OCULUS RACING PTY LTD (ABN 60 629 640 160)
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This document is our Training Agreement. It will apply to each Horse from the time it is delivered by the Owner or the Owner's agent and accepted by us onto the Property. Delivery of the Horse will constitute the Owner's acceptance of all terms and conditions.

TRAINING AGREEMENT – TERMS AND CONDITIONS [from 1/7/2019]

THIS AGREEMENT will operate from the Effective Date.

BETWEEN: **The Proprietor**

AND: **The Owner**

RECITALS

A. The Proprietor is a provider of horse training and ancillary services.

B. The Owner is the owner or lessee of the Horse.

C. The parties have agreed that the Proprietor will accept delivery of the Horse and provide the services in accordance with this Agreement.

BY THIS AGREEMENT it is agreed as follows:

1. APPOINTMENT

1.1 The Proprietor will:

- (a) take possession and day-to-day control of the Horse; and
- (b) exercising reasonable care, skill and diligence, provide the services in a proper and efficient manner in accordance with normal standards applying in relation to the training and racing of thoroughbred racehorses.

1.2 Despite Clause 1.1, but subject to clause 11, all risk in relation to the physical well-being of the Horse will remain with the Owner.

1.3 (1) This Agreement:

- (a) is subject to the Rules of Racing, including the TOR Rules;
- (b) excludes and replaces the terms of the TOR Standard Training Agreement, as permitted by TOR Rule 1; and
- (c) is irrevocable and legally binding upon the parties from the Effective Date.

(2) Any right or obligation accruing under this Agreement during the Term will not be affected or prejudiced by it ending. The Proprietor is relieved of any further obligation from the End Date.

1.4 ASSOCIATED ENTITIES

(1) Additional services may be provided by Associated Entities of the Proprietor. If any such additional services are provided by an Associated Entity of the Proprietor, and such Associated Entity does not have a separate agreement with the Owner in relation to the provision of those additional services, then the Owner agrees that this Agreement will apply *mutatis mutandis* to the agreement between the Owner and the Associated Entity for the provision of those additional services.

(2) Without limiting paragraph (1), the Owner acknowledges and agrees that in agreeing paragraph (1), the Proprietor does so for the Proprietor's own benefit, and as agent of and trustee for each Associated Entity of the Proprietor who is or may be entitled to the benefit of the Owner's covenants in paragraph (1) (with each Associated Entity entitled to enforce those covenants against the Owner in its own name and style).

1.5 MULTIPLE PARTY OWNERSHIP ARRANGEMENTS

(1) If multiple parties own the Horse:

- (a) this Agreement binds them both individually and collectively; and
- (b) either the first-named registered Owner or such other person nominated by the Owners will be the manager (Manager) and deemed duly authorized agent of all of them for all dealings with the Proprietor in relation to the Horse under this Agreement and the Rules of Racing.

(2) CO-OWNERS

Unless otherwise agreed with the Proprietor, if the multiple parties who own the Horse are co-owners, they will be severally liable for the proper performance of the Owners' obligations under this Agreement. Consequently, clauses 12, 13 and 17 will apply to each co-owner's interest in the Horse, EXCEPT for:

- (a) clauses 12.2(a) and 17.1(b), which will apply to the whole Horse; and
- (b) clause 17.3, which will apply to the whole Horse if co-owners of at least 50% of the Horse are in breach of their obligations under this Agreement.

(3) If co-owners, each co-owner expressly and irrevocably authorises the Proprietor to give notice to the Manager and the other co-owner(s) of any breach by such co-owner of a material obligation under this Agreement, including any payment obligation.

2. DELIVERY AND REMOVAL OF HORSE

The Owner or the Manager must:

- (a) complete all procedures and documentation required by the Proprietor prior to delivering the Horse to the Property on the day and at the time specified by the Proprietor; and
- (b) comply with a direction given by the Proprietor at any time to remove the Horse from the Property.

3. SERVICES

3.1 The Proprietor's services include (without limitation):

- (a) training and racing the Horse to best advantage;
- (b) caring for and maintaining the Horse, including:
  - (i) providing stabling and ancillary facilities, equipment and gear, feed and supplements; and
  - (ii) providing [or as the agent of the Owner procuring the services of such Third-party Service Providers as the Proprietor may consider necessary to provide] transportation, agistment, breaking-in and pre training, chiropractic care, dentistry, farriery and veterinary care;
- (c) communicating verbally (either in person or by telephone or voice message) or in writing (either by post, email, text message or facsimile) on a regular basis with the Owner or the Manager in relation to the care, training and racing of the Horse, including:
  - (i) its general well-being and progress;
  - (ii) its proposed racing program and race performances (pre and post-race reports), including when it is nominated and accepted for any trial or race;
  - (iii) when it changes location or is relocated from the Property for any reason, including (without limitation) to race interstate or overseas, for agistment or pre-training, to a veterinary clinic or sales complex, or because this Agreement has ended; and
  - (iv) if it dies, or suffers a material illness or injury;
- (d) determining in consultation with the Owner or the Manager the racing program of the Horse and the jockey who will ride it in each of its races; and
- (e) as the representative of the Owner or the Manager, entering (including nominating and accepting) the Horse for or scratching it from any race or trial, at the Proprietor's discretion, unless otherwise specifically agreed with the Owner or the Manager.

