-training	➤ Various	\$85.00	\$8.50	\$93.50
Box - Spelling	➤ Various	\$47.50	\$4.75	\$52.25
Breaking-in	➤ Corboy Thoroughbreds (Once off set fee)	\$3,500.00	\$350.00	\$3,850.00

3. PROPRIETOR'S ADDITIONAL REMUNERATION AND GRATUITIES

1. If the Horse, being an Entire, is sold or retired to stud:
 - (a) an additional fee being an amount equal to 5% (plus GST) of the sale price (excluding GST); and
 - (b) two (2) transferable lifetime service right which will entitle the holder of such right to nominate a mare to be provided with a stud service by the Horse during each stud season that the Horse is used to provide stud services commercially, free of any service fee.
2. If the Horse, being other than an Entire to which paragraph 1 applies, is sold while being trained by the Proprietor, or within 3 months after ceasing to be trained by the Proprietor, for a price that is higher than the initial purchase price paid by the Owner, an additional fee being an amount equal to 5% (plus GST) of the sale price (excluding GST).

Notes:

- (1) The entitlements of the Proprietor to the additional remuneration and gratuities set out in paragraph 1 will not be conditional upon the Proprietor being the trainer of the Horse at the time of it being sold or retired to stud.
- (2) The entitlements of the Proprietor to the additional remuneration set out in paragraphs 1 and 2 will also apply to the sale of an interest or share in the Horse.

4. INTEREST – the Proprietor may charge interest on overdue accounts

5. MANDATORY ALLOCATION OF PRIZE MONEY UNDER THE RULES OF RACING

AR90 and Local Rules (LR): VIC – LR32; NSW – LR72(2); SA – LR8.7; QLD – LR71A; NT – LR75 & LR88; WA – LR80G & LR90; TAS – LR17 & LR23	VIC		NSW & ACT	SA						QLD & NT	WA	TAS	
	Flat Races	Jumps Races		Flat races			Jumps races						
				Win	Placing		Win	Placing					
					(1)	(2)		(1)	(2)				
Recipient													
➤ Proprietor (trainer)	9.8%	9.8%	9.9%	10%	10%	-	10%	10%	-	10%	10%	10%	
➤ Jockey	4.9%	9.8%	4.95%	5%	5%	5%	10%	10%	10%	5%	5%	5%	
➤ Stable hand Prize money Scheme	-	-	1.5%	-	-	-	-	-	-	-	-	-	
➤ Jockey Insurance & Welfare Scheme	1%	1%	1%	-	-	-	-	-	-	-	-	-	
➤ Animal Welfare Fund	1%	1%	1%	-	-	-	-	-	-	-	-	-	
➤ Owner	83.3%	78.4%	81.65%	85%	85%	95%	80%	80%	90%	85%	85%	85%	
➤ Access Fee	\$77 including GST		-	-							-	-	-

Notes:

- (1) NSW – \$250 or over metropolitan, provincial and country.
 - (2) SA – Placing (1) Prize for the placing is \$300 or more; and (2) Prize for the placing is less than \$300 and greater than \$100.
- Other states and territories may vary.
- (3) Access Fee: RVL deducts this fee from Prize money each time a Horse races and earns Prize money. It is invested back into the facilities at the track where the Horse is trained.

CENTENNIAL PARK VETERINARY PRACTICE



A.B.N. 91 072 794 944

VETERINARY EXAMINATION FOR DYNAMIC SYNDICATIONS

At the request of Dynamic Syndications, our practice was asked to re-examine the **JUSTIFY (USA) ex TINGU (FR), 2020 chestnut yearling filly**, brands described as Capital **C** and **B** nr sh., **4 over 0** off sh., to assess its continued suitability for public syndication. The purpose of the re-examination request was for the promoter to meet ongoing compliance with regulatory requirements by supplying a current veterinary certificate for inclusion with their PDS.

I had previously inspected this horse on behalf of Dynamic Syndications at the 2022 Magic Millions Yearling Sale at the Bundall Sales Complex, Bundall, Qld, on the 10th January 2022, prior to the commencement of the 2022 Magic Millions Yearling Sale where a detailed pre-purchase inspection was conducted including a full set of x-rays being read and were considered **low risk**, and an endoscopic evaluation conducted which was **Grade 1** (low risk). I advised my client at the time; in my opinion the filly was suitable for their purchase.

Clinical Examination:

The re-examination was performed at Bimbadeen Park, 50 Sylvan Rd, Werombi, NSW where the filly has been spelling since 17 January 2022. It was a general health check which included temperature, pulse, respiration, thoracic auscultation, as well as an ophthalmological examination for eyesight, mucous membrane colour, musculature symmetry and basic conformation, where no abnormalities were found.

There was no lameness at the walk and trot in hand. No response to hoof testers was found. On palpation and manipulation of the distal limbs including major joints, no abnormalities were found. The filly had a quiet temperament.

The filly remains a high-quality individual, athletic and free moving. She is well conformed and well balanced. The filly is still immature and will develop further. All clinical parameters were found to be within normal limits. No radiographs, blood tests, drug sampling, ECG or upper respiratory endoscope were performed.

Conclusion:

In the opinion of my attending associate Dr Laura Vaughan, as at the **31st MARCH 2022**, the date of re-examination, the **JUSTIFY (USA) x TINGU (FR) 2020 chestnut filly**, is in so far as can be determined from the examination conducted, presents in good health and has passed clinical examination and remains suitable for all risk mortality insurance cover and is suitable for racing and public syndication.

