

Contract No:

TRAINING AGREEMENT

SCHEDULE A

[Insert trainer's name or name of trainer's entity] ("Trainer")

Trainer's Name:

Training Facility:

Entity: Individual Company Close Corporation ("CC")

Full Name of Entity:

If an Individual - ID No:

If a Company / CC - Registration No: Vat No:

Physical Address & Domicilium:

Postal Address:

Mobile Number: Contact Person:

Email Address:

("the Owner")

Entity: Individual Syndicate Company Partnership

Owner(s) Name:

If a Company, Registration No.

If a Syndicate, Name of Syndicate:

Syndicate Nominee's Name:

If a Partnership, Partnership Name:
[Please also complete Annexure 1]

Partnership Nominee or Manager of Partnership: VAT No:

Physical Address & Domicilium:

Postal Address:

Telephone number: Contact person:

Email Address:

SCHEDULE B

Agreement Details

Effective Date of Agreement: _____

Indefinite Term: (tick this box if the term is for the duration of HORSES(S) in training with TRAINER)

Definite Term: From: Effective Date _____ To: _____
(insert date that AGREEMENT terminates)

Monthly Training Fee: (Excl VAT) *Specify what this includes: (only tick a box if included in the TRAINING FEE)*

Farrier Transportation Costs Dentist
 Veterinary Services Equine Physiotherapist/therapists
 Equine Chiropractor Race Entries
 NHRA fees (change of ownership/authority to act/colours/name changes/
registration fees and any other fees imposed by the NHRA)
 Race Day Expenses (Grooms Travel and/or Overtime)

Payment Date: _____

Additional Fees Payable by Owner to Third-Parties or Trainer: (Not Included in Monthly Training Fees): (Excl VAT)

Farrier Transportation Costs Dentist
 Veterinary Services Equine Physiotherapist/therapists
 Equine Chiropractor Race Entries
 NHRA fees (change of ownership/authority to act/colours/name changes/
registration fees and any other fees imposed by the NHRA)
 Race Day Expenses (Grooms Travel and/or Overtime)

Commission: (Percentage of Prize Money in Addition to Racing Operator's Deductions of Trainer, Jockey and Groom)

% For 1st place in Grade 1
 % For 1st place achieved in Grade 2
 % For 1st place achieved in Grade 3
 % For places achieved 1-3rd in Listed Races

Sale Commission: (percentage payable to TRAINER in the event of a sale of HORSE/S to a third-party recognised as a commission for services provided by the TRAINER which has resulted in a value being achieved as a result of such services)

% payable and due to the TRAINER on the value of the sale price achieved, recognised as a SALE COMMISSION for the facilitation of the process relating thereto and/or for services rendered which have resulted in the greater value achieved in the transaction. No SALE COMMISSION will be payable to the TRAINER if by mutual agreement between the PARTIES it is offered for sale due to it not achieving a standard acceptable to the PARTIES or alternatively retired from racing.- i.e. in training sale/ auction etc.

SPECIAL CONDITIONS: (insert any special conditions if not in this AGREEMENT)

Note that an OWNER must complete an Authority to Act for the NHRA. The bank account details will be reflected on the Authority to Act for either the OWNER or the TRAINER to receive the proceeds of the stakes.

If the TRAINER receives PRIZE MONEY, please complete TRAINER banks account details:

Trainer Account Holder Name: _____

Bank: _____

Account Number: _____ Type of Account: _____

If the OWNER receives PRIZE MONEY, please complete the OWNER(S) bank account details in Annexure 1

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signature for and on behalf of the TRAINER who warrants that he is duly authorised hereto:

Trainer

Witness 1 _____
Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1 _____
Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

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Witness 1

Witness 2

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Witness 1

Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

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Witness 1

Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

Signatory for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

Signature for and on behalf of the OWNER who warrants that he is duly authorised hereto:

Owner

Witness 1

Witness 2

1. DEFINITIONS

- 1.1. Unless otherwise expressly stated, or the context otherwise requires, in this AGREEMENT the following terms will have the following meanings and cognate words and expressions will bear corresponding meanings:
- 1.1.1. **ADDITIONAL FEES** – the fees listed in **Schedule B** to be paid by the OWNER;
 - 1.1.2. **AFSA** – Arbitration Foundation of South Africa;
 - 1.1.3. **AGREEMENT** – this agreement including **Schedule A**, **Schedule B**, these terms and conditions and all other annexes and addenda hereto, which should be read as if specifically incorporated herein;
 - 1.1.4. **AUTHORITY TO ACT** – an authority to act as prescribed by the NHRA, duly signed by the OWNER granting the TRAINER rights to train and race the HORSE/S;
 - 1.1.5. **BUSINESS DAY** – any day other than a Saturday, a Sunday or a day which is a gazetted public holiday in the RSA;
 - 1.1.6. **BUSINESS HOURS** – 8.30am to 5.00pm RSA time on a BUSINESS DAY;
 - 1.1.7. **COMMISSION** – the percentage fee charged by the TRAINER in addition to the TRAINING FEES which is a percentage of the PRIZE MONEY, which COMMISSION percentages are indicated on Schedule B hereto;
 - 1.1.8. **EFFECTIVE DATE** – the date on which this AGREEMENT will come into effect, as specified on Schedule B of this AGREEMENT;
 - 1.1.9. **EFT** – electronic funds transfer;
 - 1.1.10. **INDEFINITE TERM** – the term of this AGREEMENT commencing on the EFFECTIVE DATE and terminating when the OWNER no longer has any HORSE(S) with the TRAINER as contemplated in clause 3.1.4;
 - 1.1.11. **ENTITY** or **PERSON** – includes any natural or juristic person, association, business, close corporation, company, concern, enterprise, firm, partnership, joint venture, trust, undertaking, voluntary association, body corporate, syndicate and any similar entity;
 - 1.1.12. **HORSE(S)** – any thoroughbred horse placed by the OWNER with the TRAINER;
 - 1.1.13. **JOCKEY** – the jockey registered with the NHRA selected by the TRAINER to ride the HORSE(S) in races;
 - 1.1.14. **MANAGER** – in the case of multiple party ownership, the PERSON appointed in terms of this AGREEMENT to be the duly authorised agent in respect of the HORSE(S);
 - 1.1.15. **NHRA** – the National Horse Racing Authority in the RSA, which is the regulator of horse racing, or its successor in title;
 - 1.1.16. **OWNER(S)** – the owner(s) or lessee(s) of the HORSE(S), as are described in Schedule A and where a partnership, as described in **Annexure 1**;
 - 1.1.17. **PARTIES** – the TRAINER and the OWNER and and "PARTY" will mean any one of them as the context may indicate;
 - 1.1.18. **POWER OF ATTORNEY** – the special power of attorney attached hereto granting the TRAINER a power of attorney to change ownership of a HORSE under the terms of this AGREEMENT;
 - 1.1.19. **PRIZE MONEY** – means stakes and money earned from racing the HORSE(S), including any bonuses paid and racing incentive schemes;
 - 1.1.20. **PROCEEDS** – the proceeds of sale or of any insurance claim paid in relation to the HORSE(S) or a share, as the context indicates;
 - 1.1.21. **RACING OPERATOR** – the entity which holds race meetings and holds a valid license as a horse racing operator in the RSA and races under the RULES OF RACING;
 - 1.1.22. **RSA** – the Republic of South Africa;
 - 1.1.23. **RULES OF RACING** – the Rules of Racing as set out by the NHRA;
 - 1.1.24. **SALE COMMISSION** – the sales commission payable and due to the TRAINER on the value of the sale price achieved for a HORSE (if the HORSE is sold by agreement between the PARTIES), and which is recognised as a SALE COMMISSION for the facilitation of the process relating thereto and/or for services rendered which have resulted in a greater value achieved in the transaction, but specifically excludes the circumstances contemplated in clause 15 in which case no SALE COMMISSION would be payable;
 - 1.1.25. **SIGNATURE DATE** – the date upon which the last PARTY hereto signs this AGREEMENT;
 - 1.1.26. **THIRD-PARTY SUPPLIERS** – any party engaged by the TRAINER to care for the horse, including without limitation, veterinary services, equine physiotherapy, equine chiropractor, equine therapists, farriers and equine dentists;
 - 1.1.27. **TRAINING FACILITY** – the facility where the TRAINER will keep and train the HORSE(S);
 - 1.1.28. **TRAINING FEES** – the monthly training fee to stable, feed, groom and train the HORSE at the FACILITY, exclusive of VAT as recorded in **Schedule B**;
 - 1.1.29. **TRAINING SERVICES** – all services offered and rendered by a TRAINER on behalf of an OWNER in respect of a HORSE as set out in clause 4 and as specified in this AGREEMENT;
 - 1.1.30. **TRAINER** – the ENTITY recorded in **Schedule A** of this AGREEMENT and who is a registered trainer with the NHRA;
 - 1.1.31. **VAT** – Value Added Tax as contemplated in the Value-Added Tax Act 89 of 1991, as amended;
 - 1.1.32. **WORK RIDER** – the work rider registered with the NHRA selected by the TRAINER to ride the HORSE(S) in work rider races.
- ## 2. APPOINTMENT
- 2.1. The TRAINER is a registered TRAINER with the NHRA and trains race horses. This AGREEMENT is subject to the RULES OF RACING as set out by the NHRA.
 - 2.2. The OWNER is the proprietor of the HORSE(S), whether as a nominee of a syndicate, manager of a partnership,

full owner, co-owner, lessee or otherwise.

- 2.3. The TRAINER and the OWNER agree that the HORSE(S) are placed with the TRAINER with effect from the EFFECTIVE DATE in exchange for the TRAINING FEES and the ADDITIONAL FEES on these terms and conditions.