3.2 The Proprietor must obtain the Owner's or the Manager's approval before authorizing that the Horse:

- (a) be relocated to race in another jurisdiction either within Australia or overseas;
- (b) be entered for any race for which the total of nomination and acceptance fees is likely to be more than $2,000; or
- (c) undergo surgery or receive any extraordinary (other than routine) veterinary or other treatment, the cost of which is likely to be more than $2,000.

3.3 If the Horse is an Entire, the Proprietor must obtain the Owner's or the Manager's approval before authorizing that it be gelded.

3.4 Except in circumstances that do not afford the Proprietor the opportunity to obtain veterinary advice and the Owner's or the Manager's approval, the Proprietor must not authorize that the Horse be euthanized because of accident, illness, injury or other cause, unless such action is recommended on humane grounds and certified by a qualified equine veterinarian retained at the discretion of the Proprietor or Principal Racing Authority.

3.5 The Manager must obtain the approval of the parties comprising the ownership arrangement (in accordance with the terms of that arrangement) before authorizing the Proprietor to take the actions contemplated by clauses 3.2, 3.3, 3.4 and 18.

3.6 If the Proprietor, at any time, arranges for the Horse to be either:
(a) relocated to another property which is not operated by the Proprietor; or
(b) offered for sale, sold or otherwise disposed of on behalf of the Owner;
such arrangement will be made by the Proprietor as the Owner's agent and the Proprietor will no longer be responsible to the Owner either for the care and well-being of the Horse, or for fees and charges incurred.

4. FEES AND EXPENSES

4.1 FEES NOTICE
(1) The Proprietor's current basic fees and charges, together with the mandatory allocation of Prize money prescribed by the Rules of Racing, are set out in the Fees Notice.
(2) The Proprietor must, within 7 days of being appointed as the trainer of the Horse, provide to the Owner or the Manager, a copy of the Fees Notice. The Owner or the Manager will then have 14 days to resolve with the Proprietor any query or objection in relation to the Proprietor's fees and charges. In any event, the Owner or the Manager must resolve such query or objection prior to delivering the Horse to the Property.
(3) The Proprietor may impose reasonable additional charges for additional services. Fees and charges of Third-party Service Providers are in addition to the Proprietor's fees and charges.

4.2 The Proprietor may vary the Proprietor's fees and charges, including additional remuneration and gratuities, but must provide an amended Fees Notice to the Owner or the Manager 14 days prior to implementing the increase.

4.3 LIABILITY FOR PAYMENT
The Owner must pay or reimburse the Proprietor and any Third-party Service Provider in accordance with such party's normal trading terms:
(a) all fees and expenses of caring for, training and racing the Horse, including (without limitation) agistment, pre-training and training fees, race entry fees (nomination, entry and acceptance), chiropractic, dentistry, farriery and veterinary fees, and transportation costs; and
(b) the mandatory allocation of actual or advertised Prize money to the Proprietor, the jockey and other named parties, prescribed by the Rules of Racing or race entry conditions and distributed directly to each of them via the Principal Racing Authority's stakes payment system or other means.

4.4 The Owner must pay or reimburse the Proprietor upon demand the amount of any invoice rendered directly to the Proprietor by a Third-party Service Provider.

4.5 The Proprietor may require the Owner to advance to the Proprietor money to cover the estimated cost of specified race entry fees, surgery or extraordinary veterinary treatments, and will not be obliged to incur the expense until such money is received.

4.6 ADDITIONAL REMUNERATION AND GRATUITIES
The Owner must also pay to or bestow upon the Proprietor the additional remuneration and gratuities set out in the Fees Notice.

4.7 INVOICING
The Proprietor and any Third-party Service Provider will invoice fees and charges, including any additional remuneration and gratuities:
(a) to the Owner; or
(b) if the Horse is owned by multiple parties, as agreed with the Manager, either:
(i) to the Owners collectively via the Manager; or
(ii) to each party directly that party's proportion of such fees and charges.
Regardless of the invoicing arrangements, liability for all such fees and charges remains as set out in clause 1.5.