Yours faithfully,

Dr. T.M.B. Roberts BVSc. MRCVS
1 April 2022

NB: This examination is valid for seven (7) days and is only for the use of the person requesting the examination. The issuer of this certificate has no financial interest in the above horse and no contract with any other third party. The issuer has a long-standing relationship with Dynamic Syndications to provide a detailed veterinary assessment and specific advice on suitability of prospective yearling purchases at all yearling sales within Australasia.

Veterinary Surgeon: Dr TMB ROBERTS BVSC. (SYD.) MRCVS Dr R ALEXANDER BVSC. (MASSEY)

Dr G BAITZ BVSC. (PRET.)

Telephone: (02) 93606970 Facsimile: (02) 93806203 email: cpvp@equinevet.com.au

PO Box 535 Randwick NSW 2031 AUSTRALIA

<http://www.equinevet.com.au>

CENTENNIAL PARK VETERINARY PRACTICE



A.B.N. 91 072 794 944

VETERINARY EXAMINATION FOR DYNAMIC SYNDICATIONS

At the request of Dynamic Syndications, a pre-sale veterinary examination was conducted on **Lot 629, JUSTIFY (USA) ex TINGU (FR) chestnut yearling filly**, brands **Capital CB** nr shoulder, **4** over **0** off shoulder, as described in the 2022 Magic Millions Yearling Sales Catalogue. This was carried out at the Magic Millions Sale Complex, Bundall QLD, on the **10th January 2022**, prior to the commencement of the Magic Millions sale.

Clinical Examination:

A high quality individual, presented in excellent condition. She is athletic, well conformed with a deep girth and good length of rein. She stands over good ground. The filly is still immature and will develop further. All clinical parameters were found to be within normal limits. There was no clinical evidence of wear or injury to extremities. This general health check included: temperature, pulse, respiration, thoracic auscultation, as well as an ophthalmological examination for eyesight, mucous membrane colour, musculature symmetry and basic conformation, where no abnormalities were found.

She was examined in hand and was found to be free moving. There was no lameness at the walk and trot. On palpation and manipulation of the distal limbs including major joints, no abnormalities were found. The colt has a quiet temperament.

Radiographic Examination:

Pre-sale there was a full set of radiographs available for inspection in the repository at the Magic Millions Complex. Upon examination, they were considered **low risk** and there were no radiographic findings of any significance noted.

Endoscopic Examination:

Post sale the upper respiratory tract was examined endoscopically, and the larynx and pharynx were found to be **Grade 1**, normal in appearance and function.

Conclusion:

In my opinion, at the time of this examination, **Lot 629, JUSTIFY (USA) ex TINGU (FR) chestnut yearling filly**, is in so far as can be determined from the examination conducted, suitable for racing and public syndication and as such, is therefore suitable for all risk mortality insurance cover. I confirm that I advised Dynamic Syndications that in my opinion this lot was suitable for purchase.

Yours faithfully,

Dr. T.M.B. Roberts BVSc. MRCVS
14 January 2022

NB: This examination is valid for seven (7) days and is only for the use of the person requesting the examination. The issuer of this certificate has no financial interest in the above horse and no contract with any other third party. The issuer has a long-standing relationship with Dynamic Syndications to provide a detailed veterinary assessment and specific advice on suitability of prospective yearling purchases at all yearling sales within Australasia.

Veterinary Surgeon: **Dr TMB ROBERTS BVSc. (SYD.) MRCVS** **Dr R ALEXANDER BVSc. (MASSEY)**

Dr G BAITZ BVSc. (PRET.)

Telephone: (02) 93606970 Facsimile: (02) 93806203 email: cpvp@equinevet.com.au

PO Box 535 Randwick NSW 2031 AUSTRALIA

<http://www.equinevet.com.au>



MAGIC MILLIONS SALES PTY LIMITED

GOLD COAST | HEAD OFFICE

PO Box 5246, GCMC, QLD 9726 AUSTRALIA (28 Ascot Ct, Bundall QLD 4217)

ABN 54-078-396-317

P +61 7 5504 1200 F +61 7 5531 6888 E info@magicmillions.com.au

www.magicmillions.com.au

Mr Dean Warren Watt
Dynamic Syndications
PO Box 2324
TAREN POINT NSW 2229

2022 GOLD COAST YEARLING SALE FRIDAY, 14 JANUARY 2022

TAX INVOICE

Date: 14-Jan-2022

Account: DYNAMI

Invoice number: 263605

Terms: 180 Days

Lot	Description	Sire/Dam	Sale Price	GST	Total
629	Ch. Filly	Justify (USA)/Tingu (FR)			
	Purchase of Lot 629 at 2022 Gold Coast Yearling Sale		150,000.00	11,250.00	161,250.00
	Scoping for Lot 629 at 2022 Gold Coast Yearling Sale		165.00	16.50	181.50
	Nomination to Full Race Series for lot 629 at 2022 Gold Coast Yearling Sale		5,000.00	500.00	5,500.00
	Blood Testing of Lot 629 at 2022 Gold Coast Yearling Sale		500.00	50.00	550.00
SUBTOTAL			\$155,665.00	\$11,816.50	\$167,481.50
TOTAL AMOUNT DUE					\$167,481.50



