

Please find below 12 points that Horse Racing Ireland suggest be considered when forming a racing syndicate.

The list is non-exhaustive and may be expanded or reduced as each syndicate requires.

1. Name And Registration Of Syndicate

The name will be that chosen by the members and accepted by the registrations section of the racing department. There is a limit of 40 characters in a syndicate name and numerals are unacceptable.

2. Membership

(a) What is the agreed membership number?

(b) Is membership fixed at a specific number of shares or can shares be further sub-divided.

(c) Is there a criteria for membership – such criteria should be specified.

(D) Can shares within the syndicate be transferred? – how can such a transfer be effected?

3. Registered Agent

(a) Horse Racing Ireland require that each syndicate have a registered agent. This agent is responsible for associated paperwork and has exclusive access to syndicate account information. Who is suitable to act as agent?

(b) How is the agent elected/appointed? Can he/she be removed?

(c) Functions of the agent – this role must be defined – although they must deal exclusively with Horse Racing Ireland, does this also apply to the trainer, banks etc....

(d) How are meetings convened? Does the agent convene a meeting and what notice period is required?

(e) Is the agent responsible for accounting matters?

(f) Is the agent a voluntary role or should he/she be paid or have expenses covered?

4. Decision Making Procedures

This is an area that requires particular attention and should be very clearly defined in order to avoid disputes.

Points to consider are as follows:

- (a) Are all decisions by way of a majority vote? If not what form of voting is applicable.
- (b) Does each shareholder have one vote?
- (c) Can shares be subdivided?
- (d) In certain cases should decisions be made on a two third majority vote?

5. Finance

- (a) Does the syndicate require a treasurer in addition to the agent?
- (b) How much does each member pay? It is recommended that a bulk payment be made upfront if possible.
- (c) Mode of payment – weekly, monthly, in advance, arrears?
- (d) Signatories of the account.
- (e) Publishing of the account – a monthly statement will be issued from the accounts department of Horse Racing Ireland.
- (f) Are all members entitled to view accounts.
- (g) Provision for once off payments.

6. Non Payment Of Accounts

This is an area which should be considered carefully by all members when forming a Syndicate Agreement and again very specific provisions should be made in dealing with members who either fail to pay membership fees or are deemed to be in arrears.

Suggested provisions in this regard may include the following:

- (a) Specific date for payment of member's fees.
- (b) In cases of late or non - payment, notice to be given by Agent/Treasurer.
- (c) Such notice to be written or telecommunicated?
- (d) Agent/Treasurer to have discretion with regard to second warning?
- (e) Expulsion of non-paying members?
- (f) Should the expulsion depend on majority vote, secret ballot etc....

7. **Transfer Of Interest**

- (a) How can members transfer or sell shares?
- (b) Are such shares then sub-divided or are they offered externally?
- (c) Are members excluded from offering shares to third parties.
- (d) Do all benefits/liabilities transfer with each share sold?
- (e) Does a new member have to be elected in by existing members?

7. **Resignation Of Member**

There should be a departure clause for each member who may wish to retire from the syndicate.

- (a) Notice to be given by retiring member to the agent?
- (b) Such a notice in writing/telecommunication?
- (c) All accounts of retiring member to be cleared in advance of acceptance of Notice Of Resignation.

9. **Deadlock**

Obviously each syndicate agreement should contain a Deadlock clause such as that in the Associated Specimen Agreement – consider carefully whether the designated representative should have a casting vote.

10. **Removal Of Syndicate Member**

- (a) Grounds for removal
- (b) Notice to offending member
- (c) Removal by majority vote/two thirds vote

11. **Dissolution of Syndicate**

- (a) Grounds for Dissolution of Syndicate – End of Lease Agreement/End of horses racing career.
- (b) Syndicate to exist for a fixed period only
- (c) Discharge of all accounts and dissolution of syndicate.
- (d) Liability of each member and dissolution of Syndicate.
- (e) Provision of accounts as at date of dissolution of syndicate

12. **Sale Of Horse**

- (a) Circumstances in which horse may be sold.
- (b) By public Auction/Private Treaty
- (c) Minimum Reserve
- (d) Entitlement Of Members to purchase