4.8 METHOD OF PAYMENT
The Proprietor's preferred method of payment is by EFT, or by Mastercard or Visa credit card. In the case of multiple Owners and proportionate direct invoicing, the Proprietor may charge an additional administration fee.

5. RULES OF RACING

5.1 The Proprietor, the Owner and the Manager must:
(a) comply with the Rules of Racing, including the TOR Rules; and
(b) be eligible to be an Owner under the Rules of Racing.

5.2 If there is any inconsistency between a provision of this Agreement and the Rules of Racing, including the TOR Rules, the latter will prevail to the extent of the inconsistency.

5.3 The Owner expressly and irrevocably authorizes the Proprietor to obtain from Racing Australia or the Principal Racing Authority [and those bodies to provide to the Proprietor] full details of the Owner, or if co-owners each co-owner and the Manager, as recorded with such body, including (without limitation) name, residential and email addresses, telephone and facsimile numbers.

5.4 If the Horse is leased, the authorization in clause 5.3 will extend to and include full details of the lessor (and legal owner).

6. TRAINING DISPUTES RESOLUTION PROCEDURES

The parties acknowledge that the Training Disputes Resolution Procedures apply to this Agreement. Those procedures are summarized as follows:
(1) Any Tax Invoice rendered by the Proprietor prior to the 15th of the month is payable by the end of that month, or if rendered after the 15th of the month is payable by the end of the following month. If the Owner fails to pay and does not within that period dispute the amount of the Tax Invoice by giving a Dispute Notice to the Proprietor (and a copy to Racing Australia), the Presumption of a Training Debt will arise, and the Owner will be deemed a defaulter for non-payment of training fees. If a Dispute Notice is given, the Presumption of a Training Debt will not arise.
(2) Paragraph (1) notwithstanding, the Owner or the Manager may within 6 months after receiving a Tax Invoice rendered by the Proprietor dispute the amount of the Tax Invoice by giving a Dispute Notice.
(3) Following the giving of a Dispute Notice, either party may within 14 days elect to have the dispute determined by the Training Disputes Tribunal by giving to Racing Australia (and a copy to the other of them) a Notice of Election of Hearing and the applicable filing fee. A Dispute Notice will lapse if a Notice of Election of Hearing is not given.
(4) The Owner or the Manager may attend and be heard at the hearing of the dispute before the Training Disputes Tribunal.
(5) The parties must strictly comply with any determination by the Training Disputes Tribunal. If a party does not comply with such determination:
(a) the non-defaulting party may exercise such party's other contractual and legal remedies; and
(b) the relevant Principal Racing Authority may take whatever disciplinary action it considers appropriate;
against the defaulting party.

7. INSURANCE

Unless otherwise agreed in writing by the Proprietor, the Owner is responsible for arranging the Owner's own insurance cover (including the renewal of any existing cover) for mortality and other insurable risks in relation to the Horse.

8. HORSE NAME, IMAGE AND RACING COLOURS

Subject to any restrictions or conditions imposed by Racing Australia or the Principal Racing Authority, the Owner grants to the Proprietor the right to use the Horse's name, image and racing colours in any promotion, publicity or media, free of consideration.

9. VISITATION

The Owner and the Manager may, by appointment with the Proprietor, attend at the Property to inspect the Horse. Visitation will be entirely at the Owner's or Manager's own risk, assumed voluntarily. The Proprietor will not be liable for any risk associated with such visitation, howsoever arising, that is either an Inherent Risk, including (without limitation) accident or injury, or any other risk that was insignificant or not reasonably foreseeable, involving or sustained by the Owner or the Manager, or any person who may accompany the Owner or the Manager, when visiting the Property.

10. PROPRIETOR'S RIGHT OF INDEMNITY

The Owner must indemnify the Proprietor against all expenses and liabilities properly incurred by the Proprietor in relation to this Agreement.

11. LIMITATIONS TO OWNER'S RIGHT OF INDEMNITY

11.1 Neither the Proprietor nor any Third-party Service Provider will be liable to the Owner for damages for harm suffered by the loss or diminution in value of the Horse if it dies or value is diminished because of:
(a) the materialization of a risk, howsoever arising, that is either:
(i) an Inherent Risk, including (without limitation) accident, illness, injury, infertility or sub-fertility, or natural cause; or

(ii) any other risk that was insignificant or not reasonably foreseeable; or

(b) its failure to compete in or win any races or Prize money.

11.2 (1) Except for any right of indemnity specifically preserved by this Agreement, the Owner expressly surrenders, so far as the law permits, any right which the Owner may have against the Proprietor or any Third-party Service Provider to claim damages for harm suffered by the loss or diminution in value of the Horse, howsoever arising, including (without limitation) liability in negligence and any right of the Owner to claim damages for economic loss or loss of opportunity to earn future income.

