



香港賽馬會  
The Hong Kong  
Jockey Club

## **SYNDICATE AGREEMENT**

### 1. **OBJECTS**

The object of the Syndicate is to own and race a horse or horses under the Rules of Racing and Instructions (the “Rules”) made by the Stewards of The Hong Kong Jockey Club (the “Club”) under the racing name

\_\_\_\_\_ Syndicate

(Name In Chinese : \_\_\_\_\_ 團體)

### 2. **MEMBERS**

The Syndicate must consist of not less than five (5) and not more than fifty (50) members. All Syndicate members must be eligible members of the Club as defined under the Rules and the Club’s Ownership Bye-laws. Each member or manager must have at least 2% but not more than 30% share interest in the Syndicate. The members shall be jointly and severally accountable to the Club for all aspects of the ownership and management of the horse(s) registered under the name of the Syndicate. Any Member who is a staff member of the Club, or is an immediate family member (including but not limited to parents, spouse and/or children) of a staff member of the Club who holds a position that in the opinion of the Club may lead to conflict of interest or is otherwise subject to any relevant restriction is not allowed to join any Syndicate.

### 3. **MANAGERS**

A syndicate with five (5) to eight (8) members shall nominate two (2) or three (3) managers and a syndicate with nine (9) to fifty (50) members shall nominate three (3) managers (each hereinafter referred to as the “Manager”). All Managers must :-

- a. assume all the liabilities, responsibilities and privileges of Owners as set out in the Rules and the Club’s Ownership Bye-laws.
- b. not previously have sold a horse which has been drawn in the ballot unless for a reason considered adequate by the Club.
- c. not already own seven (7) horses whether as Owner, Partner or Manager.
- d. conform to the Rules and Bye-laws of the Club and any other rules and conditions as laid down by the Club from time to time.

- e. ensure that if one of the Managers retire from the Syndicate an Extraordinary General Meeting of the Syndicate will be called to elect a replacement.
- f. be founder members of or have joined the Syndicate for at least 3 years.
- g. ensure that the disposal of the relevant share of a member of the Syndicate be attended to without delay in accordance with the Ownership Bye-laws in the event that such member is no longer eligible to be an owner by reason of death or for other reasons.

#### 4. TREASURER

- a. The Managers shall elect one of the Managers to be the Treasurer of the Syndicate who shall be responsible for keeping the accounts of the Syndicate and corresponding with the Club.
- b. All Managers shall be jointly and severally liable for all debts, liabilities, obligations, costs, fees, charges and expenses of the Syndicate and may cause such debts, fees, costs, charges or expenses be debited from the Syndicate Account from time to time.

#### 5. INAUGURAL MEETING

An Inaugural Meeting shall be held to:-

- a. approve the Syndicate Agreement.
- b. appoint Managers to serve until the next Annual General Meeting of the Syndicate.

#### 6. ANNUAL GENERAL MEETING

An Annual General Meeting shall be held at such convenient time in each year during the period from the close of one season to the opening of the next and at such convenient place as the Managers may decide to:-

- a. elect the Managers to serve until the following Annual General Meeting.
- b. declare a dividend (if any).

#### 7. EXTRAORDINARY GENERAL MEETING

Extraordinary General Meetings may be convened by the Treasurer or by members of the Syndicate (number to be determined at the AGM) giving notice in which the object(s) for which the meetings are called shall be specified.

#### 8. QUORUM

- a. No business save the election of a chairman of the meeting shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business.
- b. At any general meeting, other than a meeting convened for the purpose as set out in sub-paragraph (c) below, one third of the members present in person and entitled to vote shall constitute a quorum.
- c. The quorum of a general meeting convened for the purpose of winding up or dissolving the Syndicate shall be more than one-half of the members of the Syndicate present and entitled to vote.

9. NOTICE

At least two (2) weeks' written notice must be given for all general meetings.

10. VOTING

- a. At any general meeting any resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by any member or members present in person and representing not less than one-tenth of total voting rights of all members.
- b. Every member who is present in person at any general meeting shall be entitled, on a show of hands, to one vote only and, on a poll, to one vote for every share of which he is a holder.
- c. A resolution, whether by show of hands or by a poll, shall be carried by a simple majority. In the case of an equality of votes at any general meeting, the chairman of the meeting shall be entitled to a second or casting vote.

11. APPOINTMENT OF TRAINER

The Managers shall appoint a Trainer in accordance with the conditions laid down by the Club. A change in Trainer must be approved by members of the Syndicate at an Extraordinary General Meeting or by a resolution in writing, signed by all members of the Syndicate (which shall be as valid and effectual as if it had been passed at a general meeting duly convened and held).

