

OWNERSHIP BYE-LAWS

1. AUTHORITY FOR INTRODUCTION AND CITATION

- 1.1 These Bye-laws are made by the Stewards of the Jockey Club pursuant to the provisions of Article 45 of the Articles of Association of the Club and, accordingly, are Rules of the Club. They are to be read in conjunction with the Memorandum and Articles of Association of the Club.
- 1.2 These Bye-laws shall be referred to as the Ownership Bye-laws. They may be added to and amended from time to time by the Stewards of the Jockey Club and notification of change will be published on the notice boards in all the Clubhouse buildings and Jockey Club Headquarters, One Sports Road, Happy Valley.

2. APPLICATION OF THESE BYE-LAWS

These Bye-laws regulate the eligibility of Members and nominees of Corporate Members to own and to race horses under the Club's Rules of Racing. They also provide for the sale, retirement and disposal of horses.

3. APPLICATION OF GENERAL BYE-LAWS

The General Bye-laws shall have application to these Bye-laws as if the same were set out herein and repeated seriatim.

4. INTERPRETATION

In these Bye-laws the following expressions shall have the following meanings and, if appropriate, to the exclusion of a corresponding definition in the Articles of Association or the General Bye-laws:

| Expression | Meaning |
|------------------------------------|---|
| Owner | Each person, whether an individual or a member of a Partnership or a Manager of a Syndicate, or an approved body corporate, registered in accordance with Rule 39. The term 'Owner' shall also include his Authorised Representative. |
| Member | Each person who has been elected and become a Member of the Club but excludes Associate Members, Visiting Members, Corporate Members and Absent Members. |
| Recognised Racing Authority | Any Racing Authority whose jurisdiction is from time to time recognised by the Club and which gives effect to penalties and disabilities imposed by the Club. |
| Rule or Rules | The combination of the Rules of Racing of The Hong Kong Jockey Club and the Instructions made by the Stewards of the Jockey Club. |

5. ELIGIBILITY TO BE REGISTERED AS AN OWNER

Only the following persons may be registered as Owners:-

- 5.1 Members of The Hong Kong Jockey Club and their spouses.
- 5.2 Approved Partnerships and Syndicates the composition of which is restricted to Members of The Hong Kong Jockey Club.
- 5.3 A body corporate approved by the Stewards of the Jockey Club.
- 5.4 Persons, members of Partnerships or Syndicates registered as Owners by any Recognised Racing Authority and invited to register as Visiting Owners by the Stewards of the Jockey Club.

6. CATEGORIES OF OWNERSHIP

The categories of Ownership are:

6.1 **Sole Owner:**

A Member (other than a Racing Club Member or a nominee of a Corporate Member) who has registered pursuant to Rule 39 (1)(i) and whose name is entered in the Register of the names of Owners maintained by the Stewards of the Jockey Club pursuant to Rule 39 (2).

6.2 **Partnership:**

A Partnership comprises two (2), three (3) or four (4) persons, each of whom must be a Member (other than a Racing Club Member or a nominee of a Corporate Member) which has registered under Rule 39 (1)(ii) having complied with Rule 41 (2) and whose name is entered in the Register of the names of Owners maintained by the Stewards of the Jockey Club pursuant to Rule 39 (2).

6.3 **Syndicate:**

A Syndicate comprises not less than five (5) and not more than fifty (50) persons all of whom must be Members, all of whom must be qualified to be registered either as an Owner or as an ordinary member of a Syndicate pursuant to Bye-law 5, which having complied with Rule 43 has registered under Rule 39 (1) (ii) and whose name is entered in the Register of the names of Owners maintained by the Stewards of the Jockey Club pursuant to Rule 39 (2). Changes in membership of Syndicates require approval from the Stewards of the Jockey Club.

6.3.1 A Racing Club Member or a nominee of a Corporate Member who is not otherwise disqualified by the Club's Bye-laws is eligible to be registered as an ordinary member of a Syndicate but shall not be eligible to be a Manager.