(2) Any right of indemnity either specifically preserved or not capable of surrender will be limited in damages to the fair market value of the Horse at the time of the cause of action arising.

11.3 Certain legislation, including the *Competition and Consumer Act 2010 (Cth)*, may impose consumer guarantees or imply warranties or conditions or impose obligations upon the Proprietor which cannot be excluded restricted or modified, or cannot be excluded restricted or modified except to a limited extent. This Agreement must be read subject to these statutory provisions. If these statutory provisions apply, to the extent to which the Proprietor may limit the Proprietor's liability, such liability is limited to:

(a) in the case of goods, at the Proprietor's option:

(i) the replacement of the goods or the supply of equivalent goods;

(ii) the repair of the goods;

(iii) the payment of the cost of replacing the goods or of acquiring equivalent goods; or

(iv) the payment of the cost of having the goods repaired; and

(b) in the case of services, at the Proprietor's option:

(i) the supplying of the services again; or

(ii) the payment of the cost of having the services supplied again.

12. LIEN AND CHARGE

12.1 The Owner grants to the Proprietor a Lien over the Horse and a Charge over the Horse, Prize money and Proceeds, as security for the proper performance of the Owner's obligations under this Agreement, including (without limitation):

(a) to pay all fees and charges, including any additional remuneration and gratuities, as and when due; and

(b) not to transfer, sell or otherwise dispose of, or create any Encumbrance attaching to, the Horse, other than in accordance with this Agreement.

12.2 This Lien and Charge:

(a) entitles the Proprietor:

(i) to possession of the Horse (including the Horse ID card or any replacement card) until all amounts due and payable by the Owner under this Agreement are paid; and

(ii) to retake possession of the Horse (including the Horse ID card or any replacement card) where the Proprietor is not in possession at the time when the Owner's breach of this Agreement occurs; and

(b) includes the right of the Proprietor:

(i) to give a direction in accordance with clause 17.2 for the payment of Prize money and Proceeds; and

(ii) to sell the Horse or appoint a receiver to do so in accordance with clause 17.3;

when the Owner's breach of this Agreement occurs.

12.3 The rights conferred by this clause 12 are in addition to and not in substitution of any rights of the Proprietor at common law or under any statute.

13. OWNER'S SALE OR ENCUMBRANCE OF HORSE

If the Owner elects to transfer, sell or otherwise dispose of, or to create any Encumbrance attaching to, the Horse, while any fees and charges are outstanding and payable to the Proprietor or any Third-party Service Provider under this Agreement, the Owner must prior to doing so either:

(a) pay all such outstanding fees and charges to the Proprietor or Third-party Service Provider; or

(b) obtain the Proprietor's approval either to the proposed sale or other disposition, or to the creating of the Encumbrance. The Proprietor may give approval (with or without conditions) or withhold approval without providing a reason. If the Proprietor does approve, the Owner must comply with any conditions of such approval, and otherwise obligate the proposed purchaser, acquirer, or grantee of any Encumbrance to novate this Agreement. In any event, the Owner will remain liable to the Proprietor or Third-party Service Provider for any fees and charges not paid to the Proprietor or Third-party Service Provider by such purchaser, acquirer, or grantee.

14. ACKNOWLEDGEMENTS UNDERTAKINGS AND WARRANTIES

14.1 The Proprietor acknowledges that, EXCEPT for what is set out in this Agreement, the Owner has neither made any representation nor provided any warranty to the Proprietor in relation to the Horse.

14.2 The Owner acknowledges entering into this Agreement at the Owner's own risk and that, EXCEPT for what is set out in this Agreement, the Proprietor has neither made any representation, nor provided any warranty:

(a) in relation to the services to be provided or procured by the Proprietor; or

(b) that the Horse:

(i) will win any races or Prize money;

(ii) will have any residual value as a stallion or broodmare; or

(iii) if an Entire, will not require gelding because of physical or behavioral considerations in an effort to enhance racing performance.

14.3 The Owner undertakes:

(a) not to appoint or grant possession of the Horse to a new trainer while any fees and charges are outstanding and payable to the Proprietor or any Third-party Service Provider under this Agreement, unless the Owner has lodged a Dispute Notice and deposited the full amount of the outstanding fees and charges into the Training Disputes Trust Account; and

(b) not to assign or transfer the Owner's rights or obligations under this Agreement to any third party without first obtaining the Proprietor's approval, which will not be unreasonably withheld or delayed. It will not be unreasonable for the Proprietor:

(i) to withhold approval if the Owner is in breach of any payment obligation under this Agreement; and

(ii) to require any party assuming the Owner's obligations to novate this Agreement.

