

**THE RULES AND REGULATIONS OF THE KWAZULU-NATAL  
THOROUGHBRED BREEDER, STALLION AND OWNER PREMIUM SCHEME**

**1. OBJECT**

The object of the Scheme is to improve the quality of the Thoroughbred racehorse being bred in KZN with a view to the betterment of thoroughbred horse racing in KZN through the encouragement of ownership of high class Breeding Stock and the racing in KZN of the resulting improved KZN-Bred Horses.

**2. INTERPRETATION**

2.1 In these Rules and Regulations, unless the context clearly indicates to the contrary, each reference to:

2.1.1 the singular shall include a reference to the plural and vice versa;

2.1.2 any one gender shall include a reference to each of the other two genders; and

2.1.3 references to a person include a natural person, company, close corporation or any other juristic person or other corporate entity, a charity, trust, partnership, joint venture, syndicate or any other association of persons.

2.2 The headings to the clauses of these Rules and Regulations are for reference purposes only and shall not govern the interpretation.

2.3 Each term or condition of these Rules and Regulations is severable and in the event of any one or more of the terms or conditions being found to be unenforceable, then the remaining terms and conditions shall remain valid and enforceable.

2.4 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any person, notwithstanding that it is only in the definition clause, effect shall be given to it as if it were a substantive provision in the body of these Rules and Regulations.

2.5 When figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.

**3. DEFINITIONS**

In these Rules and Regulations, unless the context clearly indicates to the contrary, words listed shall have the following meanings:

3.1 **Applicant:** a person desiring to be considered for the grant of a Breeder or Stallion Premium.

3.2 **Registration Form:**

for Breeder Premiums:  
inter an Application Form approved by the Committee specifying, alia, the Stakes earned by Qualifying KZN-Bred Horses in a Qualifying Year.

for Stallion Premiums:  
inter an Application Form approved by the Committee specifying, alia, the Stakes earned by Qualifying KZN-Bred Horses conceived consequent upon a cover by a KZN-Based Stallion using the Stallion or Stallion Share therein owned by the Applicant KZN-Based Breeder in a Qualifying Year.

for Yearling Registrations: a Registration Form approved by the Committee specifying yearlings at 1 August each year qualifying as KZN-Bred Horses.

- 3.3 **Board:** the Board of Directors of Gold Circle (Proprietary) Limited, registration number 1998/024366/07.
- 3.4 **Breeder Premium:** the amount determined by the Committee based upon Stakes earned by a Qualifying KZN-Bred Horse during a Qualifying Year to be credited to the KZN-Based Breeder in terms of the Scheme.
- 3.5 **Breeder Premium Fund:** the fund which is administered by the Committee. The value of the Breeders Premium each year shall be determined by the Board and the Breeders Club by separate agreement as referred to in Annexure A.
- 3.6 **Breeders Club:** the KwaZulu-Natal Breeders Club NPC, registration number 1999/000209/08.
- 3.7 **Breeding Stock:**
- Broodmare: a Thoroughbred Broodmare, registered with the NHRA, and actively at stud in KZN for the purpose of being covered by a Thoroughbred Stallion registered with the NHRA.
- Filly for Stud: a Thoroughbred Filly, registered with the NHRA, and purchased for the purpose of being covered by a Thoroughbred Stallion registered with the NHRA and for the purpose of being a KZN based Mare.
- Stallion: a KZN-Based Thoroughbred Stallion and/or Share in a KZN-Based Thoroughbred Stallion registered with the NHRA, and actively at stud in KZN.
- 3.8 **Committee:** a committee consisting of 2 (two) members appointed by the Board and 2 (two) members appointed by the Breeders Club.
- 3.9 **Horse** (also referred to as "**Stock**")): a Thoroughbred Horse registered with the NHRA.
- 3.10 **KZN:** The Province of KwaZulu-Natal.
- 3.11 **KZN-Based Breeder:** the owner of at least 1 (one) KZN-Based Mare or shares in such Mares which in aggregate total at least 100% of a KZN-Based Mare (and shall include a Qualifying Beneficiary) and/or KZN-Based Stallion owner and/or Stallion shareholder, provided that such owner is registered as a member with the Breeders Club, both during and throughout the Qualifying Year for which a Breeder or Stallion Premium Application is being made.
- 3.12 **KZN-Based Mare**(also referred to as "**Dam**")  
a Broodmare that remains permanently in KZN except when sent out of KZN for the sole purpose of being covered by a non KZN-Based Stallion and returns to KZN by not later than 31 March the following year, travel documents to be supplied to verify, and shall remain resident in KZN except for the sole purpose of being covered.

