

AUSTRALIAN  
THOROUGHBRED SALES  
**CODE OF  
CONDUCT**

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# INTRODUCTION

- 1 The objects of this Code of Conduct are to ensure that:
  - (a) sales of bloodstock that take place in Australia meet a high standard of integrity and transparency; and
  - (b) the interests of vendors, purchasers, bloodstock agents, owners, and trainers in the bloodstock industry are protected.
- 2 The provisions of this Code of Conduct may be amended from time to time by agreement of all of the signatory parties in such manner as they think fit and the amendment shall have effect from the date on which the amended Code of Conduct is included in entries for sale.

# INTERPRETATION

- 3 In this Code of Conduct the following terms have the meaning assigned to them:

**‘Agent’** means any trainer, bloodstock agent, or other person or entity who represents and/or advises a principal in the sale or purchase of bloodstock, stallion shares or nominations, whether or not the agent is paid by way of retainer, commission or other forms of remuneration, or has ongoing financial arrangements (for example the payment of management or training fees) but does not include the company or its employees conducting the sale.

**‘Principal’** means a person or entity who, either formally or informally, appoints an agent to represent and or advise them in the sale or purchase of bloodstock, stallion shares or nominations as in the definition above.

**‘Vendor’** means a person or entity who offers for sale bloodstock, stallion shares or nominations either on their own behalf as consignor or as agent for another person or entity.

**‘Trainer’** means a person licensed or holding a permit to train granted by a Principal Racing Authority.

**‘Principal Racing Authority’** means the body that supervises and controls thoroughbred racing in each State and Territory.

## **JURISDICTION**

- 4 This Code of Conduct applies to:
- (a) members of the signatory parties;
  - (b) Principals;
  - (c) Vendors
  - (d) Agents; and
  - (e) Any other person who agrees to be bound by and comply with its terms.

## **GENERAL OBLIGATIONS**

- 5 Each person to whom this Code of Conduct applies must comply with its terms.
- 6 A person to whom this Code of Conduct applies must not engage in any conduct that:
- (a) is unethical, dishonest or disreputable;
  - (b) if publicly known would bring the person or the bloodstock industry into disrepute; or
  - (c) would cause persons to doubt the integrity of the bloodstock industry.

## **OBLIGATIONS OF VENDORS**

- 7 A Vendor must ensure that any sale at which bloodstock in which the Vendor has an ownership interest is being sold neither they, nor the Agent that is acting on their behalf, makes any statement concerning the bloodstock that is false or misleading;

- 8 A Vendor must ensure that in any sale at which bloodstock in which the Vendor has an ownership interest is being sold:
- (a) details of the ownership interest are accurately disclosed to the person or company conducting the sale; and
  - (b) the Vendor provides their consent to those details being provided on a confidential basis to registered buyers who have a bona fide interest in purchasing the horse.
  - (c) In the case of syndicates where it is not practicable to disclose all ownership interests, the Vendor has an obligation to inform the person conducting the sale of the major interests, if any, held by identifiable parties which would be likely to be of material interest to a potential purchaser.
- 9 A Vendor must not offer or make any payment, or provide any benefit, to any person who is an Agent for a prospective or actual buyer of bloodstock that:
- (a) is intended to be a secret commission or a payment which is not disclosed to the prospective or actual buyer of that bloodstock; or
  - (b) is intended to induce an Agent to act otherwise than in accordance with the best of interests of their Principal; or
  - (c) is likely to have the effect of inducing an Agent to act otherwise than in accordance with the best interests of their Principal.

## **OBLIGATIONS OF AGENTS**

- 10 An Agent must ensure that where they act for a Principal they obtain from the Principal in writing a form that accurately records the terms of their engagement unless the Principal verbally waives such requirement as time doesn't allow for it.
- 11 An Agent must at all times act in accordance with the best interests of their Principal.
- 12 The obligation of an Agent to act in accordance with the best interests of their Principal means that an Agent must:

- (a) at all times act in accordance with the instructions of their Principal;
- (b) not communicate any false or misleading information to their Principal in relation to any horse under the Principal's consideration;
- (c) relay to their Principal in its entirety any offer that they receive to purchase a horse in respect of which they are acting as a selling Agent for the Principal;
- (d) disclose and account to their Principal for any payment, commission or benefit that they receive from any person other than the Principal;
- (e) not place themselves in a position where:
  - (i) their personal interests conflict with the obligations that they owe to a Principal; or
  - (ii) the obligations that they owe to one Principal conflict with the obligations that they owe to another Principal,

unless they have obtained the prior written consent of each Principal after full disclosure of the conflict has been made;;

- (f) not act in any transaction:
  - (i) involving third parties with whom they have a retainer; or
  - (ii) where they are or should reasonably be aware they will or are likely to benefit from a third party; or
  - (iii) concerning horses which they have previously purchased or sold as a Principal,

unless they have obtained the prior written consent of the Principal after full disclosure has been made.

- (g) not purchase, or acquire any interest in, bloodstock in respect of which they are acting as an Agent for a seller for:
  - (i) themselves;
  - (ii) any member of their immediate family;
  - (iii) their firm or any member of their firm; or

- (iv) an entity in which they have an ownership interest (other than a listed public company),

unless he has obtained the prior written consent of the Principal after full disclosure has been made.

- 13 An Agent must not in connection with any bloodstock in respect of which they are acting:
  - (a) make any statement that is false or misleading; or
  - (b) engage in any conduct, or enter into any arrangement, that is intended to falsely inflate the price at which it is sold, or which is likely to have that effect.
- 14 An Agent must not offer or make any payment, or provide any benefit, to any person who is an Agent for a prospective or actual buyer of bloodstock in respect of which they are acting as an Agent:
  - (a) that is intended to be a secret commission or a payment which is not disclosed to the prospective or actual buyer of that bloodstock; or;
  - (b) that is intended to induce an Agent to act otherwise than in accordance with the best of interests of their Principal; or
  - (c) that is likely to have the effect of inducing an Agent to act otherwise than in accordance with the best of interests of their Principal.