3. DURATION AND TERMINATION

- 3.1. This AGREEMENT will commence on the EFFECTIVE DATE and will continue for either the DEFINITE TERM or the INDEFINITE TERM as contemplated in Schedule B, unless otherwise terminated as follows:
- 3.1.1. the HORSE ceases racing, is sold or is otherwise disposed of by the OWNER, or the TRAINER exercises the rights in terms of clause 14;
- 3.1.2. the TRAINER elects to terminate this AGREEMENT and directs the OWNER or the MANAGER to remove the HORSE(S) from the TRAINING FACILITY;
- 3.1.3. the OWNER or MANAGER elects to terminate this AGREEMENT upon 30 (thirty) days written notice to the TRAINER.
- 3.2. If an OWNER places and removes HORSE(S) from a TRAINER on an ongoing basis, the terms and conditions of this AGREEMENT will govern the relationship between the PARTIES for the INDEFINITE TERM, unless the PARTIES have specified a DEFINITE TERM.
- 3.3. In the event that the PARTIES have specified a DEFINITE TERM and the OWNER leaves the HORSE(S) in training with the TRAINER after expiry of the DEFINITE TERM, the PARTIES agree that the terms and conditions of this AGREEMENT will be extended automatically for the duration of the period that the HORSE(S) remain in training with the TRAINER.
- 3.4. Notwithstanding any termination of this AGREEMENT, any obligations of the PARTIES which arose during the term of this AGREEMENT, including payment obligations will remain binding upon the PARTIES.

4. TRAINING SERVICES

- 4.1. The TRAINER'S services include (without limitation):
- 4.1.1. training and racing the HORSE to best advantage;
- 4.1.2. caring for and maintaining the HORSE, including providing stabling, equipment, gear, feed, work riders and supplements; and
- 4.1.3. providing or as the agent of the OWNER procuring THIRD-PARTY SUPPLIERS as the TRAINER deems necessary for the care of the HORSE;
- 4.1.4. communicating with the OWNER or MANAGER (either in person, by email or telephonically) in relation to the HORSE(S):
- 4.1.4.1. general well-being and progress at least once per month;
- 4.1.4.2. proposed racing program and race performances (pre and post race reports) at least one week before a HORSE is due to race;
- 4.1.4.3. health (any illness, injury or death suffered) as soon as reasonably possible upon becoming

aware of any health issue or the diagnosis thereof;

4.1.4.4. relocation for any reason;

4.1.4.5. jockey to ride in the race;

4.1.4.6. scratching from a race at the TRAINER'S discretion upon becoming aware of the requirement for scratching a HORSE(S).

- 4.2. The TRAINER must obtain the OWNER or MANAGER'S prior approval before authorizing that HORSE:
- 4.2.1. to relocate to another racing jurisdiction;
- 4.2.2. to be nominated and accepted in any race where the nomination fees and declaration fees exceed R6000;
- 4.2.3. undergo surgery, extraordinary treatment the cost of which is likely to exceed R10 000.
- 4.2.4. if the TRAINER, at any time arranges for a HORSE to be relocated to a property not operated by the TRAINER or offered for sale or sold, such arrangement will be made by the TRAINER as the OWNER or MANAGER'S agent and the TRAINER will no longer be responsible to the OWNER for either the care and well-being of the HORSE, or for the fees or charges incurred.
- 4.2.5. If a HORSE is sent by the TRAINER for rest or recuperation, the TRAINER must advise the OWNER or MANAGER that the HORSE will require rest or recuperation and notify the OWNER(S) where the HORSE will be located for such purposes and all FEES in this regard must be paid for by the OWNER(S).
- 4.2.6. A TRAINER or MANAGER may send a HORSE to a pre-training centre as part of its preparation for racing. If a HORSE is sent for pre-training by the TRAINER or MANAGER, the OWNER(S) hereby indemnify/ies and hold harmless the TRAINER from any harm that may come to the HORSE as a result of such relocation, transport and/or whilst the HORSE is located at any such pre-training or spelling farm.

5. GELDING AND WELFARE

- 5.1. If the HORSE(S) is a colt or a stallion, the TRAINER must obtain the OWNER(S) or MANAGER'S approval prior to gelding a HORSE(S).
- 5.2. Except in circumstances where a qualified equine veterinarian retained by the NHRA, or a qualified equine veterinarian whose services are regularly utilised by the TRAINER, has recommended that a HORSE be euthanised on humane grounds, the TRAINER must not authorise the euthanasia of a horse due to accident, injury or illness, without the prior consent of the OWNER or MANAGER. The TRAINER will be obliged to obtain a letter for the reasons for euthanasia from the attending veterinarian if the OWNER requests same for insurance purposes or otherwise.

6. TRAINING FEES, ADDITIONAL EXPENSES & THIRD-PARTY SUPPLIERS

- 6.1. The TRAINER charges the TRAINING FEES per month as set out in **Schedule B** to, among other things, stable, feed, groom, train and race the HORSE(S).

6.2. To ensure the welfare of the HORSE(S), the TRAINER may, in his sole discretion elect to engage a THIRD-PARTY SUPPLIER.

6.3. The TRAINER, acting as agent for a disclosed principal for the OWNER(S) and in the TRAINER'S sole discretion, may elect to contract directly with THIRD-PARTY SUPPLIERS for the welfare of the HORSE(S). In this regard, the TRAINER will either:

6.3.1. add the ADDITIONAL FEES in respect thereof to the OWNER'S account; or

6.3.2. require the OWNER to contract directly with the THIRD-PARTY SUPPLIER.

6.4. The OWNER undertakes and acknowledges that the OWNER will be responsible for all the ADDITIONAL FEES for the HORSE(S) either directly to the TRAINER or to the THIRD-PARTY SUPPLIER, as designated by the TRAINER.