6.3.2 Every member of a Syndicate shall be bound by the provisions and conditions set out in the Syndicate Agreement.

6.3.3 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.

6.3.4 Each member or manager must have at least 2% but not more than 30% share interest in a Syndicate.

7. **CATEGORIES OF HORSES**

For the purposes of these Bye-laws, horses shall be deemed to fall into five (5) categories:

7.1 **An International Sale Griffin - hereinafter "ISG":**

An ISG is a horse, previously unraced, purchased at the Hong Kong International Sale.

7.2 **A Privately Purchased Horse - hereinafter "PP":**

A PP is a horse, previously raced, imported privately pursuant to an Import Permit issued by the Club in accordance with the Horse Ballot Bye-laws.

7.3 **A Privately Purchased Griffin - hereinafter "PPG":**

A PPG is a horse, previously unraced, imported privately pursuant to an Import Permit issued by the Club in accordance with the Horse Ballot Bye-laws.

7.4 **A locally purchased horse:**

A PP, PPG, ISG or SG purchased by tender at a sale or at an auction conducted by the Club.

7.5 **A Subscription Griffin - hereinafter "SG":**

A SG is a horse drawn in a ballot for horses purchased by the Club unraced and offered for sale to Members by subscription in accordance with the Horse Ballot Bye-laws.

8. **ELIGIBILITY TO TAKE PART IN HORSE BALLOTS**

Eligibility to take part in horse ballots is prescribed in Bye-law 13 of the Horse Ballot Bye-laws.

9. **RESPONSIBILITIES OF AN OWNER**

All Owners are responsible for all risks in connection with their horses at all times, and shall hold the Club harmless and indemnified against all claims for loss of or injury to their horses howsoever caused, including without limitation, any mortality, loss of use or injury resulting from racing, barrier trials, stall tests, veterinary treatment, transportation and any form of training activities.

12. ELIGIBILITY TO SUBMIT TENDERS FOR HORSES OFFERED FOR SALE

- 12.1 Any Owner whose name is included in the Reserve And Tender List which is in force at the time of posting of the notice of sale, shall be eligible to submit a tender for the horse offered for sale. If equal tenders are received then the highest on the List shall be awarded the horse.
- 12.2 Any tender submitted by any Owner (except the remaining partner(s) of the vending Partnership) whose name is not included in the Reserve And Tender List in force at the time of posting of the notice of sale, shall be invalid.

13. CHANGE OF OWNERSHIP

- 13.1 Any proposal for any change in the Ownership of any category of horse must be submitted in writing, with reasons, for the approval of the Stewards of the Jockey Club, whose determination of such application shall be final and binding on the applicant. The Stewards of the Jockey Club shall not be obliged to give any reason for refusing any such application.
- 13.2 Without prejudice to the generality of Bye-law 13.1, no change of Ownership excluding the inclusion of the spouse and / or children of an Owner whose name is included in the Register of the names of Owners maintained by the Stewards of the Jockey Club pursuant to Rule 39 (2) or change in the composition of a Syndicate duly registered in accordance with Rule 43 (7), will be permitted without the approval of the Stewards of the Jockey Club unless for one or more of the following reasons:
 - 13.2.1 The death of an Owner;
 - 13.2.2 By express permission of the Stewards of the Jockey Club which will only be granted in exceptional circumstances.
- 13.4 Without prejudice to the generality of Bye-law 13.1, the Stewards of the Jockey Club may permit a change of Ownership without recourse to sale by tender:
 - 13.4.1 To effect replacement of any partner for one of the reasons stated in Bye-law 13.2.1 or 13.2.2, subject to the Rules on Partnerships, provided that any proposed new partner meets the requirements of Bye-law 5.1 or 5.2 and at least one (1) original partner continuing as a member of the Partnership.
- 13.5 Save as permitted pursuant to Bye-law 13.4, no change of Ownership will be permitted without recourse to sale. Such sale shall be:
 - 13.5.1 Subject to such conditions as the Stewards of the Jockey Club, in their unfettered discretion, shall consider appropriate to impose including, without limitation to the generality of the foregoing, a restriction on the amount of the net proceeds of sale which shall be payable to the selling Owner; and
 - 13.5.2 Conducted by way of sealed tender, which tender shall be subject to such conditions of tender as the Stewards of the Jockey Club, in their unfettered discretion, shall impose and either generally or specifically for a particular sale.
- 13.6 The disposal of horses through sale by tender will render the selling Member, Partnership or Syndicate ineligible to take part in further draws for Import Permits or SGs unless the Stewards of the Jockey Club, in their absolute discretion, shall determine otherwise. Any unfulfilled Import Permit held by the selling Member, Partnership or Syndicate will be cancelled and allocated to the first person on the Reserve And Tender List.
- 13.7 Changes in Ownership of a horse acquired by sealed tender will not be permitted without recourse to a further sale by tender, save to permit the purchaser to create a Partnership with the purchaser's spouse and / or children.