PAYMENT OPTIONS

By EFT directly into our ANZ account:
Magic Millions Sales Pty Ltd
BSB: 014704
Account: 353807627
Swift Code: ANZ BAU 3M
Please quote DYNAMI and 263605
Please email remittance to
accounts@magicmillions.com.au



Pay Online & Earn Points*

* Earn Credit Card & Qantas Points • Boost Cash Flow

pay.b2bpay.com.au/magicm

* Subject to B2Bpay and Qantas Business Rewards terms - visit b2bpay.com.au



Account	DYNAMI
Reference	263605
Amount Due	\$167,481.50



Logan Livestock Insurance Agency Pty Ltd

ABN 81 001 826 204

www.logans.com.au

AFS Licence No. 238959

LEVEL 3, 357 MILITARY RD, CREMORNE TELEPHONE: (02) 9909 1499 FAX: (02) 9909 8057

Correspondence: P.O. BOX 360, CREMORNE NSW 2090 AUSTRALIA email: postmaster@logans.com.au

14/01/2022

Dynamic Syndications Pty Ltd
PO Box 2324
TAREN POINT NSW 2229

MEMORANDUM OF INSURANCE

Policy No: LOG21008037A

Insured: Dean Watt Thoroughbreds Pty Ltd t/as Dynamic Syndications

Interest: Unnamed (Lot 629 MMY)
2020 Chestnut Thoroughbred Filly
Justify / Tingu

Use: Flatracing

Limit of Liability: Aud\$266,000 being 100%

Period: 14th January 2022 to 4.00pm 1st November 2022

Coverage Summary: Mortality Insurance
Life Saving Emergency Surgery Extension Clause not exceeding \$10,000
Australia & New Zealand Territorial Limits
12 Month Extension Clause
Limited Theft and Unlawful Removal Endorsement
Terrorism Exclusion Endorsement
Disability Impairment Guarantee to Syndicate Registration
Failure to Syndicate Extension Clause

Underwriters: Lloyd's of London

Information on horse insurance is available at -:
www.logans.com.au

The Financial Services Guide and Insurance Policy are held by the Syndicator as syndicate manager and/or arranger of the insurance. They are available from them on request.

This Memorandum of Insurance is provided for inclusion in the Promoters Disclosure Statement for the sale of shares in the horse noted above and does not replace the terms and conditions of the policy. The Insurance is subject to payment of premium within normal credit terms and the nominated lead regulator will be advised if the terms are not met.

PDS - attachment H

APPLICATION PRICE CALCULATION SHEET

PDS for the sale of Shares in the unnamed thoroughbred **Chestnut Filly** foaled **2020**, by **JUSTIFY (USA)** from **TINGU (FR)** all-inclusive to **30 JUNE 2022**

The costs of establishing the Syndicate are set out in the following table (many of these costs are one-off expenditure items):

	Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter – fall of the hammer	\$150,000	\$7,500
B. Promoter's margin 12.5% of fall of hammer price	\$18,750	\$938
C. Other acquisition costs	\$38,537	\$1,927
D. Syndicate establishment costs	\$19,255	\$963
E. Actual and budgeted Horse husbandry costs to 30 June 2022	\$14,586	\$729
Sub-total	\$241,128	\$12,057
F. GST	\$24,112	\$1,205
G. Racing NSW Registration Fees (GST exempt): FOH Ownership Transfer \$55, Registration of Promotion \$250, Registration of Racing Syndicate \$250, Addition of a Racing Syndicate \$40, Transfer Promoter to Syndicate \$55, Registration of Horse Name \$110	\$760	\$38
Total	\$266,000	\$13,300
Share Application Price – 1/20th [or 5%] Share		\$13,300

Further breakdown of Items A, B, C and D:

		Total for Syndicate	Per Share (20)
A. Initial Cost Price of Horse paid by Promoter		\$150,000	\$7,500
B. Promoter's margin 12.5%		\$18,750	\$938
C. Other acquisition costs			
o Race series eligibility payments (7)			
▪ Entry to Magic Millions Race series (once only)	\$5,000		
▪ BOBS Entry Fee (once only)	\$900		
▪ BOBS Extra Entry Fee (once only)	\$764		
▪ Blue Diamond & Blue Sapphire 1st nomination	\$300		
▪ Golden Slipper & Golden Rose 1st nomination	\$400	\$7,364	\$368
o Insurance Premiums (4) Cover with Logans			
▪ Mortality from fall of hammer to 1 November 2022 for total syndication value +			
▪ Emergency Surgery / Colic +		\$300	\$15
▪ Disability impairment guarantee to date of issuing and allotment of Shares +		\$23,886	\$1,195
▪ ASIC - Statutory Professional Indemnity cover		\$1,356	\$68
o Acquisition costs			
▪ Veterinary work at sale complex by Dr Tim Roberts including 153 physical inspections, 132 X-rays & 114 endoscopic evaluations, pro-rata apportioned across all yearlings bought	\$2,195		
▪ Sales expenses incurred in attending sale apportioned across all yearlings purchased for syndication	\$1,778		
▪ Endoscopic evaluation post sale payable to Magic Millions	\$175		
▪ Blood-testing post sale for Anabolic Androgenic Steroids payable to Magic Millions	\$500		
▪ Miscellaneous costs, including professional photographers, pedigree ratings software subscription fees, apportioned across all yearlings purchased for syndication	\$983	\$5,631	\$281
D. Syndicate establishment costs			