6.5. The OWNER will pay the TRAINER the TRAINING FEES and any ADDITIONAL CHARGES incurred by the TRAINER on a monthly basis by way of EFT into the TRAINER'S designated bank account as indicated on the TRAINER'S invoice, which payment shall be payable on or before the payment date reflected in Schedule B hereto.

6.6. The OWNER acknowledges that increases in TRAINING FEES may be required from time to time due to increases in the costs of feed, labour, stabling costs and related expenses and accordingly the TRAINER will be entitled to increase the TRAINING FEES upon 30 days written notice to the OWNER.

7. PAYMENT OF PRIZE MONEY

7.1. The OWNER(S) or MANAGER may in **Schedule B** designate an account to where payment of PRIZE MONEY will be made to and in the case of multi-party ownership, multiple accounts in accordance with the percentage ownership in a HORSE in **Annexure 1**.

7.2. If the TRAINER has as part of his conditions the receipt of PRIZE MONEY, the TRAINER must insert his bank details on **Schedule B** and will be entitled to receive such PRIZE MONEY.

7.3. If the TRAINER collects all PRIZE MONEY on behalf of the OWNER(S), then the TRAINER must pay the relevant OWNERS the PRIZE MONEY less any TRAINING FEES and any ADDITIONAL FEES (if stipulated on **Schedule B**) or show the credit on the OWNER(S) statement of account at the end of each month. If the statement of account of the OWNER(S) shows a credit, the OWNER may require the TRAINER to pay over such credit within 5 (five) days to such OWNER'S designated bank account. In the case of multi-party ownership, the TRAINER will pay each such OWNER(S) in accordance with their respective shares pro-rata to the PRIZE MONEY received by the TRAINER for a HORSE(S) or otherwise as instructed or agreed with the OWNER or MANAGER.

7.4. The amounts contemplated in clauses 4.2.2 and 4.2.3 will increase automatically annually from 1 January of each year of the term of this AGREEMENT in accordance with the Consumer Price Index as quoted by Statistics South

Africa or its successor in title.

7.5. If there are any TRAINING FEES and/or ADDITIONAL FEES due to the TRAINER, the TRAINER may exercise a right to give direction for the payment of PRIZE MONEY:

7.5.1. if the HORSE is racing, by notice to the relevant RACING OPERATOR and/or NHRA where the PRIZE money is earned;

7.5.2. if the HORSE is sold, by notice to the selling agent or buyer (as required); or

7.5.3. if there is any claim under the insurance policy attaching to the HORSE, by notice to the insurer, requiring payment directly to the TRAINER of only such amount as is due and payable for the TRAINING FEES due to any THIRD-PARTY SERVICE SUPPLIERS to whom the TRAINER is liable on behalf of any OWNER(S).

8. RULES OF RACING

8.1. The TRAINER, the OWNER(S) and the MANAGER must comply with the RULES OF RACING set out by the NHRA; and the OWNER(S) must be eligible to be an OWNER under the RULES OF RACING. If there is any inconsistency between a provision of this AGREEMENT and the RULES OF RACING of the NHRA, the NHRA rules will apply to the extent of any such inconsistency.

8.2. The OWNER hereby grants the TRAINER an AUTHORITY TO ACT as specified by the NHRA in its forms and the RULES OF RACING and in terms of this AGREEMENT.

8.3. The TRAINER must comply with the RULES OF RACING and the OWNER must be eligible to be an OWNER under the RULES OF RACING.

9. MULTIPLE PARTY OWNERSHIP

9.1. If multiple parties are OWNERS of the HORSE(S):

9.1.1. where the HORSE is owned in a partnership, this AGREEMENT binds them individually and jointly and severally; and

9.1.2. either the majority OWNER or the holder of the largest percentage in the HORSE(S) will be deemed to be the MANAGER unless all the OWNERS collectively nominate a MANAGER; or

9.1.3. in the case of a syndicate, the nominee of that syndicate will be deemed to be the MANAGER of the HORSE(S) or such other person who is duly nominated by the syndicate members will be the MANAGER of the HORSE(S);

9.1.4. in the case of a company, the nominee will be deemed to be the managing director/CEO of the company or such director as is nominated by the company by way of board resolution.

9.2. In all cases in clause 9.1 above, the MANAGER will be deemed to be the duly authorised agent of all the OWNERS collectively for all dealings with the TRAINER in relation to the HORSE(S).

9.3. A TRAINER may waive its rights to dealing only with a

MANAGER and elect to communicate via any platform with all stakeholders in a HORSE(S), however, this does not imply that the TRAINER is bound to accept any opinions and decisions from any party who is not the nominee of the HORSE in the case of multiple party ownership.

10. HORSE NAME, IMAGE AND RACING COLOURS

10.1. Subject to any restrictions or conditions imposed by the NHRA or RACING OPERATOR, the OWNER grants the TRAINER the right to use the HORSE(S) name, image and racing colours in any promotion, publicity or media, free of charge.