- 3.13 **KZN-Based Stallion** (also referred to as "**Sire**"): a Stallion standing at stud in KZN and actively being used at stud in KZN.
- 3.14 **KZN-Bred Horse**: (i) a Horse conceived and foaled in KZN consequent upon a cover by a KZN-Based Stallion; or
- (ii) a Horse foaled in KZN, conceived outside of KZN if the KZN-Based Mare foals down and remains a KZN resident mare; or
- (iii) a Horse foaled outside KZN, conceived in KZN consequent upon a cover by a KZN-Based Stallion, provided the KZN-Based Mare and foal return to KZN by not later than 31 March the following year.
- provided** that the Horse's Dam in (i), (ii) and (iii) above is a KZN-Based Mare, and all movements out of the province are clearly declared and backed up by an affidavit and supporting travel documents/invoices, and the Horse was timeously registered with the Board as a yearling; or
- (iv) a Horse foaled outside of KZN but within the Republic of South Africa out of an imported pregnant mare as long as KZN has no quarantine facilities, and such imported mare becomes a KZN-Based Mare and the next cover is by a KZN-Based Stallion.
- 3.15 **KZN-Bred Yearling** (also referred to as "**yearling**"): a yearling that is also a KZN-Bred Horse as defined as being one year old until the second 1 August following its birth.
- 3.16 **Minor Race Stakes**: the total Stakes paid in KZN in a Qualifying Year excluding Stakes paid in respect of Grade 1, 2, 3 races together with listed and non-black type races.
- 3.17 **NHRA**: the National Horse Racing Authority.
- 3.18 **Non KZN-Based Stallion**: a Stallion not standing in KZN.
- 3.19 **Owner**:  
for Breeder and Stallion Premiums: a person Qualifying as a KZN-Based Breeder.  
for Owner Premiums: a person registered with the NHRA as the owner of a KZN-Bred Horse.
- 3.20 **Owner Premium**: the Owner Premium to be credited to an Owner from the Owner Premium Fund at the discretion of the Committee.
- 3.21 **Qualifying Beneficiary**: the person reflected in the Application Form for a Breeder Premium as the beneficial Owner in respect of at least

- 1(one) KZN-Based Mare or shares in such Mares which in aggregate total at least 100% (one hundred per centum) of a KZN-Based Mare during and throughout the Qualifying Year notwithstanding the fact that such Mare/s is/are registered in the name of another KZN-Based Breeder. It is required for such person to be a registered member of the Breeders Club.
- 3.22 **Qualifying:** meeting the requirements of these Rules and Regulations.
- 3.23 **Qualifying Year:** the official racing year being the twelve month period from 1 August to 31 July of the following year.
- 3.24 **Related Parties:**
- (i) a relative of a natural person Applicant as defined in Section 1 of the Income Tax Act No. 58 of 1962 ("relative"); or
  - (ii) any trust of which the Applicant or relative is a beneficiary; or
  - (iii) any partnership or association in which the Applicant or relative is a partner; or
  - (iv) any close corporation in which the Applicant or relative is a member; or
  - (v) any company in which the Applicant or relative is a shareholder.
- 3.25 **Scheme:** the KwaZulu-Natal Thoroughbred Breeder, Stallion and Owner Premium Scheme governed by these Rules and Regulations and administered by the Committee.
- 3.26 **Share:**
- for Breeder Premiums: the fractional interest held by the Owner in a KZN-Based Mare as proven to the Committee's satisfaction and subject to the requirement that the Applicant qualifies as a KZN-Based Breeder.
- for Stallion Premiums: the fractional interest held by the Owner of a Stallion.
- 3.27 **Stakes:** the advertised winning and placed stakes payable to the registered Owners of successful Horses winning and placing in races within the Republic of South Africa under the Rules of the NHRA, excluding added stakes paid by other bodies.
- 3.28 **Stallion** (also referred to as "**Sire**"): a Horse registered as a Stallion with the NHRA for the breeding season for conception of a KZN-Bred Horse.
- 3.29 **Stallion Premium:** the amount determined by the Committee, based upon the Stakes earned by a Qualifying KZN-Bred Horse during a Qualifying Year, to be credited to a KZN-Based Breeder as the Owner registered with the Board of its KZN-Based Sire or the Owner of the KZN-Based Sire Share from which it was bred (note: only the Owner of the Share qualifies).