o Establishment and promotion			
▪ Pro-rata proportion of: postage, printing, stationary (\$158), communication fees (telephone, internet, SMS) (\$360), bank fees, merchant service/eftpos fees, IT service provider (\$825), marketing & promotion advertising across: Facebook (\$457), TV Sky Channel & Racing.com, radio Sky Sports Radio & website Bloodstock.com (\$9,900), ASIC Form 88 PDS in-use notice & Vet Report for PDS (\$195).	\$11,895		
▪ Pro-rata ASIC Industry Funding Levy (\$660)	\$660		
o Accounting and legal			
▪ Pro-rata: Auditor's fee (\$3,500), Chartered Accountants fee (\$1,200), Legal fees (\$2,000)	\$6,700		
Total		\$19,255	\$963
E. Actual and Budgeted Horse Husbandry Costs to 30 June 2022			
o From 14 January 2022 to 30 June 2022			
▪ Transport 13 January from sale complex to Gooree Park Stud Agistment Farm	\$780		
▪ Agistment from date of arrival at Gooree Park to 28 February	\$1,856		
▪ Transport 1 March from Gooree Park to Bimbadeen Park to educator Shane Rose to commence breaking-in process	\$720		
▪ Education (Breaking-in) process over 42 days including stabling	\$3,750		
▪ Miscellaneous additional costs including farrier feet trim and shoes, dentist, parasite drench to 11 April	\$515		
▪ 3 days agistment & Transport 11 April from educators to Gooree Park Pre-Training Stables	\$690		
▪ Pre-Training 15 days orientation to stables \$88pd + supplements to 30 April	\$1,320		
▪ Agistment at Gooree from 1 May to 31 May	\$1,442		
▪ Pre-Training from 1 June to 30 June \$88pd + Track Fees & Supplements	\$2,820		
▪ Miscellaneous additional costs include farrier feet trim and shoes, dentist, parasite drench to 30 June 22	\$693	\$14,586	\$729
Total		\$241,128	\$12,057

WERK NICK RATING™ **B+** (+140%)
(based on the SCAT DADDY - GALILEO cross)



Generated on 02/07/22

		HENNESSY (Q)		STORM CAT
		JOHANNESBURG		ISLAND KITTY
		MYTH	2	OGYGIAN
	SCAT DADDY (B/C)			YARN
		MR. PROSPECTOR (B/C)		RAISE A NATIVE
	LOVE STYLE			GOLD DIGGER
		LIKEABLE STYLE		NIJINSKY II
JUSTIFY				PERSONABLE LADY
(2015)		AWESOME AGAIN (I/C)		DEPUTY MINISTER
	GHOSTZAPPER			PRIMAL FORCE
	BABY ZIP			RELAUNCH
	STAGE MAGIC			THIRTY ZIP
		PULPIT (I/C)	2	A.P. INDY
	MAGICAL ILLUSION			PREACH
	VOODOO LILY			BALDSKI
Prospective foal				CAP THE MOMENT
		SADLER'S WELLS (C/S)	1	NORTHERN DANCER
	GALILEO (Q)			FAIRY BRIDGE
	URBAN SEA			MISWAKI
INTELLO				ALLEGRETТА
	DANEHILL (Q)			DANZIG
	IMPRESSIONNANTE			RAZYANA
	OCCUPANDISTE			KALDOUN
TINGU				ONLY SEULE
(2015)	1	NUREYEV (C)		NORTHERN DANCER
	PEINTRE	CELEBRE		SPECIAL
	PEINTURE BLEUE			ALYDAR
PAINTING				PETROLEUSE
	WARNING			KNOWN FACT
	ZELDING			SLIGHTLY DANGEROUS
	ZELDA			CAERLEON
				MILL PRINCESS

Sibling Identifier: odd numbers = same dam only; even numbers = same sire and dam

Roman Dosage Profile: (5-2-10-1-0)

D.I.: 2.00 C.D.: 0.61

Werk Quality Rating: Q 6

Dosage Points: 18 + Quality Points: 8 = Total Points: 26

5-Generation Inbreeding: NORTHERN DANCER - x 5m, 5m

Stakes winners bred from the SCAT DADDY--GALILEO cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
AMANZI YIMPILO	2018	F				Y	NO NAY NEVER ex HONOURABLY (GALILEO)
MILLION	2015	C				Y	SCAT DADDY ex GRENADINES (GALILEO)
TANGO	2017	F				Y	NO NAY NEVER ex IDLE CHATTER (GALILEO)

GeoNicks™ North America

JUSTIFY--TINGU

A (186%)

Based on the SCAT DADDY--SADLER'S WELLS cross

This cross has produced 2 stakes winners in North America, including:

Stakes Winner	Yob	Sex	Best	Dirt	AWSTurf	Pedigree
NICKNAME	2013	F	G1	Y		SCAT DADDY ex NINA FEVER (BORREGO)
AMANZI YIMPILO	2018	F			Y	NO NAY NEVER ex HONOURABLY (GALILEO)



GeoNicks™ Europe

JUSTIFY--TINGU

B+ (107%)

Based on the SCAT DADDY--SADLER'S WELLS cross

This cross has produced 5 stakes winners in Europe, including:

Stakes Winner	Yob	Sex	Best	Dirt	AWSTurf	Pedigree
SHADN	2017	F	G2		Y	NO NAY NEVER ex AMETHYST (SADLER'S WELLS)
ARMOR	2019	C	G3		Y	NO NAY NEVER ex HESTIA (HIGH CHAPARRAL)
TANGO	2017	F			Y	NO NAY NEVER ex IDLE CHATTER (GALILEO)
MASEKELA	2019	C			Y	EL KABEIR ex LADY'S PURSE (DOYEN)
VISUALISATION	2018	C			Y	NO NAY NEVER ex ROSELITA (SADLER'S WELLS)



GeoNicks™ Australasia

JUSTIFY--TINGU

0 SW

Based on the HENNESSY--SADLER'S WELLS cross

This cross has produced no stakes winners in Australasia

Stakes Winner Yob Sex Best Dirt AWS Turf Pedigree



Stakes winners bred from the SCAT DADDY--GALILEO cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
AMANZI YIMPILO	2018	F				Y	NO NAY NEVER ex HONOURABLY (GALILEO)
MILLION	2015	C				Y	SCAT DADDY ex GRENADINES (GALILEO)
TANGO	2017	F				Y	NO NAY NEVER ex IDLE CHATTER (GALILEO)

Stakes winners bred from the JOHANNESBURG--SADLER'S WELLS cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
AMANZI YIMPILO	2018	F				Y	NO NAY NEVER ex HONOURABLY (GALILEO)
ARMOR	2019	C	G3			Y	NO NAY NEVER ex HESTIA (HIGH CHAPARRAL)
BAUXITA	2012	F	G3	Y		Y	SCAT DADDY ex BACANA (DUSHYANTOR)
BENELLI	2011	F	G3	Y			SCAT DADDY ex BELCUNDA (POWERSCOURT)
CASO CERRADO	2017	C	G1	Y			DADDY LONG LEGS ex CALMA Y TIZA (POWERSCOURT)
CON DINERO	2015	C	G2	Y			DADDY LONG LEGS ex CALMA Y TIZA (POWERSCOURT)
FALLEN FROM HEAVEN	2015	C	G1	Y		Y	DADDY LONG LEGS ex CASSIA NOSTRA (DUSHYANTOR)
MASEKELA	2019	C				Y	EL KABEIR ex LADY'S PURSE (DOYEN)
MILLION	2015	C				Y	SCAT DADDY ex GRENADINES (GALILEO)
NICKNAME	2013	F	G1	Y			SCAT DADDY ex NINA FEVER (BORREGO)
PEACE BURG	2010	F	G2			Y	SAGEBURG ex PEACE TALK (SADLER'S WELLS)
SHADN	2017	F	G2			Y	NO NAY NEVER ex AMETHYST (SADLER'S WELLS)
SI SAGE	2010	C	G2			Y	SAGEBURG ex SANS RIEN (POLIGLOTE)
STEFER	2006	F	G3			Y	JOHANNESBURG ex ARDERE (EL PRADO)
STRENGTH MASK	2018	C		Y			JUPITER PLUVIUS ex BLUEGRASS BLISS (EL PRADO)
TANGO	2017	F				Y	NO NAY NEVER ex IDLE CHATTER (GALILEO)
UNICORN LION	2016	C	G3			Y	NO NAY NEVER ex MURAVKA (HIGH CHAPARRAL)
VISUALISATION	2018	C				Y	NO NAY NEVER ex ROSELITA (SADLER'S WELLS)

Stakes winners bred from the SCAT DADDY--SADLER'S WELLS cross

Stakes Winner	Yob	Sex	Best	Dirt	AWS	Turf	Pedigree
AMANZI YIMPILO	2018	F				Y	NO NAY NEVER ex HONOURABLY (GALILEO)
ARMOR	2019	C	G3			Y	NO NAY NEVER ex HESTIA (HIGH CHAPARRAL)
BAUXITA	2012	F	G3	Y		Y	SCAT DADDY ex BACANA (DUSHYANTOR)
BENELLI	2011	F	G3	Y			SCAT DADDY ex BELCUNDA (POWERSCOURT)
CASO CERRADO	2017	C	G1	Y			DADDY LONG LEGS ex CALMA Y TIZA (POWERSCOURT)
CON DINERO	2015	C	G2	Y			DADDY LONG LEGS ex CALMA Y TIZA (POWERSCOURT)
FALLEN FROM HEAVEN	2015	C	G1	Y		Y	DADDY LONG LEGS ex CASSIA NOSTRA (DUSHYANTOR)
MASEKELA	2019	C				Y	EL KABEIR ex LADY'S PURSE (DOYEN)
MILLION	2015	C				Y	SCAT DADDY ex GRENADINES (GALILEO)
NICKNAME	2013	F	G1	Y			SCAT DADDY ex NINA FEVER (BORREGO)
SHADN	2017	F	G2			Y	NO NAY NEVER ex AMETHYST (SADLER'S WELLS)
TANGO	2017	F				Y	NO NAY NEVER ex IDLE CHATTER (GALILEO)
UNICORN LION	2016	C	G3			Y	NO NAY NEVER ex MURAVKA (HIGH CHAPARRAL)
VISUALISATION	2018	C				Y	NO NAY NEVER ex ROSELITA (SADLER'S WELLS)

PEDIGREE RATING SCORES - “NICKS”

It's a simple formula – It's all about risk reduction.