11. VISITATION OF HORSES AT TRAINING FACILITY

11.1. The OWNER(S) and/or MANAGER, may, by appointment with the TRAINER, attend at the TRAINING FACILITY to inspect, visit and attend the training of the HORSE(S). The OWNER(S) and the MANAGER acknowledge that there are inherent risks with HORSE(S) and that HORSES can be unpredictable. The TRAINER will not be liable for any inherent risks associated with the visitation, howsoever arising, and the OWNER(S) and MANAGER hereby indemnify and holds harmless the TRAINER, his employees and agents from any damages, now or in the future, which may arise as a result of such visitation to the TRAINING FACILITY.

12. DELIVERY AND REMOVAL OF A HORSE

12.1. The OWNER or MANAGER must comply with all instructions of the TRAINER prior to delivering or removing a HORSE to and from the TRAINING FACILITY.

13. DEFAULT BY OWNER, LIEN AND AUTHORITY TO SELL

13.1. As security for the proper performance of the OWNER(S) obligations in terms of this AGREEMENT, the OWNER hereby grants to the TRAINER a lien and/or cession over the HORSE(S), the PRIZE MONEY and the PROCEEDS.

13.2. Subject to the TRAINER delivering a 30 (thirty) day notice of breach to the OWNER and/or MANAGER requesting that the OWNER and/or MANAGER remedy such breach and the subsequent failure by the OWNER and/or MANAGER to remedy such breach, (including any payment obligation due to the TRAINER), the TRAINER may exercise the lien which entitles the TRAINER to:

13.2.1. take possession of the HORSE(S) (including its passport) until such amounts as are due and payable by the OWNER in terms of this AGREEMENT are paid in full; and

13.2.2. retake possession of the HORSE(S) where the TRAINER is not in possession at the time when the OWNER'S breach occurs;

13.2.3. to sell the HORSE(S) as the duly appointed agent by the OWNER or to appoint an agent to sell the HORSE.

13.3. Notwithstanding any other provision of this AGREEMENT, if the OWNER breaches a material obligation and delivers notice as contemplated in this clause 13.2 (including any

payment obligation), the TRAINER may:

13.3.1. charge interest on any outstanding amount in accordance with the Prescribed Rate of Interest Act, 1975; and/or

13.3.2. stop or suspend training the HORSE(S), including entering the HORSE(S) into any races.

14. OWNERS SALE OR ENCUMBRANCE OF A HORSE

14.1. If the OWNER elects to transfer, sell or otherwise dispose of, or to create any encumbrance to a HORSE, while any TRAINING FEES and charges are outstanding and payable to the TRAINER or any THIRD-PARTY SERVICE PROVIDER (if contracted directly by the TRAINER) in terms of this AGREEMENT, the OWNER must prior to doing so either:

14.1.1. pay all such outstanding TRAINING FEES and charges to the TRAINER and/or the THIRD-PARTY SERVICE PROVIDER; or

14.1.2. obtain the TRAINER'S approval either to the proposed sale or other disposition, or to the creating of the encumbrance. The TRAINER may give approval (with or without conditions relating to payment of the outstanding TRAINING FEES without providing a reason. If the TRAINER does provide approval, the OWNER must comply with the TRAINER'S conditions of such approval, including payment directly to the TRAINER for any outstanding TRAINING FEES.

15. POWER ATTORNEY FOR THE SALE OF HORSE

15.1. Subject to the TRAINER delivering a 30 (thirty) day notice of breach to the OWNER and/or MANAGER for a material breach and the OWNER and/or MANAGER failing to remedy such breach timeously and for the purpose only of the TRAINER exercising his right to sell the HORSE when the OWNER or MANAGER has materially breached this AGREEMENT (including non-payment), the OWNER hereby irrevocably appoints and directs the TRAINER, as the OWNER or MANAGER'S duly authorised agent with full POWER OF ATTORNEY and in the stead of the OWNER to execute any instrument and to do any act or thing required to effect the sale, including registration of the CHANGE OF OWNERSHIP of the HORSE with the NHRA and expressly and irrevocably directs the NHRA without reference to the OWNER or MANAGER and without requiring a court order to transfer ownership of the HORSE as the TRAINER may direct.

15.2. If the TRAINER elects to sell the HORSE by public auction, the TRAINER may offer the HORSE without reserve and sell it to the highest bidder.

15.3. If the TRAINER elects to sell the HORSE other than by public auction, such sale must be in good faith at a price not less than the fair market value of the HORSE determined by a bloodstock agent of not less than 5 (five) years experience.

15.4. If the HORSE fails to sell on public auction or in the open market, the TRAINER may elect:

15.4.1. to take ownership of the HORSE, providing that the

value of the HORSE is determined by a bloodstock agent of not less than 5 (five) years experience; and

- 15.4.2. to deduct the TRAINING FEES which are due and payable to the TRAINER from the value of the HORSE determined by the bloodstock agent; or
 - 15.4.3. to pay the balance to the OWNERS if such value of the HORSE exceeds the TRAINING FEES due and payable; and/or
 - 15.4.4. claim the balance of the TRAINING FEES from the OWNER(S) if the value of the HORSE as determined by the bloodstock agent is less than the outstanding TRAINING FEES.
- 15.5. Notwithstanding any other provision of this clause 15, the TRAINER has a duty to mitigate his damages from any amounts due and payable by the OWNER(S) and should implement steps to have the HORSE valued as soon as reasonably possible.
- 15.6. The TRAINER must notify the OWNER(S) by way of statement of any payment due and payable to the address the account is normally submitted. If the OWNER(S) fails to pay their TRAINING FEES for a period of more than 30 (thirty days), the TRAINER may proceed to sell or transfer ownership of the HORSE as contemplated in this clause 15. In doing so, the TRAINER must provide notice to the OWNERS in accordance with clause 18.1.1.
- 15.7. If multiple parties are the OWNERS of a HORSE(S) as contemplated in clause 9, this AGREEMENT will be binding on the partnership, the syndicate or the company, as the case may be.