14. INELIGIBLE OWNERS

- 14.1 Should a Member become ineligible to continue as a Sole Owner or as a member of a Partnership or Syndicate, howsoever, and, without prejudice to the generality of the foregoing, whether by resignation as a Member, by resolution of the Stewards of the Jockey Club in exercise of Article 34(a) of the Articles of Association, as a consequence of disciplinary action by the Stewards of the Jockey Club or by any body or Committee to whom powers have been duly delegated by the Stewards of the Jockey Club, or by the action of any Recognised Racing Authority, then, unless the Stewards of the Jockey Club, in their absolute discretion, direct otherwise:

- 14.1.1 Each horse registered in the name of that Sole Owner will vest absolutely in the Club and without payment on the part of the Club and without the requirement for any deed or document of transfer of Ownership;
 - 14.1.2 The share of each horse registered in each Partnership of which such Owner was a member shall within sixty (60) days be purchased by the remaining partners at a valuation to be agreed between the continuing partners and the ineligible Owner and in default of an agreement as to the valuation, Ownership of each horse owned by the Partnership will vest absolutely in the Club and without payment on the part of the Club and without the requirement for any deed and document to transfer Ownership; and
 - 14.1.3 The share of each horse registered in each Syndicate of which such Member was a member shall within sixty (60) days be purchased by the remaining members of the Syndicate at a valuation to be agreed between the continuing members of the Syndicate and the ineligible Member and in default of an agreement as to the valuation, Ownership of each horse owned by the Syndicate will vest absolutely in the Club and without payment on the part of the Club and without the requirement for any deed and document to transfer Ownership.
- 14.2 The disposal of a horse whose Ownership has vested in the Club pursuant to Bye-law 14.1 shall be at the discretion of the Stewards of the Jockey Club who may retire the horse or may direct that the horse be offered for sale by tender, in which event the net proceeds of such sale, if any, shall be paid to the Sole Owner, Partnership or Syndicate as the case may be.
- 14.3 No person divested of the Ownership of a horse by application of these Bye-laws, including, without prejudice to the generality of the foregoing, the Estate of the Owner and each member of a Partnership or Syndicate and their respective Estates, shall have any claim against the Club, the Stewards of the Jockey Club, or any Executive, Official or employee of the Club, for the actual loss thereby sustained and/or any other loss, if any, arising, howsoever, consequential upon the enforcement of Bye-laws 14.1 and 14.2.
- 14.4 Bye-law 14 applies to all horses acquired by any means.

15. RULES OF RACING AND STEWARDS' INSTRUCTIONS

Each Owner and each member of a Partnership or a Syndicate shall be deemed to have read and become conversant with and agree to observe and abide by the Rules which include the Instructions made by the Stewards of the Jockey Club, as, from time to time, are applicable. Copies of the Rules of Racing and Stewards' Instructions are available on demand from the Racing Registry.