12. CALLS

The Treasurer will make calls from time to time on members to meet the cost of subscription, training fees, retaining fees and other expenses of the Syndicate. If a call is not met within one month, the shares of the member in default shall be forfeited by a resolution at an Extraordinary General Meeting to that effect.

13. DISPOSAL OF SHARES

- a. On the retirement of a member, such member may either:-
  - (i) subject to a first right to purchase being offered to existing members of the Syndicate, sell his/her share privately to any other eligible member of the Club; or
  - (ii) request the Treasurer to notify eligible members of the Club and arrange for sale of the share by way of auction.
- b. If the share cannot be sold by the methods stated above, the Managers may determine a fair valuation in their view of the share, pay the relevant member out of funds of the Syndicate and reduce the size of the Syndicate by one member subject to the provisions of Rule 43 (1) of the Rules.
- c. The disposal of shares in the event of the death of a member or a member becomes ineligible to be an owner shall be in accordance with the provisions of the Ownership

Bye-laws.

14. ENLARGEMENT OF SYNDICATE

Subject to the Rules and the Club's Ownership Bye-laws, the Syndicate may be enlarged by taking in a specified number of new members at an agreed cost per share by a resolution at an Extraordinary General Meeting.

With effect from 10 March 2014, an application for a change of composition of a Syndicate which has obtained an import permit in a horse ballot will only be considered whereby a minimum of 80% of the applying members remain in the Syndicate. This requirement remains in effect until after the horse imported by the Syndicate under these circumstances has been in Hong Kong for twelve months.

15. NEW SUBSCRIPTION

The members may decide to subscribe for an additional horse for the Syndicate by a resolution at an Extraordinary General Meeting or by a resolution in writing signed by all members of the Syndicate (which shall be as valid and effectual as if it had been passed at a general meeting duly convened and held).

16. RETAINERS

The members may decide to enter into a retaining agreement with a rider or participate in a Trainer's arrangements to retain a rider by a resolution at an Extraordinary General Meeting or by a resolution in writing signed by all members of the Syndicate (which shall be as valid and effectual as if it had been passed at a general meeting duly convened and held).

17. CHARGES

Each member of the Syndicate is jointly and severally liable for the payment of the purchase price of the Syndicate horse(s) and meeting the stabling, livery and all other charges incurred by the horse(s) thereafter.

18. RESPONSIBILITIES

Other responsibilities of all Managers and members are detailed in Annex A.

19. DISPUTES

The members of the Syndicate shall endeavour to settle any dispute under this agreement through negotiation and mediation. If the dispute cannot be so resolved, the Manager shall refer the dispute to the Racing Registry in writing. The Club will appoint an arbitrator in respect of such dispute whose decision shall be final. The Syndicate shall bear the costs (if any) for appointment of such arbitrator.

*(The Club reserves the right to refuse the registration of any new Syndicate whose composition is similar to that of an existing registered Syndicate.)*

**SYNDICATE AGREEMENT**

A. Name of Syndicate:

(English) \_\_\_\_\_ Syndicate

(Chinese) \_\_\_\_\_ 團體

B. Syndicate Treasurer (Name): \_\_\_\_\_ Tel no. \_\_\_\_\_

C. Correspondence Address : \_\_\_\_\_

We, the undersigned, do hereby agree with the terms and conditions of the Syndicate Agreement, to abide by the Rules of Racing and Instructions, Bye-laws of the Club and the Owners' Handbook, and agree that our respective personal data will be handled in accordance with the Club's Privacy Policy Statement at [https://www.hkjc.com/home/english/corporate/corp\\_privacy.aspx](https://www.hkjc.com/home/english/corporate/corp_privacy.aspx).

**Managers**

English Name	Membership No	*Share (%)	Signature
1. _____ (Treasurer)	( )	_____	_____
2. _____	( )	_____	_____
3. _____	( )	_____	_____

\* If no share percentage is indicated on the form, it will be assumed that each member has an equal share in the Syndicate.

Members Name (Membership no.)	*Share (%)	Signature	Members Name (Membership no.)	*Share (%)	Signature
4. ( )			11. ( )		
5. ( )			12. ( )		
6. ( )			13. ( )		
7. ( )			14. ( )		
8. ( )			15. ( )		
9. ( )			16. ( )		
10. ( )			17. ( )		