16. HORSE INSURANCE

- 16.1. Unless otherwise agreed in writing, the OWNER is responsible for procuring the OWNER'S insurance cover for the HORSE (including any renewal thereof) for critical care, medical insurance and purchase price insurance and any other insurable interests in relation to the HORSE.

17. ACKNOWLEDGEMENTS AND INDEMNITY

- 17.1. Unless otherwise stated in this AGREEMENT, each PARTY acknowledges that they have not made any representation or warranty to each other in relation to the HORSE.
- 17.2. The OWNER (and/or the MANAGER on behalf of the OWNER) enter into this AGREEMENT at their own risk and acknowledge that the TRAINER does not provide any guarantees:
- 17.2.1. that the HORSE(S) will win any races or PRIZE MONEY;
 - 17.2.2. that the HORSE(S) will have any residual value as a broodmare or stallion;
 - 17.2.3. subject to clause 5, that a colt or a stallion will not require gelding because of physical or behavioural considerations in an effort to enhance performance;
- 17.3. The OWNER or MANAGER acknowledges that owning and racing HORSES is speculative and that fees and

expenses will be incurred without the assurance of a financial return.

- 17.4. The OWNER or MANAGER acknowledge that they have had the opportunity to inspect the TRAINING FACILITY or have freely declined to do so prior to the EFFECTIVE DATE of this AGREEMENT.
- 17.5. The OWNER(S) acknowledge that the ownership, training and racing of thoroughbred horses involve risks that may not reasonably be foreseeable, including but not limited to the value of the HORSE being diminished due to accident or injury, infertility, natural causes, market forces, the failure of the HORSE to compete or win races or the death of the HORSE.

18. BREACH AND TERMINATION-

- 18.1. Without prejudice to any other remedies which either of the PARTIES may otherwise have in terms of this AGREEMENT or at law, either PARTY may terminate this AGREEMENT upon the written notice stipulated therein to the other in the event that the other PARTY:
- 18.1.1. breaches any material term of this AGREEMENT and such breach is incapable of remedy or, if the breach is remediable, it continues for a period of 30 (thirty) days after written notice requiring the same to be remedied has been given to the PARTY in breach;
 - 18.1.2. fails to pay any amount due within 30 (thirty) days of its due date;
 - 18.1.3. takes steps to place itself, or is placed, in liquidation, whether voluntarily or compulsorily, or business rescue proceedings, in either case whether provisionally or finally and in such case a PARTY may terminate upon 3 (three) days notice;
 - 18.1.4. enters into any compromise, composition or arrangement with any of its creditors or attempts to do so and in such case a PARTY may terminate upon 3 (three) days' notice;
 - 18.1.5. takes steps to deregister itself or is deregistered and in such case a PARTY may terminate upon 3 (three) days notice;
 - 18.1.6. commits an act of insolvency being a corporate body, commits an act which would be such an act of insolvency if committed by a natural person and in such case a PARTY may terminate after 30 (thirty) days after written notice requiring same to be remedied.

- 18.2. The provisions of this clause do not constitute a waiver by any PARTY of its common law rights and remedies arising from any breach of this AGREEMENT that may have accrued before the termination of this AGREEMENT.

19. DISPUTE RESOLUTION

- 19.1. If a dispute arises out of or in connection with this AGREEMENT or the subject matter of this AGREEMENT, or any matter arising out of the breach, termination or cancellation of this AGREEMENT, the PARTIES must first seek an amicable resolution to such dispute by referring to each PARTIES' delegated authorised representative

for their negotiation of the dispute.

- 19.2.** Notification of a dispute must be provided to the other PARTY and if the PARTIES fail to resolve the dispute within 10 (ten) days of such notification by an aggrieved party, either PARTY may elect to dispute resolution by way of arbitration in accordance with the Arbitration Act 42 of 1965, as amended.
- 19.3.** Each PARTY agrees that the arbitration will be held in the jurisdiction of either Cape Town, Durban, Johannesburg or Port Elizabeth (whichever is the closest to the TRAINING FACILITY where the TRAINER operates from) by way of an expedited arbitration in accordance with the then current rules of expedited arbitration of AFSA by 1 (one) arbitrator appointed by agreement between the PARTIES. If the PARTIES cannot agree on the arbitrator within a period of 5 (five) business days after the referral of the dispute to arbitration, the arbitrator will be appointed by the Secretariat of AFSA.
- 19.4.** The PARTIES agree to participate in good faith in the arbitration.
- 19.5.** The arbitrator will be entitled to:
- 19.5.1. investigate any matter, fact or thing which he considers necessary or desirable in connection with the dispute;
 - 19.5.2. interview and question under oath representatives of either of the PARTIES;
 - 19.5.3. decide the dispute according to what he considers just and equitable in the circumstances;
 - 19.5.4. make such award, including an award for specific performance, damages, and penalty and/or otherwise as he/she in his discretion may deem fit and appropriate;
 - 19.5.5. make a ruling on the costs of arbitration.
- 19.6.** The decision of the arbitrator will be final and binding on the PARTIES to the dispute and may be made an order of a competent court at the instance of any of the PARTIES to the dispute.
- 19.7.** Nothing contained in this clause 19 will prohibit a PARTY from approaching any court of competent jurisdiction for urgent interim relief pending determination of the dispute by arbitration.