17. DEATH OF A SOLE OWNER

The following shall have application on the death of a Sole Owner:

17.1 Transfer of Ownership:

- 17.1.1 If within twenty-four (24) calendar months of the death of an Owner or such extended period as the Stewards of the Jockey Club, in their absolute discretion, may permit, the Executor or Administrator of the Estate of the deceased Owner registers the Grant of Probate or Letters of Administration extracted by them with the Club and;
 - 17.1.1.1 makes application in writing for the transfer of Ownership of the horse to a person who is an Owner or who is eligible to be registered as an Owner in accordance with the Club's Bye-laws;
 - 17.1.1.2 encloses with such application such documents and forms as the Stewards of the Jockey Club shall require;
 - 17.1.1.3 undertakes, in writing, to produce such documentation as the Stewards of the Jockey Club shall require to be satisfied as to the due and proper transfer by them of Ownership to the nominated new Owner within the required period; and
 - 17.1.1.4 discharges all sums owing by the deceased to the Club on any account, howsoever, together with all livery fees up to and including the last day in which the transfer of Ownership is deemed effective under Bye-law 17.1.2;

the Stewards of the Jockey Club will give consideration to such application.

17.1.2 Should the Stewards of the Jockey Club give their consent to such transfer of Ownership it shall be deemed effective immediately and the horse shall be eligible to race under the name of the new Owner.

17.2 Refusal of application for transfer of Ownership:

If the Stewards of the Jockey Club decline to consent to a requested transfer of Ownership of a horse or if within the twenty-four (24) calendar months following the death of the Owner, or such extended period as the Stewards of the Jockey Club, in their absolute discretion, may have permitted, whichever shall first happen, a transferee acceptable to the Stewards of the Jockey Club cannot be found, the horse will be put up for sale by tender in accordance with such terms and conditions as the Stewards of the Jockey Club, in their absolute discretion, shall determine, and the proceeds of such sale, if any, shall be applied as prescribed by Bye-law 17.7.

17.3 Sale of the deceased Owner's horse:

Unless, in their absolute discretion, the Stewards of the Jockey Club determine otherwise, an advertisement of the sale by tender shall be issued upon the request of the Executor or individual entitled to the grant of Letters of Administration or not later than the first twenty-four (24) calendar months of the death of the Owner, whichever shall first happen. The proceeds of sales, if any, shall be applied as prescribed by Bye-law 17.7.

17.4 Transitional provisions:

Pending any sale, transfer of Ownership or the retirement of any horse affected by Bye-laws 17.1 to 17.3:

17.4.1 Except with the permission of the Stewards of the Jockey Club, the horse will remain with the Trainer with whom it was stabled at the time of the death of the Owner, regardless of receipt of any application for a stable transfer signed and dated prior to the Owner's death.

17.4.2 The horse will only be eligible to run in races pending a sale or transfer of Ownership if:

17.4.2.1 the Executor or the person entitled to the grant of Letters of Administration appoints an authorised representative, who is acceptable to the Stewards of the Jockey Club; and

17.4.2.2 the authorised representative agrees in writing to be bound by the Rules and these Bye-laws.

17.4.3 Unless, in their absolute discretion, the Stewards of the Jockey Club determine otherwise, the appointment of an authorised representative will not be permitted to exceed twenty-four (24) calendar months.

17.5 No person shall be entitled to call upon the Stewards of the Jockey Club for any reason or explanation for their refusal to approve a transfer to any proposed transferee, their rejection of an application for the appointment of an authorised representative, or their refusal to extend the time within which any appointment and/or application required under this Bye-law 17 must be made.

17.6 Neither the Estate of an Owner nor his Executor nor Administrator, as the case may be, nor any nominated transferee shall have any claim, howsoever, against the Club, the Stewards of the Jockey Club, or any Executive, Official or employee of the Club consequential upon the refusal of the Stewards of the Jockey Club to consent to a transfer of Ownership.

17.7 Proceeds, if any, of a sale:

If a sale is effected and, after deducting from the price paid by the purchaser the costs incurred in the sale and all sums owed by the deceased to the Club at the date of his death together with all livery charges incurred pending the sale of the horse, there is a surplus, it shall be retained by the Club until production of the Grant of Probate or Letters of Administration to the Estate of the deceased Owner, as the case may be, when it shall be paid to the Estate together with any interest which may have accrued.