#### 4. GENERAL PROVISIONS

- 4.1 The Scheme was established by agreement with the Board dated 3 August 1999 and is administered by the Committee.
- 4.2 The total value of the Scheme's distribution is regulated through a separate agreement between the Breeders Club and the Board (Annexure A).
- 4.3 The Committee shall be responsible for the interpretation, administration and implementation of the Rules and Regulations. Any decision made by the Committee regarding the application and/or interpretation of the Rules and Regulations and/or any dispute that may arise shall be at the sole discretion of the Committee and shall be final and not subject to appeal or dispute by any other party.
- 4.4 In the event of a deadlock in the Committee and a failure to resolve same, it shall in the case of it being:
- 4.4.1 legal in nature, be referred to the President at the time of the KZN Law Society whose decision or that of his duly appointed qualified assignee shall be final;
- 4.4.2 financial in nature, be referred to the President at the time of the KZN Society of Chartered Accountants whose decision or that of his duly appointed qualified assignee shall be final.
- The above arbitrator's decision shall at all times have as the uppermost concern, the underlying objects of the Scheme.
- 4.5 The Scheme and its Rules and Regulations may not be construed as conferring any rights or entitlements on an Owner, but have been framed to serve the purpose of establishing eligibility for the consideration of Owner Premiums which are made at the sole discretion of the Committee.
- 4.6 The Committee shall determine, for each Qualifying Year, the percentage of Breeder, Stallion or Owner Premiums. In the event of the aggregated approved Premiums exceeding its share of the Premium Fund, then the percentage will be reduced to the extent that the deficit is eliminated. In the event of the aggregate approved Premiums being less than its share of the Premium Fund, then the percentage will be increased to the extent that the surplus is eliminated.
- 4.7 The Committee shall approve any ad-hoc funding, from time to time, of the promotion of KZN-Bred Horses and the achievement of the objectives of the Scheme in general, such funding to be determined by the Committee. Responsibility for the promotion for a Breeders Race Day and ancillary related costs is as agreed between the Breeders Club and the Board. See attached Annexure A.
- 4.8 The Scheme may only be terminated by mutual consent of the Board and the Breeders Club, with the approval of an ordinary resolution passed by each of the Board and a general meeting of the Breeders Club.
- 4.9 The Premiums payable in respect of the Stakes earned by any one Horse in any one Qualifying Year shall each be limited to R100 000.00 (one hundred thousand Rand) or such lesser amount that the Committee in its sole discretion may determine, per premium type.
- 4.10 The Rules and Regulations may only be amended, varied or substituted if agreed to by the Board and the Breeders Club, with the approval of an ordinary resolution passed by each of the Board and a general meeting of the Breeders Club.

- 4.11 The Breeder and Stallion Premiums are intended as an incentive to KZN-Based Breeders to acquire Breeding Stock of a standard likely to contribute towards the improvement of the class of Horse being bred in KZN.
- 4.12 It is the Applicant's responsibility to lodge the appropriate forms with the Committee and to do so within the deadlines determined by the Committee.
- 4.13 The date of receipt of any documentation submitted to the Committee shall be the date upon which the Board receives it.
- 4.14 For Breeders Premiums, the Committee shall not consider any person other than a registered KZN-Based Breeder or a Qualifying Beneficiary for any Breeder Premiums.
- 4.15 For Stallion Premiums, the Committee shall not consider any person other than the Stallion Owner and/or Shareholder and/or Service Right Holder, who shall also be a registered and qualifying KZN-Based Breeder, for any Stallion Premiums.
- 4.16 In order to qualify for Breeder and Stallion Premiums, all Applicants, including Qualifying Beneficiaries, are required to be members in good standing of the Breeders Club, including the payment of all membership duties, levies and any other imposts as may be due to the Breeders Club.