20. DOMICILIA AND NOTICES

- 20.1.** The PARTIES hereby choose as their domicilium citandi et executandi ("Domicilium") the physical address and the email set out in Schedule A and for the purposes of giving or sending any notice provided for or required in terms of this AGREEMENT.
- 20.2.** Any notice to be given by either PARTY to the other will be deemed to have been duly received by the other PARTY –
- 20.2.1. if addressed to the addressee at its Domicilium and posted by pre-paid registered post on the 10th (tenth) day after the date of posting thereof, or
 - 20.2.2. if delivered to the addressee's Domicilium by hand

during BUSINESS HOURS on a BUSINESS DAY, on the date of delivery thereof, or

20.2.3. if sent by email to the addressee on the first BUSINESS DAY following the date of sending thereof.

- 20.3.** Any PARTY is entitled to change its Domicilium to another street address within the RSA by written notice to the other PARTY. Such change of DOMICILIUM will take effect upon receipt of notice in writing by the addressee of such change.
- 20.4.** The PARTIES record that whilst they may correspond via email during the currency of this AGREEMENT for operational reasons, no formal notice required in terms of this AGREEMENT, nor any amendment or variation to this AGREEMENT may be given or concluded via email.
- 20.5.** Notwithstanding anything to the contrary herein contained, a written notice actually received by a PARTY will be adequate written notice to it, notwithstanding that it was not delivered as envisaged herein.

21. CESSION, ASSIGNMENT AND DELEGATION

- 21.1.** The OWNER may not cede or delegate any of its rights or obligations under this AGREEMENT without the TRAINER'S prior consent first being obtained, which consent will not be unreasonably withheld.
- 21.2.** The TRAINER may not cede, delegate, assign and/or transfer all or any of his rights, interests and obligations under this AGREEMENT, unless the OWNER(S) in such event hereby consents to such cession, delegation, assignment and/or transfer.

22. ENTIRE AGREEMENT AND SEVERANCE

- 22.1.** This written AGREEMENT together with the Schedules and Annexes hereto and any other expressly incorporated document constitute the entire AGREEMENT between the PARTIES hereto and supercede any prior understandings between the PARTIES in relation to the subject matter hereof and no PARTY may rely on any representation made by the other PARTY unless such representation is expressly repeated herein. Nothing in this clause 22.1 will relieve any PARTY of liability for fraudulent misrepresentations and no PARTY will be entitled to any remedy for either any negligent or innocent misrepresentation except to the extent (if any) that a court or arbitrator may allow reliance on the same as being fair and reasonable.
- 22.2.** No change, alteration or modification to these terms and conditions, the Schedules and/or the Annexes will be valid unless in writing and signed by duly authorised PARTIES.
- 22.3.** If any provision of this AGREEMENT or part thereof will be void for whatever reason, it will be deemed deleted and the remaining provisions will continue in full force and effect.

23. RELAXATION

- 23.1.** No latitude, extension of time or other indulgence which may be given or allowed by one PARTY to the other PARTY in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement by a PARTY of any of its rights arising from

this AGREEMENT, and no single or partial exercise of any right by a PARTY under this AGREEMENT, will in any circumstances be construed to be an implied consent or election by that PARTY or operate as a waiver or a novation of or otherwise affect any of that PARTY's rights in terms of or arising from this AGREEMENT or stop or preclude that PARTY from enforcing at any time and without notice, strict and punctual compliance with each provision or term hereof.

24. GOVERNING LAW

24.1. Subject to clause 19, this AGREEMENT will be governed by the laws of RSA.

25. JURISDICTION OF SOUTH AFRICAN COURTS

25.1. Subject to clause 19, the PARTIES consent to the non-exclusive jurisdiction of the High Court of South Africa for any proceedings arising out of or in connection with this AGREEMENT.

26. SEVERABILITY

26.1. Each provision of this AGREEMENT, together with its Schedules and Annexes, is severable, the one from the other and, if at any time any provision is, or becomes, or is found to be invalid, illegal or otherwise unenforceable for any reason, by a court of competent jurisdiction, the remaining provisions of this AGREEMENT will continue to be of full force and effect.

27. COUNTERPARTS

This AGREEMENT may be signed in as many counterparts as may be needed, each of which together will constitute one and the same AGREEMENT.