14.4 The Owner warrants that the Owner:

(a) is either:

(i) the holder of the legal and beneficial title to the Horse, free of any Encumbrance, or if subject to an Encumbrance, duly authorized by the grantee to enter into this Agreement; or

(ii) the lessee duly authorized by the lessor (and legal owner) to enter into this Agreement; and

(b) is not aware of any behavioral, physical or health problem with the Horse which, if known to the Proprietor, would cause the Proprietor to refuse to take delivery of the Horse at the Property.

15. FURTHER ACKNOWLEDGMENTS AND DECLARATIONS

15.1 The Owner acknowledges that:

(a) owning and racing thoroughbred racehorses:

(i) is speculative, as the Owner will incur significant fees and expense without the assurance of any financial return; and

(ii) involves risks, including (without limitation) those specifically referred to in clauses 9 and 11.1;

(b) prior to entering into this Agreement, the Proprietor provided to the Owner and the Owner has read and understood:

(i) the Fees Notice; and

(ii) the attachment marked "WARNING - IMPORTANT INFORMATION"; and

(c) any assessment or expression of opinion by the Proprietor as to how the Horse may perform in any specific race, or generally, will not constitute a representation or warranty as to performance.

15.2 The Owner declares that prior to the Effective Date the Owner has had the opportunity:

(a) to obtain:

(i) independent legal advice in relation to the Owner's rights and obligations under this Agreement; and

(ii) a copy of the Rules of Racing, including the TOR Rules; and

(b) to inspect the Property and the facilities to satisfy oneself as to their fitness for purpose;

and has either done so, or freely declined the opportunity to do so.

16. GST

16.1 The parties acknowledge that this Agreement will constitute a Taxable Supply under the GST Act.

16.2 Any fee or charge specified in the Fees Notice as payable by the Owner under this Agreement has GST included in it, unless it is specifically stated as being exclusive of GST.

16.3 Any invoice rendered by a party to this Agreement in connection with a Taxable Supply made pursuant to this Agreement which seeks to recover an amount of GST payable by that party must conform to the requirements for a Tax Invoice and must be delivered on or before the date payment is required.

17. OWNER'S DEFAULT

17.1 If the Owner breaches a material obligation under this Agreement, including any payment obligation, the Proprietor may:

(a) charge interest on any outstanding amount at the rate prescribed for pre-judgement interest by the Supreme Court for the period commencing on the day after the due date and ending on the date payment is received;

(b) stop or suspend training the Horse (including entering it for any race or trial) until the breach is remedied; and

(c) give a Default Notice to the Owner, the Manager or lessor (as the case requires), requiring that such breach be remedied within 14 days. If the Owner fails to remedy the breach within the period specified in the Default Notice, the Proprietor may pursue all or any of the Proprietor's contractual and legal remedies against the Owner, including (without limitation) the right:

(i) to give a direction in accordance with clause 17.2 for the payment of Prize money and Proceeds; and

(ii) to sell the Horse or appoint a receiver to do so in accordance with clause 17.3;

without requiring a direction by order of the court for such action.

17.2 RIGHT TO GIVE A DIRECTION FOR THE PAYMENT OF PRIZE MONEY AND PROCEEDS

(1) The Proprietor may exercise the Proprietor's right to give a direction for the payment of Prize money and Proceeds:

(a) if the Horse is racing, by notice to the Principal Racing Authority;

(b) if the Horse is sold, by notice to the selling agent or buyer (as the case requires); or

(c) if there is a claim under any insurance policy attaching to the Horse, by notice to the insurer;

requiring payment directly to the Proprietor of such amount as is required to fully extinguish and discharge any outstanding payment obligation of the Owner under this Agreement as a first call on the total of any net Prize money and Proceeds. A statement confirming the outstanding amount and a copy of this Agreement will constitute adequate notice.

(2) The Owner, in consideration of these presents and for good and valuable consideration, expressly and irrevocably directs the recipient of a notice served pursuant to paragraph (1) to make payment in accordance with that notice without reference to the Owner or the Manager and without requiring a direction by order of the court for payment and attachment of debt.

17.3 POWER OF SALE OF HORSE

(1) For the purpose only of the Proprietor exercising the Proprietor's right to sell the Horse when the Owner's breach of this Agreement occurs, the Owner, in consideration of these presents and for good and valuable consideration:

(a) irrevocably appoints and directs the Proprietor, as the Owner's duly authorised agent, attorney or representative, as the law permits, to execute any instrument and do any act or thing required to effect the sale and convey and assure the buyer the Horse sold, including (without limitation) registration of the Transfer of Ownership of the Horse with the Registrar of Racehorses or Principal Racing Authority; and

(b) expressly and irrevocably directs the Registrar of Racehorses or Principal Racing Authority, as the case requires, to register such Transfer of Ownership without reference to the Owner or the Manager and without requiring a direction by order of the court for registration.