Date : \_\_\_\_\_

**SYNDICATE AGREEMENT (Cont'd)**

\_\_\_\_\_ Syndicate

<b>Members Name (Membership no.)</b>	<b>*Share (%)</b>	<b>Signature</b>	<b>Members Name (Membership no.)</b>	<b>*Share (%)</b>	<b>Signature</b>
18. ( )			35. ( )		
19. ( )			36. ( )		
20. ( )			37. ( )		
21. ( )			38. ( )		
22. ( )			39. ( )		
23. ( )			40. ( )		
24. ( )			41. ( )		
25. ( )			42. ( )		
26. ( )			43. ( )		
27. ( )			44. ( )		
28. ( )			45. ( )		
29. ( )			46. ( )		
30. ( )			47. ( )		
31. ( )			48. ( )		
32. ( )			49. ( )		
33. ( )			50. ( )		
34. ( )					

Date : \_\_\_\_\_

## Annex A

### RESPONSIBILITIES OF ALL SYNDICATE MANAGERS AND MEMBERS

(All members of the Syndicate hereafter referred to as "Members")

1. a. The Monthly Fees for each share shall become due and payable to the Treasurer by each of the Members on the first day of EACH and every MONTH during the currency of the Syndicate.
  - b. From the Monthly Fees the Treasurer shall pay the Club all the expenses relating to the Syndicate.
2. a. Subject to Clause 2(b) and the Rules, the Managers shall have complete power to manage the Syndicate's Horse(s) on behalf of the Syndicate.
  - b. The Syndicate shall from time to time by Extraordinary General Meeting determine if and when the Syndicate's Horse(s) shall commence their racing career, retire for breeding or stud duties, be gelded, or sold or change trainer.
  - c. Without limiting the generality of Clause 1(b) the Treasurer's duties include :-
    - (1) The keeping of a Register noting:
      - (i) The names and addresses of the Members and the number of shares held by each, and
      - (ii) Dates of entries in the Register
    - (2) Keeping the accounts of the Syndicate and if requested by the Members, send a copy thereof to the Members every THREE Months.
    - (3) Ensuring that all fees owing by the Members are paid.
    - (4) Insuring and keeping insured the Syndicate's Horse(s) to protect the best interests of the Members.
    - (5) Notifying the Racing Registry in writing of every change in the membership of a Syndicate (including a death of a Member), every change in the percentage of a Member's interest in the Syndicate, and every change in the Member's registered address, within thirty (30) days of the change.
    - (6) Ensuring that any new Member joining the Syndicate shall execute a Syndicate Agreement and forward it to the Racing Registry.
    - (7) Due and timely compliance in all respects with the requirements of the Racing Registry from time to time in force relating to Syndicate horses.
    - (8) Ensuring that at all times the Syndicate is fully subscribed.
  - d. Upon retirement or removal of the Treasurer, the person named after the name of the departing Treasurer in the Syndicate Agreement shall be the new Treasurer of the Syndicate

unless the Members by Extraordinary General Meeting appoint another one of their members to be the Treasurer. The Syndicate shall immediately notify the Racing Registry upon the resignation or removal of the Treasurer or the appointment of a new Treasurer.

3. Unless there is another arrangement agreed by the Members, all prize moneys received by the Syndicate shall be, whenever possible, distributed by the Treasurer on a monthly basis to the Members PRO-RATA to the number of Shares held by each of them PROVIDED THAT the Treasurer may set off against any Member's entitlement any amount then outstanding by that Member on account of Monthly Fees.
4. The Managers shall acquire the Owners badges as may be available for any race meeting at which the Syndicate's Horse(s) is engaged and such badges shall be issued on a rotational basis to any Member who may require them.
5. Shares may be offered for sale during the currency of the Syndicate provided that the remaining Members shall have the first option to purchase them.
6. Any Member may at or after a general meeting inspect all documents relating to the giving of votes on any matter determined at that meeting.
7. In the event that any Member fails to pay the Monthly Fees payable by him hereunder or to meet any call by the Treasurer pursuant to Clause 12 under this Agreement within one month upon receipt of a written demand issued by the Treasurer, the share(s) of the defaulting Member shall be forfeited upon a resolution passed at an extraordinary general meeting. In such case the Treasurer shall cause the share(s) of the defaulting Member in the Syndicate to be de-registered and such shareholding shall then be offered for sale. The Treasurer shall apply the sale proceeds of such shareholding for settlement of the costs of such sale and the amounts due by the defaulting Member to the Syndicate accounts and shall thereafter cause the net proceeds (if any) to be paid to the defaulting Member. The defaulting Member shall do all things necessary to give effect to this clause.
8. a. The Syndicate shall be dissolved if the Syndicate's horse(s) has been sold.  
b. Upon dissolution of the Syndicate the Treasurer shall sell or otherwise convert the assets of the Syndicate into cash. Upon deduction of all proper costs and outgoings and any provision for liabilities, the net proceeds shall be distributed among the Members in proportion to their respective percentage interests in the shareholding, subject to any deduction from a Member's share of such proceeds any outstanding Monthly Fees then due but unpaid by that Member. The Treasurer shall thereafter apply for cancellation of the Syndicate's registration with the Racing Registry.