28. PRIOR DRAFTS

Prior drafts of this AGREEMENT will not be admissible in any proceedings as evidence of any matter relating to any negotiations preceding the signature of this AGREEMENT.

29. COSTS

29.1. Each PARTY will bear its own costs of and incidental to the negotiation, preparation and execution of this AGREEMENT.

29.2. Any costs, including attorney and own client costs incurred by a PARTY arising out of a breach of this AGREEMENT will be borne by the PARTY in breach.

30. INTERPRETATION

30.1. If any definition, or part thereof, of a word and / or phrase in clause 1 contains substantive provisions conferring rights and / or imposing obligations on any PARTY, effect will be given to such provisions as if they were substantive provisions in the body of this AGREEMENT notwithstanding that such provisions are in the said definitions clause.

30.2. Clause and paragraph headings are for purposes of reference only and will not be used in interpretation.

30.3. Unless the context clearly indicates a contrary intention, any word denoting any gender includes the other gender, the singular includes the plural and vice versa, natural

persons includes artificial persons and vice versa and insolvency includes provisional or final sequestration, liquidation or business rescue proceedings.

30.4. When any number of days is prescribed such number will exclude the first and include the last day unless the last day falls on a Saturday, Sunday, or a public holiday in RSA, in which case the last day will be the next succeeding day which is not a Saturday, Sunday or a public holiday in RSA.

30.5. A reference to days (other than to a business day), months or years will be a reference to calendar days, months or years, as the case may be.

30.6. In the event that the day for payment of any amount due in terms of this AGREEMENT falls on a day which is not a BUSINESS DAY, then the relevant date for payment will be the following BUSINESS DAY.

30.7. When any time or date is referred to in this AGREEMENT same will be deemed to be a reference to such time and/ or date, as the case may be, in RSA.

30.8. Where figures are referred to in numerals and in words and there is any conflict between the numerals and words, the words will prevail.

30.9. No provision herein will be construed against or interpreted to the disadvantage of any PARTY by reason of such PARTY having or being deemed to have structured, drafted or introduced such provision.

30.10. The use of the word "including" followed by specific examples will not be construed so as to limit the meaning of the general wording preceding it.

30.11. Any reference to any statute, regulation or legislation is a reference to such statute, regulation or legislation as at date of signature hereof and as amended or substituted from time to time.

30.12. Any provision of this AGREEMENT which contemplates performance or observance subsequent to any termination or expiration of this AGREEMENT will survive any termination or expiration of this AGREEMENT and continue in full force and effect notwithstanding that the clauses themselves do not expressly provide for this.

30.13. The use of any expression covering a process available under the laws of RSA (such as but not limited to a winding-up) will, if any of the PARTIES is subject to the law of any other jurisdiction, be interpreted in relation to that PARTY as including any equivalent or analogous proceeding under the law of such other jurisdiction.

ANNEXURE 1

Partner 1:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 2:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 3:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 4:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 5:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 6:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 7:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 8:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 9:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 10:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 11:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 12:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 13:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 14:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 15:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 16:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 17:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse

Partner 18:

Full Name

ID No. or Reg No.

Domicilium Address

Contact No.

Email

Bank Account Name

Bank

Account No.

Branch

Percentage of Horse



Special Power of Attorney

I/We the undersigned,

OWNER(S)/MANAGER/NOMINEE/PRINCIPAL

If a Syndicate, Partnership or Company the Manager/Nominee:

1. Name: _____ **(Identity Number):** _____

If horse(s) are owned by individual owners, the name of the manager duly appointed to represented all of the owners in terms of the Training Agreement as contemplated in clause 9.1.2 thereof:

1. Name: _____ **(Identity Number):** _____

Do hereby nominate, constitute and appoint:

(TRAINER/AGENT) _____ **(Identity Number)** _____

of _____ **(RACING STABLES)**

With power of substitution, to be my/our lawful Agent in my/our name, place and stead to appear at the office of the National Horse Racing Authority ("NHRA") and then and there to lodge, sign amend and effect all documents and forms for:

1. the registration and/or change of ownership of the HORSE(S) under my care which are owned by the OWNER(S) and for which I am the duly authorized agent in terms of the TRAINING AGREEMENT;
2. and directing the NHRA to effect such change of ownership of the relevant HORSE(S) upon presentation of a duly signed copy of TRAINING AGREEMENT by the relevant OWNER(S) of the relevant HORSE(S) together with a default notice with attached delivery slip evidencing delivery of the default notice as contemplated in clause 15 of the TRAINING AGREEMENT and a current statement of account showing a balance due and payable to the TRAINER/AGENT;

And generally for effecting the purpose aforesaid, to do or cause to be done whatsoever will be required as fully and effectually, for all intents and purposes, as I/we might or could do if personally present and acting herein–hereby ratifying, allowing and confirming and promising and agreeing to ratify, allow and confirm all and whatsoever my/our said TRAINER/AGENT will lawfully do, or cause to be done by virtue of the above presents.

Signed at _____ on this _____ day of _____ 2024, in the presence of the undersigned witness.

OWNER(S)/MANAGER/PRINCIPAL

WITNESS 1:

_____ Signed at _____ on this _____ day of _____ 2024

WITNESS 2:

_____ Signed at _____ on this _____ day of _____ 2024