Nicks have become an integral part of the decision-making process in the mating and purchasing of thoroughbreds. Most breeders recognise that an affinity or compatibility can exist between two thoroughbred sire lines, such that, when crossed, those lines yielded a greater proportion of superior runners than when either one of them are crossed with any other sire lines. Great breeders, from Federico Tesio to present-day breeders around the world have relied on observed nicks to help guide their breeding plans and buying decisions.

Over 70% of ALL Stakes Winners are “A” Rated Nicks

In order to identify nicks in a systematic way, the software database we use developed an evaluation method based on sire-line analysis. Ongoing studies by researchers show that approximately 25% of the Thoroughbred population is the product of highly successful nicks ("A" rated nicks) while over 70% of stakes winners come from these "A" rated nicks!

Statistics:

There are approximately 20,000 live foals born each year –
25% (5,000) are A Rated whilst 75% (15,000) are rated below.

There are 541 Stakes Races in Australia this racing season.

70% (379) will be won from the 5,000 A rated foals born (7.6%)

30% (162) will be won from the 15,000 foals in the lower rated group (1.08%).

For a practical businessperson seeking a return on money invested, it makes no sense to ignore statistically unfavorable odds. Buying a superior racehorse is already a difficult enough proposition. The Rating systems we use allow us to see into the future by looking into the past and thereby to avoid those mating patterns that have failed. The Nick Rating enables us to avoid crosses that have had little or no success in the past. At the same time, it enables us to identify and thus duplicate successful sire-line crosses, dramatically increasing the chances of success.

Over the years evaluating Nicks have proven to be an invaluable tool in the stallion selection process when identifying yearlings for purchase. Dean Watt, Managing Director of Dynamic Syndications has enjoyed great success as a result of utilising such information. For example:

SAVABEEL, POLAR SUCCESS, HE'S NO PIE EATER, ATOMIC FORCE, ECONSUL, DE BEERS, BRADBURY'S LUCK, TENANT'S TIARA and REWARD FOR EFFORT were all superior racehorses who had superior pedigree ratings.

ECONSUL	A+ +	13,862%
SAVABEEL	A+ +	9,325%
DEBEERS	A+ +	4,270%
POLAR SUCCESS	A+ +	2,240%
REWARD FOR EFFORT	A+	1,175%
ATOMIC FORCE	A+	988%
BRADBURY'S LUCK	A	485%
TENANT'S TIARA	A	238%
HE'S NO PIE EATER	A	161%

Further afield, in 2008 the Top 5 Racehorses in the world had the following ratings:

1 CURLIN	A+	1,375%
2 NEW APPROACH	A+	1,472%
3 RAVEN'S PASS	A+ +	5,961%
4 DUKE OF MARMALADE	A	409%
5 HENRYTHENAVIGATOR	A+ +	1,531%

Then to further support the theories, in 2008 there was 67 Group 1 races run in Australia. These races were won by 48 individual horses. When these 48 individuals' pedigrees were analysed it showed:

35 / 48 Rated A or above = 73% of Individual Group 1 Winners Rates A or above

Affinity between sire lines was long ago observed by the world's best thoroughbred breeders. Today through modern technologies we are able to quantify what was once only a subjective judgment based on the observations of a relatively small equine population.

Ratings are essentially the objective measurement of success, or lack therefore, of sire-line crosses. Success is quantified by being the winners of stakes races with a prizemoney of at least \$50,000. Through software databases, containing the pedigrees of all such winners since 1977 (over 30,000 winners), we are able to more easily identify what sire-line crosses have succeeded in producing stakes winners and compare those numbers with the stakes winning population on the whole.

Often a sire line may appear to be successful with a particular broodmare sire line. However, if the level of success is no better than that sire line's success with the entire population, then there is not a true nick.

In order to understand the ratings for easy use, a letter-grade scale was developed. As in the scholastic setting, the scales ranges from F (Fail) through to A with A+ also A++ and now since 2011 the software system now identifies A+++ as possible to be achieved in some select instances. The Variants (percentages) shown in the table below are the deviation from the norm that has been observed by that sire line cross in question. On this

scale -15% to +15% (C) is considered average, meaning that the sire-line cross has yielded results that are statistically no better and no worse than what would be expected with the entire population.

An "A" rated nick indicates that a far greater percentage of stakes winners have resulted from that cross than expected. An "F" rated nick indicates that the number of stakes winners resulting from a cross is at least 50% below expectations. This does not mean that there cannot be success or will not be success from such a mating in the future. It does mean that in all the experience of the last 20 + years of winners of stakes races, that type of mating has had a significant lack of success as measured by stakes winner production.

It must be stressed that a below "Average" rating does not guarantee or even predict failure. It means only that, to date, the particular sire-line cross has fallen at least 16% short of what would be expected. Nicks can and do change over time.

Consequently, an above Average Rating must be kept in proper perspective as there are other factors that must be considered when selecting a horse for purchase. Specifically, conformation evaluation is critical. A thoroughbred may have a brilliant pedigree on paper that rates as either Excellent, Superior, Superb or Outstanding on our Ratings Score however if the skeletal structure and/or the overall constitution of the individual is lacking then the horse is rejected as a candidate for purchase.

