

## *SYNDICATE AGREEMENT*

**IN RESPECT OF**

**“Warne’s Army”**

Brown Filly by FAST COMPANY out EURO EMPIRE

Registered in the name of DGA Racing Ltd.

The effective date of this agreement is 1<sup>st</sup> January 2020

**Whereas:**

**DGA Racing Limited** (hereafter known as “DGA Racing”) owns the above named horse **WARNE’S ARMY**, for the purposes of racing. **DGA Racing** have organised for the horse to be based and trained at the stables of **Mark Johnston**, Kingsley Park, Middleham for the term of this syndicate.

**DGA Racing** is making available “**WARNE’S ARMY**” hereafter known as “The Horse” to Syndicate Members (“**The Syndicate**”) who will have an interest in the horse, but not ownership of the Horse. The objective being that Syndicate Members will experience the fun and excitement of having an interest in the Horse for a fixed term and benefit from a share of any net prize money earned without the costs associated with the purchase of the horse. **Paul Thompson** on behalf of **DGA Racing** will manage **The Syndicate**.

(1) A **Syndicate Member** is entitled to:

- i. A % of all prize money won by the above horse after it has been paid by Weatherbys net of any expenses detailed in Clause 18 of the Terms and Conditions. Prize money payments are made at the end of the lease term to all Syndicate Members.
- ii. **Owners badges** (providing free entry to the owners'/members' enclosures) on every occasion when the horse is racing. Badges are for Syndicate Members only and are not transferrable. Badges will be allocated by ballot if oversubscribed
- iii. the horse has a designated **Syndicate Manager**, who will keep you up to date on its training progress, explain race planning and give race previews & reviews, as well as being a host at the racecourse for you.
- iv. exclusive stable visits to see the horse at the yard, giving you the opportunity to see the progress of the horse.

(2) The syndicate will operate until the **31<sup>st</sup> October 2020**. Any continuation of the Syndicate beyond that date will be the subject to a further agreement.



## TERMS AND CONDITIONS

### 1. GENERAL

- a. **Warne's Army Syndicate** ("the **Syndicate**") is constituted as a Racing Syndicate formed in accordance with the Rules of Racing of Great Britain.
- b. For the purposes of the Rules of Racing and in accordance with those Rules, the Horses will race in the name and colours of **DGA Racing**.
- c. The interest of each Member in the Syndicate shall be that of a beneficial tenant in common in respect of the Horse according to the proportionate stake of that Member in the Syndicate. Accordingly each Member shall have a prospective right to participate in the net proceeds of Prize Money after the deduction of all costs and expenses referred to in these Terms & Conditions.

### 2. INFORMATION

The Syndicate Manager will keep the Members informed as to the progress of the Horse in training and the races for which they are entered. The Syndicate Manager shall also arrange for the Syndicate Members to view the Horses in training and to attend race meetings.

### 3. DEFAULT

The commitment of each Syndicate Member in respect of the Syndicate is for the full duration of the Syndicate's term and, except with the agreement of the Syndicate Manager, no Syndicate Member shall be able to transfer any share owned by that Syndicate Member before the Syndicate's dissolution or otherwise to discontinue his or her membership of the Syndicate. If any sum payable by Syndicate Member in respect of a Share is not paid for in full on the due date, the Syndicate Member, at the Manager's discretion, cease to be entitled to any benefits which would otherwise accrue to it under these Conditions.

### 4. MANAGEMENT

Subject to the right of the Syndicate Members to call a meeting (and pass resolutions at such a meeting) in accordance with Condition 7, it shall be for the Syndicate Manager to decide all matters relating to the management, training and racing of the Horses; but the Syndicate Manager shall communicate regularly to the Syndicate Members any decisions made in relation to the Horse.

### 5. INDEMNITY

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

### 6. TRAINER

The Horse will be trained by Mark Johnston, Kingsley Park, Middleham.

### 7. MEETINGS & DECISIONS BY THE OWNERS

These conditions make no provision for a scheduled meeting of Syndicate Members. However, any one or more Syndicate Members whose Shares in the Horse equate to 10 per cent (10%) or more of all of the Shares shall be entitled to require that a Syndicate Members Meeting meeting is held, by sending to the Syndicate Manager a written request for such a meeting to be held. Within three (3) days of receiving any such request, the Syndicate Manager shall call an Syndicate Members Meeting by giving not less than thirty (30) days' written notice thereof to all Syndicate Members particularising in the notice the time, place and date of the meeting to be held and any matters which those who have requested the meeting have stated that they would like the meeting to address. At any such meeting, any motion carried by the holders in aggregate of 60 per cent (60%) or more of the Shares shall be sufficient to pass any resolution relating to the Syndicate and its management, save that no decision to continue this Agreement beyond its proposed termination may be made other than with the unanimous support of all Syndicate Members. At any such meeting, Syndicate Members may vote in person or by proxy.

## 8. ACCOUNTS AND DISTRIBUTION OF SYNDICATE FUNDS

- i. The Syndicate Manager shall, as soon as reasonably practicable after the end of the term of the Syndicate, prepare a set of wind-up accounts, independently reviewed by the Syndicate Manager's nominated accountants showing:-

### **Income**

- a. The prize money won by the Horse (but excluding any trophies of their value);
- b. Any other income (such as appearance money) received in relation to the Horse; and

### **Expenditure**

- a. All expenses, as summarized below and necessarily incurred in racing, insuring and administering the Horse. These shall include but may not necessarily be limited to:-
  - a) Racing fees(including entry fees, jockey expenses), race-day expenses (including transportation and stable lad costs)
  - b) All out of pocket expenses reasonably and necessarily incurred by the Syndicate Manager in establishing, administering, promoting and winding up the Syndicate including professional fees;
- ii. If, in the Syndicate lifetime the horse does not earn enough prize money to cover these expenses then any negative balance would not be charged to the Syndicate Members but would be born by DGA Racing.
- iii. The resulting balance shall be distributed to the Syndicate members rateably according to the percentage of Shares held by them.

## 9. CHANGE OF CIRCUMSTANCE

If an offer of purchase is made during the term of the Syndicate or if a horse suffers an injury which terminates its racing career, then DGA Racing reserves the right to sell or retire the horse.. In these circumstances DGA Racing will replace the horse with another that will continue to provide the high quality race experience. This will be done with the full involvement of the syndicate members who can choose the horse of their choice from the options offered.

## 10. ACKNOWLEDGEMENT

Each Syndicate Member acknowledges that participation in the Syndicate is for the purpose of sharing in the enjoyment of the Horse and not for investment.



## 11. MISCELLANEOUS

- i. Any intellectual property created by the arrangements to which these Conditions relate (whether deriving from the Horses, the Syndicate, or the Manager) shall belong to the Syndicate Manager.
- ii. The Syndicate Manager shall only process data relating to the Syndicate Members in a manner permitted by and consistent with current Data Protection Legislation and/or as permitted by the Syndicate Members.
- iii. The Syndicate Members, when funding their participation in the Syndicate, are not purchasing goods or services and are not consumers for the purposes of Consumer Protection legislation.

## 12. LAW

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