(2) If the Proprietor elects to exercise the Proprietor's power of sale in relation to a defaulting co-owner's interest in the Horse and is required by the Corporations Act to provide a prospective purchaser with a Product Disclosure Statement, the Proprietor may request a Product Disclosure Statement from the Manager, which the Manager must provide within 7 days of receiving such request.

(3) If a sale by public auction, the Proprietor may offer the Horse without reserve and sell it to the highest bidder.

(4) If the Proprietor elects to sell the Horse other than by public auction, such sale must be in good faith and at a price not less than the fair market value of the Horse determined by either MM or WI, or if neither of them is able or willing to act, then another member of the FBAA who is able and willing to act, at the Proprietor's discretion.

(5) The Proprietor must give the Owner, the Manager or lessor (as the case requires), 14 days' notice of any proposal to sell the Horse by public auction, and 7 days' notice of any proposal to sell the Horse other than by public auction.

(6) Upon the sale of the Horse the Proprietor must apply the Proceeds:

(a) firstly, in payment of all fees and charges incurred in connection with the sale, including (without limitation) the sale entry fee and commission, transportation and sale attendance;

(b) secondly:

(i) if a sole Owner, in payment to the Proprietor, or Third-party Service Provider, of all fees and charges, including (without limitation) any interest and enforcement costs that are outstanding and payable by the Owner; or

(ii) if co-owners, apportion the net Proceeds between them and apply the proportion otherwise due to the defaulting co-owner(s) in payment to the Proprietor, or Third-party Service Provider, of all fees and charges, including (without limitation) any interest and enforcement costs that are outstanding and payable by the defaulting co-owner(s); and

(c) thirdly, in payment:

(i) to a sole Owner of any Proceeds not required to be applied by the Proprietor either in remedying or because of the Owner's breach of this Agreement; or

(ii) to the Manager or non-defaulting co-owner(s) directly the whole of the proportion of the net Proceeds due to the non-defaulting co-owner(s), AND to the Manager or defaulting co-owner(s) directly the proportion of the net Proceeds due to the defaulting co-owner(s) not required to be applied by the Proprietor either in remedying or because of the defaulting co-owner(s) breach of this Agreement.

The Owner will remain liable to the Proprietor for any shortfall, or if co-owners, each defaulting co-owner will remain liable to the Proprietor for such party's proportion of any shortfall.

17.4 RIGHT TO INDEMNITY COSTS

If the Proprietor, Third-party Service Provider, or their nominee, undertakes any account management or debt recovery action with any agency, or legal proceedings, against the Owner in relation to the Owner's breach of a material obligation, including (without limitation) any payment obligation, such party will be entitled to recover all fees and expenses, including account management fees, agency commissions, legal fees and other expenses reasonably incurred in relation to such action or proceedings on a full indemnity basis.

17.5 OTHER RIGHTS

The rights conferred by clauses 17.1 to 17.4 inclusive will not prejudice any other right which the Proprietor may have against the Owner relating to the Owner's breach of this Agreement.

18. TERMINATION

This Agreement will have full force and effect until it is ended by the first to occur of the following:

(a) the Horse ceases racing, is sold or otherwise disposed of by the Owner, or the Proprietor exercises the Proprietor's power of sale under clause 17.3;

(b) the Proprietor elects to end this Agreement and directs the Owner or the Manager to remove the Horse from the Property; or

(c) the Owner or the Manager elects to end this Agreement and to remove the Horse from the Property.

In any event, the Proprietor will be entitled to render a Tax Invoice to the Owner for all services provided in relation to the Horse under this Agreement up until the day the Horse is removed from the Property AND to be paid the full amount of that Tax Invoice and any other outstanding Tax Invoices before the Horse is removed.

19. PPSA

19.1 The provisions of this Agreement constitute a Security Agreement under the PPSA. These provisions are in addition to and not in substitution of any rights of the Proprietor at common law or under any statute.

19.2 The Owner:

(a) grants to the Proprietor a Security Interest attaching to the Horse as livestock (as that term is defined in the PPSA) and Proceeds to secure the proper performance of the Owner's obligations under this Agreement;

(b) consents to the Proprietor, as the Secured Party, registering the Security Interest on the PPSR;
(c) acknowledges that the Security Interest is granted for value and to enable the Horse to be fed or developed and, as a result, is a priority interest in livestock pursuant to Section 86 of the PPSA;
(d) undertakes:
  (i) to execute any document required to enable the Proprietor to register a Financing Statement or Financing Change Statement from time-to-time on the PPSR to perfect the Security Interest;
  (ii) to pay or reimburse all fees and expenses incurred by or on behalf of the Proprietor in relation to the enforcement or discharge of the Security Interest; and
  (iii) not to grant any Encumbrance attaching to the Horse to any other person without first obtaining the Proprietor's written consent;
(e) declares that, to the extent permitted under the PPSA, sections 142 and 143 of the PPSA will not apply to this contract or the Security Interest; and
(f) waives any right as permissible under the PPSA to receive a notice.