The Rating Scale is shown below:

Nick	Horse	Variant %
A+++	Excellent	+20,000 and above
A++	Superior	+1,501 to + 19,999
A+	Superb	+500 to +1,500
A	Outstanding	+150 to +499
B+	Very Good	+100 to +149
B	Good	+50 to +99
C+	Acceptable	+16 to +49
C	Average	-15 to +15
D+	Weak	-16 to -34
D	Poor	-35 to -49
F	Unsuccessful	-50
0 SW	Zero Stakes Winners	0 SW

Dynamic Syndications uses these rating tools along with additional pedigree analysis systems from other software databases which skewer the data to local environmental factors and we have introduced a ranking on the class of Stakes Races which are won to establish what we consider is an inherent opportunity of greater racetrack success. Often a horse can have a very high Nick rating and yet score lowly on the variant and visa versa. We use this information to assist us in pedigree selections after the physical inspections have also been considered. Also we cannot blindly accept a rating score. For example Australia has only 2.9% of our races listed as Stakes Races whilst New Zealand has 9.7% and Ireland has 13.1%. Obviously the data will be weighted in certain directions if we did not counter this information with a ranking on the Stakes Races based upon country and class of race, racing region within the country and climatic conditions in the region. After adjustments the rating scale is presented below.

Quality Rating Summary

It is undeniable that racing class is in great part a function of the *quality* of ancestors contributing to new individual. It follows that certain quality stallions tend to contribute more favorably than other sires. When Quality points contributed by such deserving sires are combined with dosage points, the total points more accurately reflect the overall class of a pedigree.

The *Quality sires* in a pedigree contribute quality points (QP) to the new individual in exactly the same way as ancestral sires contribute dosage points (DP). The total number of *Quality points* is added to the *Dosage points* to get *Total Points* (TP).

The Quality Rating, which ranges from zero, as the low, to ten, as the high, is scaled to the number of total points in the pedigree:

Total Points	Quality Rating
0	Q0
1 to 4	Q1
5 to 9	Q2
10 to 14	Q3
15 to 19	Q4
20 to 24	Q5
25 to 29	Q6
30 to 39	Q7
40 to 44	Q8
45 to 54	Q9
55 +	Q10



AUTHORITY TO SIGN

Complete this form to authorise a person (nominated agent) to complete and sign an official document on your behalf.

PERSONAL DETAILS OF APPLICANT

Surname		
Given Name/s		Date of Birth: / /
Postal Address		
Telephone Number/s	(M):	Other:
Email		

Nominated Agent:	DEAN WARREN WATT	Ph: (02) 9540 1511
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HORSE NAME (or if unnamed; Year of foaling, Sire and Dam name)

2020 Chestnut Filly – JUSTIFY (USA) x TINGU (FR)
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I authorise the agent named here within to sign on my behalf, the following documents in respect to the above horse/s. (Cross out below any not applicable):

- (a) Application to Register a Racehorse;
- (b) Transfer of Ownership of a Racehorse;
- ~~(c) Lease of a Racehorse;~~
- ~~(d) Cancellation of a Lease;~~
- (e) Change of Share % (where my share is not altered)
- (f) Application to Register an Ordinary Syndicate;
- (g) Alteration to Existing Syndicate.

By signing this Authority I acknowledge that I have read and understood its content and that the Authority includes that the agent named here within in the future may sign other owners into this racehorse/s but may not sign me out of the ownership or change my share percentage. I also acknowledge that I will inform the agent and Racing NSW if I intend to cancel this Authority.

Owners Signature:		Date: / /
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I, DEAN WARREN WATT agree that I will inform the owners of the above-named horse if any changes to the ownership records of the horse are to occur prior to the forms being lodged with the Registrar of Racehorses or Racing NSW. I also acknowledge that the above-named owner may cancel this Authority at any time by writing to the Registrar of Racehorses or Racing NSW.

Agents Signature:		Date: 1 / 4 / 22
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Please note: this form is for the purpose of the Registrar's database of ownership, is independent of any other agreement and does not represent legal title of the horse.



4 April 2022

Mr Dean Watt
Dynamic Syndications
P O Box 2324
TAREN POINT NSW 2229

Dear Mr Watt,

**RE: Product Disclosure Statement for the 2020 chestnut filly by
JUSTIFY (USA) from TINGU (FR)**

The disclosure material lodged in respect of the above racehorse has been examined and appears to comply with the provisions required by the Australian Securities & Investments Commission.

Approval is hereby granted for the promotion to proceed.

This approval is conditional on the following:

- that all advertisements in respect of the scheme are submitted to Racing NSW for approval;
- that advertisements are NOT published until Racing NSW approval has been granted;

Notes:

- the PDS is valid for 6 months from the date of this correspondence;
- all persons who make an enquiry to purchase a share are to be issued with the Approved PDS;
- advertisements include Print Media, SKY Channel, radio, website and all other advertisements.

Yours faithfully

**Kristy Livingstone
For Racing NSW**



SHARE APPLICATION FORM

Applicant – Surname (individual):		
Given name(s):		Date of Birth:
Company name (if applicable):		ACN:
Syndicate name (optional):		
Street Address (required):		
Suburb:	State:	Postcode:
Telephone (Bus):	Home:	Mobile:
Postal Address (if applicable):		
Suburb:	State:	Postcode:
Email:		
Tax file number:		
Australian Business Number (ABN) (if applicable):		
If you have an ABN number, are you registered for GST? (if applicable):		
Where ABN is not supplied, please confirm that you are a hobby owner:		

BANK ACCOUNT DETAILS FOR PAYMENT OF PRIZE MONEY DISTRIBUTIONS AND PROCEEDS BY EFT

ACCOUNT NAME	BANK NAME	BSB NUMBER	ACCOUNT NUMBER

[Please complete the above table as the information is required by the Registrar of Racehorses when registering ownership].