## **COMPLAINTS ADVISORY PANEL**

- 15 (a) The Complaints Advisory Panel will comprise five persons who have the following qualifications:
  - (i) an experienced legal practitioner appointed by the signatory parties, who will chair the Panel;
  - (ii) a person nominated by the Federation of Bloodstock Agents Australia Limited;
  - (iii) a person nominated by Thoroughbred Breeders Australia Limited;

- (iv) a person nominated by the Australian Racing Board;
    - (v) a person nominated by the company conducting or which conducted the sale.
  - (b) The Panel will act on the decision of the majority with each member of the Panel having one vote and in the case of an equality of votes the Chair has an additional casting vote.
- 16 If any person who has sold or purchased bloodstock (**complainant**):
- (a) considers that a person to whom this Code of Conduct applies (who was involved in that sale or purchase (**respondent**):
    - (i) has failed to comply with this Code of Conduct; or
    - (ii) is otherwise liable at law to the complainant; and
  - (b) wishes to claim from the respondent loss or damage suffered as a consequence, the complainant may make application to the Complaints Advisory Panel for assistance to resolve the dispute.
- 17 If the Complaints Advisory Panel decides there is substance in the complaint made in the application under Clause 16 it will:
- (a) convene a conference with the complainant which the respondent must attend;
  - (b) at that conference, which may take place in one or more sittings, seek to assist the complainant and the respondent to achieve an agreed settlement of the dispute.
- 18 The Complaints Advisory Panel in carrying out its functions under clause 17 may make such directions and use such procedures as it considers are appropriate to assist the parties to settle the dispute including:
- (a) conciliation;
  - (b) mediation; or
  - (c) neutral evaluation,
- but it may not seek to determine the dispute by way of arbitration or determination.

## ENFORCEMENT OF THE CODE OF CONDUCT

- 19 Where a person to whom this Code of Conduct applies has failed to comply with one of its provisions, a signatory party may take disciplinary action against a person who is a member of their organization for that breach and impose such penalties against that person as the board of that signatory party determines in its discretion.
- 20 Prior to any disciplinary action being taken by a signatory party against a person bound by this Code of Conduct it must:
- (a) give the person written notice of:
    - (i) the alleged conduct that is said to constitute the breach; and
    - (ii) the relevant provision or provisions of the Code of Conduct that the person is alleged to have breached;
  - (b) give the person the right to make written submissions and put on written evidence in response; and
  - (c) provide its determination in writing.

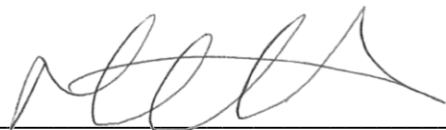
20th July 2011

Dated \_\_\_\_\_

SIGNED for and on behalf of  
William Inglis & Son Limited by:

Mark Webster, Managing Director

Signature



SIGNED for and on behalf of  
Magic Millions Sales Pty Ltd by:

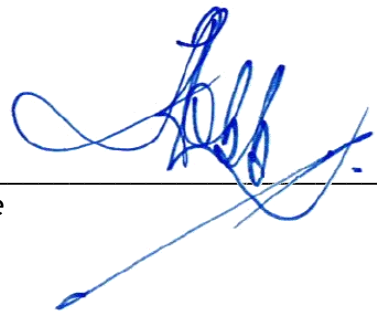
Managing Director  
VIN COX



Signature

SIGNED for and on behalf of  
Thoroughbred Breeders Australia Limited by:


Trevor Lobb, President



Signature

SIGNED for and on behalf of  
Australian Trainers' Association by:

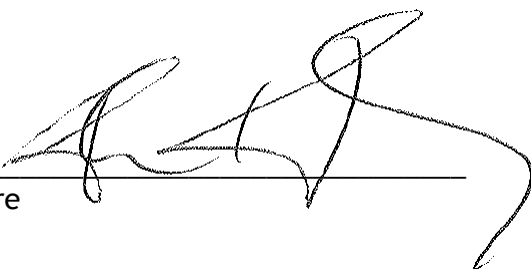
John Alducci, CEO



Signature


SIGNED for and on behalf of  
Australian Racing Board

Andrew Harding, CEO



Signature

SIGNED for and on behalf of  
Equine Veterinarians Australia by:  
(President)



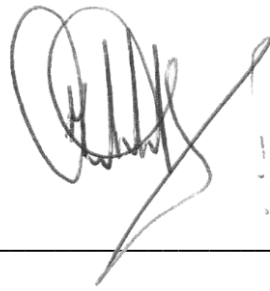
Dr Chris Reardon  
BVSc(Hons), BSc(Hons), MACVSc, CMAVA  
23rd June 2011

Signature

SIGNED for and on behalf of  
Federation of Bloodstock Agents  
Australia Limited by:

Tim Stewart, President

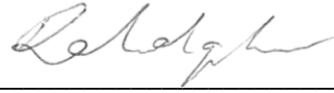
Signature

A handwritten signature in black ink, appearing to be 'T. Stewart', written over a horizontal line. The signature is stylized with a large initial 'T' and a long, sweeping tail.

SIGNED for and on behalf of  
NSW Trainers Association Ltd by:

Rob Colquhoun, CEO

Signature

A handwritten signature in black ink, appearing to be 'Rob Colquhoun', written over a horizontal line. The signature is cursive and flows across the line.

# ENQUIRIES

**THOROUGHBRED  
BREEDERS**  
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