19.3 The Proprietor must discharge the Security Interest when all the secured obligations of the Owner under this Agreement are satisfied.

19.4 If there is an existing Encumbrance attaching to the Horse at the time of the parties entering into this Agreement, the Owner assures the Proprietor that the grantee of such Encumbrance approves of the Owner entering into this Agreement and consents to the Security Interest granted to the Proprietor having priority over such Encumbrance, regardless of whether such Encumbrance is a perfected or unperfected Security Interest.

20. NOTICES

20.1 Any notice, demand, or other instrument given under this Agreement will be deemed to have been properly given if it is in writing and delivered to or sent by prepaid mail to an address within Australia, or by prepaid airmail post to an address outside Australia, or by facsimile or email transmission, in the case of:
(a) the Proprietor, to the address or number provided by the Proprietor; and
(b) the Owner or the Manager, to the address or number provided by the Owner or the Manager, or such other address or number that may be recorded with the Register of Racehorses or that the Proprietor reasonably considers to be the current address or number of the Owner or the Manager.

20.2 Notice given in accordance with clause 20.1 will be deemed to have been duly served, in the case of:
(a) prepaid mail to an address within Australia, upon the expiration of 3 days after the day of posting;
(b) prepaid airmail post to an address outside Australia, at the expiration of 10 days after the day of posting; and
(c) facsimile or email transmission, on the day after the date of transmission.

21. FURTHER ASSURANCES

The parties must at their own cost, execute any instrument and do any act or thing required to give effect to this Agreement.

22. GOVERNING LAW

The law governing this Agreement is the law of the Commonwealth of Australia and of the state or territory where the Property is located and the forum for all disputes will be either the Federal Court of Australia or the Courts of that place, to the authority of and which, including any appellate jurisdictions of such courts, the parties unconditionally submit and confine themselves for all proceedings arising from this Agreement.

23. DEFINITIONS AND INTERPRETATIONS

23.1 The following words have these meanings in this Agreement unless the contrary intention appears:

Associated Entity has the meaning given to it in the *Corporations Act 2001 (Cth).*

Charge means the right to seize and sell, including a power of sale and the right to receive and apply Prize money and Proceeds.

Default Notice means a notice detailing the breach by the defaulting party of an obligation under this Agreement.

Dispute Notice is a prescribed form under the TOR Rules.

Effective Date means the date upon which this Agreement is adopted or accepted by the parties, evidenced by:
(a) the Owner or the Owner's agent delivering the Horse to the Proprietor; and
(b) the Proprietor accepting delivery of the Horse from the Owner or the Owner's agent;
at the Property.

Encumbrance means:
(a) any Security Interest;
(b) any right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors, including any right of set-off;
(c) any third party right or interest in property, or any right arising from the enforcement of a judgement;
or any agreement to create any of them or allow them to exist.

End Date means the date upon which this Agreement is ended, determined in accordance with clause 18.

Entire means a male horse that has not been gelded.

FBAA means *Federation of Bloodstock Agents Australia Ltd (ABN 27 003 596 718).*

Fees Notice means any document, as amended from time to time, that provides a reasonable estimate of the fees and expenses the Owner will be likely to incur if the Owner gives the Horse to the Proprietor to train, and which complies with the requirements for a Fees Notice under TOR Rule 3.

Financing Statement has the meaning given to it in the PPSA.

Financing Change Statement has the meaning given to it in the PPSA.

GST means tax that is payable under the GST law (as prescribed by the GST Act).

GST Act means the "*A New Tax System (Goods and Services Tax) Act 1999*".

Horse means any thoroughbred horse delivered by the Owner and accepted by the Proprietor onto the Property.

Inherent Risk means a risk of something occurring that cannot be avoided by the exercise of reasonable care.

Lien means the right to retain.

MM means *Magic Millions Sales Pty Ltd (ABN 54 078 396 317).*

Notice of Election of Hearing is a prescribed form under the TOR Rules.

Owner means either:
(a) the holder of the legal and beneficial title to the Horse; and if multiple parties, each person who holds an ownership interest in the Horse; or
(b) the lessee of the Horse.

PPSA means *Personal Property Securities Act 2009 (Cth).*

PPSR means the *Personal Property Securities Register* under the PPSA.