## **Annex B**

### **Rules of Racing No. 43**

#### **Syndicates**

Syndicates may be formed, approved and registered by the Stewards of the Jockey Club for the sole purpose of horse racing and the conditions of syndicate membership and its operation will be as follows:-

- (1) A syndicate must consist of not less than five members and not more than 50 members. In the event of this number subsequently falling below five persons, for reasons beyond the syndicate's control, the syndicate shall apply to the Stewards of the Jockey Club for approval to continue to race until such time as they can raise the number of members to five.
- (2) All members of a Syndicate must be eligible persons as specified in the Ownership Bye-laws.
- (3) A syndicate with five to eight members will be required to nominate two or three managers and a syndicate with nine to 50 members will be required to nominate three managers. All syndicate managers must be an eligible Member as specified in the Ownership Bye-laws and a founder member or have been a member of the syndicate for at least three years. They will be treated as joint owners and will be subject to all the liabilities, duties and privileges of ownership.
- (4) The names of the members of a syndicate and those of the nominated managers together with a copy of the agreement between them signed by each member shall be lodged at the Registry Office.
- (5) Any subsequent alteration to an agreement must have the approval of the Stewards of the Jockey Club before any such alteration may be duly registered.
- (6) A horse in which a syndicate is interested shall not be eligible to be entered for or to run in any race whilst any member of the syndicate is a disqualified person and in the event of any such member becoming a disqualified person the registration of any syndicate agreement in respect of the horse shall automatically lapse.
- (7) Applications for renewal of registration of a syndicate shall be made annually in the month of August subject to payment of a prescribed fee which shall be determined by the Stewards of the Jockey Club.
- (8) Every registration of a syndicate with names of all the current managers and members shall be published on a regular basis in such manner as the Club may decide from time to time.
- (9) Every member of a syndicate shall in all respects and for all purposes be bound by the Rules of Racing and Instructions and Bye-laws of the Jockey Club irrespective of the nature or extent of the interest or rights of such member in the syndicate and irrespective of the provisions of any constitution governing the syndicate or any agreement between the members of the syndicate.
- (10) Any member of a syndicate committing a breach of any of the Rules of Racing and Instructions and Bye-laws of the Jockey Club relating to syndicates or failing to comply with any of the requirements there of may be penalised by the Stewards of the Jockey Club who may also disqualify any horse owned by the syndicate.
- (11) Every provision contained in these Rules governing syndicates shall also apply to Trainer Syndicates.

## Annex C

### Ownership Bye-Laws

#### 5.3 Syndicates

A Syndicate comprising not less than five (5) and not more than fifty (50) members, all of whom must be eligible Members qualified to be registered either as an Owner or as an ordinary member of a Syndicate as set out in this Bye-law 5.3, eligible Registered Nominees of Corporate Members qualified to be registered as an ordinary member of a Syndicate as set out in this Bye-law 5.3 or body corporate as approved by the Stewards of the Jockey Club, which having complied with Rule 43 has registered under Rule 39(1)(ii) and whose names are entered in the Register of the names of Owners pursuant to Rule 39(2). The formation and operation of the Syndicate shall be in accordance with the requirements of these Bye-laws and Rule 43, including but not limited to:-

- 5.3.1 A Racing Club Member or a Registered Nominee of a Corporate Member who is not otherwise directed to be ineligible by the Stewards of the Jockey Club can be registered as an ordinary member of a Syndicate but shall not be eligible to be a Manager of the Syndicate.
- 5.3.2 Every member of a Syndicate shall be bound by the provisions and conditions set out in the Rules of Racing and the relevant Syndicate Agreement.
- 5.3.3 Any change in the membership or composition of a Syndicate requires prior approval from the Stewards of the Jockey Club. An application for a change of composition of a Syndicate which has obtained a Permit in a horse ballot will only be considered if a minimum of 80% of the applying members remain in the Syndicate. Such restriction remains in effect until the expiry of twelve months from the date of registration of the horse imported under the Permit.
- 5.3.4 Each member or Manager of a Syndicate must have at least 2% but not more than 30% share interest in the Syndicate.
- 5.3.5 A Member or a Registered Nominee of a Corporate Member shall be permitted to join up to Seven (7) approved Syndicates, subject to Bye-law 5.3.1, either as a Manager or an ordinary member of the relevant Syndicate.

#### 7. Restrictions On Ownership

No person shall at any one time own more than seven (7) horses, either as a Sole Owner, a member of a Partnership or a Manager of a Syndicate. Ordinary membership of a Syndicate does not constitute ownership for such purpose.