17.8 If no tenders for the horse are received or if none of the tenders received is, in the opinion of the Stewards of the Jockey Club, acceptable, the Stewards of the Jockey Club are deemed authorised to order the horse retired, in which event all of the livery fees incurred from the day on which the registered Owner died shall be borne by his Estate unless the Stewards of the Jockey Club, in their absolute discretion, decide to waive that requirement.

- 17.9 If the Stewards of the Jockey Club decline to accept any of the tenders for the horse, or to waive outstanding livery fees, no person shall be entitled to be given any reason for their decision.

18. DEATH OF AN OWNER IN A PARTNERSHIP OR SYNDICATE

- 18.1 When death within a Syndicate occurs it will be the responsibility of the remaining Syndicate members to come to an agreement with the executor or the administrator of the deceased Syndicate member's estate as to the value of the deceased Syndicate member's share in the horse. The remaining Syndicate members undertake to have resolved the question of the disposal of the share of the deceased Syndicate member within one hundred and eighty (180) days of his death and to transfer the proceeds of the disposal of the share of the deceased Syndicate member to his estate without delay. Any dispute relating to the disposal of the deceased Syndicate member's share shall be referred to the Stewards of the Jockey Club whose decision shall be final.
- 18.2 In the event of the death of a partner, the horse(s) owned by the partnership shall be eligible to run in races pending a transfer of the deceased partner's share to a new partner provided that:
- 18.2.1 the executor or the administrator of the deceased partner's estate shall have appointed an authorized representative, who is acceptable to the Stewards of the Jockey Club;
- 18.2.2 the authorized representative agrees in writing to be bound by the Rules and these Bye-laws.
- 18.3 If the conditions set out at Bye-law 18.2 cannot be met then the partners or any one of them shall forthwith report the same to the Stewards of the Jockey Club who as soon as practical shall cause the horse(s) owned by the partnership to be sold pursuant to the Horse Ballot Bye-laws and the net proceeds of the sale shall be distributed amongst the surviving partners and the estate of the deceased partner according to their declared or deemed percentage interest in the horse(s).
- 18.4 Upon receipt of the Grant of Probate or Letters of Administration, the executor or the administrator of the deceased partner's estate shall:
- 18.4.1 make an application in writing for the transfer of the share of the deceased partner to a person who is an Owner or who is eligible to be registered as an Owner in accordance with the Club's Bye-laws;
- 18.4.2 enclose with such application such documents and forms as the Stewards of the Jockey Club shall require;
- 18.4.3 undertake, in writing, to produce such documentation as the Stewards of the Jockey Club shall require to be satisfied as to the due and proper transfer by them of the share of the deceased partner to the new partner within the required period;
- 18.5 The Stewards of the Jockey Club reserve the right to reject an application for transfer of the deceased partner's share to a person without giving any reason. Should the Stewards of the Jockey Club reject such application for transfer of share, the horse shall be offered for sale by tender and the net proceeds of the sale, if any, shall be paid to the remaining partner(s) and the executor or the administrator (as the case may be) of the deceased partner's estate.

19. TRAINER SYNDICATE

- 19.1 Each Trainer Syndicate is administered by a Trainer whose responsibilities include but not limited to keeping the register of the members and accounts, making contribution calls, liaising with the Club and purchasing horse(s).
- 19.2 Any transfer of stables is not allowed until after the completion of a horse's third calendar year in The Hong Kong SAR.

20. VIOLATION OF THESE BYE-LAWS

If it shall be proved to the satisfaction of the Stewards of the Jockey Club that any horse or any share in a horse has been sold, purchased, mortgaged, let, hired or otherwise dealt with contrary to these Bye-laws for the time being in force, the Stewards of the Jockey Club shall be entitled to enforce Rule 150.

By Order of the
Stewards of the Jockey Club
Manager, Racing Registry