ACKNOWLEDGMENTS

- I have read and understood a copy of the Product Disclosure Statement (PDS) relating to the offering of Shares in the **"UNNAMED" Chestnut Filly Foaled 28th July 2020, by JUSTIFY (USA) from TINGU (FR) (Syndicate)**.
- I agree to be bound by the terms of the PDS and the other documents referred to in the PDS.
- I acknowledge that **DYNAMIC SYNDICATIONS (DEAN WATT THOROUGHBREDS PTY LTD T/AS) (ABN 64 134 481 539) (AFSL 336808) (Promoter)** reserves the right to decline any application or part of any application at its discretion and that the allotting of Shares to any applicant requires the approval of the Promoter. Subject to that right, Shares will be allotted in the order in which applications are received and application moneys will be refunded to applicants whose applications are unsuccessful either because their applications have been declined or because all the available Shares have been sold. Any interest earned will be paid on the refunds.
- I acknowledge that the total amount payable per Share upon application is **\$13,300.00 (Application Price)**.
- I authorise the Promoter or Manager to sign on my behalf and lodge with the Registrar of Racehorses or Principal Racing Authority any application for registration or transfer of ownership relating to the Horse during the life of the Syndicate.

APPLICATION FOR SHARES

I apply for _____ Share(s) in the Syndicate at the Application Price per Share of **\$13,300.00**.

HOW TO INVEST

Shares will not be issued on the basis of this Application after the Offer closing date.

This Application Form must be signed by all parties. Joint Applicants must state whether they wish to purchase as joint tenants or tenants in common. In the absence of any such statement Joint Applicants will be deemed to be tenants in common. Tenants in common will be deemed to be in equal Shares unless the contrary is stated. The Promoter reserves the right to require the joint owners of any Share to register their own Syndicate with the Lead Regulator in accordance with the Rules of Racing and to own that Share in the name of that Syndicate.

If signed under Power of Attorney, the Attorney hereby certifies that he or she has not received notice of a revocation of that power and undertakes to produce the Power of Attorney (or a certified copy of it) if requested.

A Company must execute in accordance with section 127 of the *Corporations Act 2001* or by an authorised officer. Minimum Application is for one (1) Share. In the case of a representative, satisfactory evidence of appointment must be produced.

This Application Form must not be handed on unless attached to this PDS.

Applicants are advised to seek independent advice as to their legal position and in relation to the value of the Horse and Shares the subject of this PDS.

THE FOLLOWING PRIVACY NOTICE AND REQUEST FOR PERSONAL INFORMATION IS INCLUDED ON THIS APPLICATION FORM AT THE REQUEST OF THE LEAD REGULATOR:

PRIVACY:

The Registrar or Deputy Registrar of Racehorses collects information about all syndicate members when the syndicate manager submits an application to register a syndicate. The Registrar or Deputy Registrar will use that information to assess the application and if the syndicate is approved, the ongoing status of the syndicate. To do that, the Registrar may disclose your information to other racing bodies. On occasion, the Registrar may disclose names and contact details to racing organisations, including race clubs and owners or breeders' associations. However, this information will only be disclosed where the Registrar is of the opinion that such communication may be of interest or benefit to you. If you do not want to receive such communication, you may advise the Registrar of that fact at any time. You can gain access to and request changes be made to your information held by the Registrar at any time. You do not have to supply the information requested, but if the information is not provided your application may be rejected.

PERSONAL INFORMATION:

1. In the past ten (10) years, have you been convicted of, or is there a pending charge against you, for any offence involving:
 - (a) violence against a person; or
 - (b) dishonest or criminal activity?
2. Have you ever been convicted under the Australian Rules of Racing or rules of any racing authority?

If any applicant should answer "yes" to any of these questions, the applicant must notify the Registrar in writing prior to the lodgement of the application. Such notification must include full details of the conduct in question. The Registrar will advise in writing of having received such notification. That advice should be retained by the applicant as evidence that the appropriate notification has been made. You are advised that should it be established that an individual has neglected or failed to truthfully respond to questions 1(a), 1(b) or 2, this application and any other application concerning the individual may be refused or cancelled at any time. If the notification has previously been advised to the Registrar, there is no need to do it again.

Signature of Applicant (if an individual) _____

Signature of director/authorised officer (if a Company) _____

Signature of witness _____

Name of Witness _____

Address of Witness _____

Dated _____

☐ I have provided 100 points customer identification information

I elect to pay for my Share(s) either by: (a) **Cheque** (attached) or by (b) **Credit Card** (Visa or MasterCard) or by (c) **EFT**

(a) Cheques to be made payable to:

DEAN WATT THOROUGHBREDS PTY LTD T/AS DYNAMIC SYNDICATIONS TRUST ACCOUNT and forwarded with this completed Application Form to **DYNAMIC SYNDICATIONS, PO Box 2324, TAREN POINT, NSW 2229**

(b) Credit Card number: _____ **CCV (3-digit number on back of card)** _____

Expiry Date of Card: _____ I authorise you to process payment via this Credit Card: _____

Name of Cardholder (as appears on card) _____

(c) I wish to pay for my Share(s) by EFT. Please deposit to trust account - details are supplied with Tax Invoice.

I understand that this application will not be accepted until payment for the Share(s) has been made and the application is formally accepted.