Presumption of a Training Debt has the same meaning as in the TOR Rules.

Principal Racing Authority means the body responsible for the regulation of thoroughbred horse racing in the place in which the Horse is racing or may race.

Prize money means money earned from racing the Horse, including breeder's bonus and incentive scheme payments and other bonuses.

Proceeds means proceeds of sale or of any insurance claim paid in relation to the Horse or a Share, as the context requires.

Product Disclosure Statement (PDS) means a disclosure document required by the *Corporations Act 2001 (Cth)* to be given to prospective investors when offering a financial product to retail clients.

Property means any property or place where the Proprietor provides the services.

Proprietor means *Oculus Racing Pty Ltd (ABN 60 629 640 160),* including its directors, officers, employees, servants and agents.

Racing Australia means *Racing Australia Limited (ABN 89 105 994 330).*

Rules of Racing means the Australian Rules of Racing, including the TOR Rules, applying in the place where the Horse is racing or may race. These rules are published by Racing Australia ("AR#") and supplemented by local rules ("LR#") determined by each Principal Racing Authority, as amended. A copy of the Australian Rules of Racing, including the TOR Rules, is available at website [www.racingaustralia.horse].

Secured Party means a person who is granted a Security Interest under this Agreement.

Security Interest:
(a) in relation to any personal property (as defined in the PPSA), has the meaning given to it in the PPSA; and
(b) in relation to any other property, means any charge, mortgage, pledge, bill of sale, hypothecation, lien, arrangement concerning the deposit of documents evidencing title, trust, power or title retention arrangement, or any other covenant or arrangement of any nature made to secure the payment of money or the observance of an obligation.

Taxable Supply has the meaning given to it in the GST law.

Tax Invoice has the meaning given to it in the GST law.

Term means the period from the Effective Date until the End Date of this Agreement determined in accordance with clause 18.

Third-party Service Provider means any external service provider contracted by the Proprietor (as the agent of the Owner) to provide services in relation to the Horse while in the care and under the control of the Proprietor.

TOR Rules means the Trainer and Owner Reform Rules set out in Schedule 2 of the Australian Rules of Racing.

Training Disputes Tribunal has the same meaning as in the TOR Rules.

Training Disputes Trust Account has the meaning given to it in the TOR Rules.

Training Fees Dispute Resolution Procedures means the procedures in the TOR Rules (TOR Rules 4 to 9 inclusive) for the resolution of a dispute between a trainer and an owner over the payment of training fees.

Transfer of Ownership is a prescribed form of the Registrar of Racehorses or Principal Racing Authority.

WI means *William Inglis & Son Ltd (ABN 75 000 011 307).*

23.2 In this Agreement unless the contrary intention appears:

(i) the singular includes the plural and the plural and vice versa;
(ii) a reference to any one gender includes a reference to each other gender;
(iii) a reference to a person includes a reference to a firm, corporation or other corporate body;
(iv) a reference to writing includes a reference to printing, typing and other methods of producing words in a visible form;
(v) where a word or expression is given a specific meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings;
(vi) headings are for ease of reference and do not affect the construction of this Agreement;
(vii) this Agreement binds in addition to the parties, their respective legal personal representatives and successors; and
(viii) any Schedule or annexure will form part of this Agreement.

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<u>WARNING – IMPORTANT INFORMATION</u>

The ownership, training and racing of thoroughbred horses involve risks, including Inherent Risks and other risks that may be insignificant or not reasonably foreseeable. Be aware that:

- The value of the Horse may be diminished or lost through:
  - market forces;
  - the failure of the Horse to compete in or win any races or Prize money;
  - the death of the Horse; or
  - the materialization of an Inherent Risk, including (without limitation) accident, illness, injury, infertility or subfertility, or natural cause.
- The Horse may not have any residual value as a stallion or broodmare.
- The Proprietor's Property, racecourses and other places where the Horse, and other horses, may be located from time to time can be dangerous places, including because horses do not always behave as expected. Entering onto those places involves the risk of injury, accident and loss or damage to person or property for all people who enter.

PAYMENT OBLIGATIONS

The Owner, including the members of any co-ownership arrangement, should be aware that:

(a) the failure of the Owner, or any co-owner, to comply with such Owner's or co-owner's payment obligations to the Proprietor or any Third-party Service Provider may result in the Proprietor stopping or suspending training of the Horse (including entering it for any race or trial), even though the other co-owners are complying with their payment obligations; and
(b) either the Horse, or a co-owner's interest in the Horse, may be lawfully sold by the Proprietor if the Owner, or any co-owner, does not pay such Owner's or co-owner's proportion of fees and expenses when due.

This Agreement is endorsed by the Australian Trainers Association