## **5. THE SCHEME**

- 5.1 Where the Committee has determined that the Breeder, Stallion or Owner Premiums have been earned in accordance with these Rules and Regulations, the Committee shall instruct the Breeders Club, which shall procure that, those premiums are credited to the appropriate recipients in the records of the Breeder Premium Fund or the Owner Premium Fund (whichever is applicable), so that:
  - 5.1.1 A Breeder Premium earned by a KZN-Bred Horse is credited to the Owner or Qualifying Beneficiary of a KZN-Based Mare (KZN-Based Breeder), in the Breeder Premium Fund.
  - 5.1.2 A Stallion Premium earned by a KZN-Bred Horse is credited to the Owner of the KZN-Based Stallion upon whose share such Horse was bred, in the Breeder Premium Fund
- 5.2 The Breeder Premium as per 5.1 will be paid by the Board against qualifying purchases as per 5.3 and which have been approved by the Committee. The Premium Credit as determined in 5.1 will be valid for, and may be accumulated for up to 36 months from the 01<sup>st</sup> August following the season for which the premium has been earned.
- 5.3 Expenditure may only be incurred in respect of the purchase of breeding stock, this includes and shall be limited to; broodmares, stallions, stallion shares, stallion services and fillies for stud.
- 5.4 An unused credit in this 5 shall expire 36 months after the Qualifying Year in which the credit was earned and reverts back to the Breeders Premium Fund.

## **6. REGISTRATION OF KZN-BRED YEARLINGS WITH THE BREEDERS CLUB**

- 6.1 A KZN-Based Breeder desiring to be considered for a Breeder and/or Stallion Premium, or to qualify for the Owner of a KZN-Bred Horse for an Owner Premium, shall lodge or ensure that there is lodged an Application Form approved and furnished by the Committee for Yearling Registration by no later than 30 September specifying:
  - 6.1.1 the Yearlings at 1 August each year;

- 6.1.2 the name of the covering Sire and the Dam of the Yearling being registered;
  - 6.1.3 the name of the Sire who covered the Dam of the Yearling being registered in the year of its birth and the name of the Breeder or Stallion Shareholder as registered with the NHRA and the name of the Qualifying Beneficiary of the KZN-Based Mare (should they not be the same);
  - 6.1.4 the foaling details: place and date of birth and subsequent foal movements outside of KZN; and
  - 6.1.5 the date of the Mare and foal departures from and return to KZN, clearly indicating the period of residence outside of KZN, and supporting travel invoices to verify such movements to accompany form.
- 6.2 Payment of the fee prescribed by the Committee per KZN-Bred Horse from time to time must be submitted with the Application Form for Yearling Registration referred to in 6.1.
  - 6.3 Should the Owner of a KZN-Based Stallion or shareholder of a KZN-Based Stallion register such Yearling, acceptable proof shall be furnished to the Committee that the Mare in question was KZN-Based over the required period and that the Yearling is eligible for registration as a KZN-Bred Horse.
  - 6.4 Late registrations may be accepted up to a period of 12 (twelve) months after the due date, subject to a penalty payment of R1000.00 (one thousand Rand) per Yearling or such amount as agreed to and set by the Committee from time to time. Where a Yearling is not registered with the Board, no premiums will be paid.

**7. ANNUAL AFFIDAVITS REQUIRED FROM APPLICANTS FOR BREEDER AND/OR STALLION PREMIUMS**

- 7.1 An Applicant for either or both Breeder and Stallion Premiums described in 8 and 9 below shall lodge or ensure that there is lodged, together with the forms approved by the Committee, a completed affidavit signed by or on behalf of the Applicant confirming, inter alia, that:
  - 7.1.1 the Applicant is a KZN-Based Breeder and, where applicable, a Qualifying Beneficiary is entitled to receive the Breeders Premium;
  - 7.1.2 the Applicant is registered as a Breeder with the NHRA;
  - 7.1.3 the Applicant and/or Qualifying Beneficiary is the registered owner of at least one KZN-Based Mare or shares in such Mares which in aggregate total at least 1 (one), that is still actively being used at stud;
  - 7.1.4 the Mare/s appearing on such attached schedule, at all relevant times:
    - 7.1.4.1 have been registered with the NHRA Stud Book in the Applicant's name; and
    - 7.1.4.2 comply with the definition of KZN-Based Mare.
- 7.2 The affidavit(s) referred to in 7.1 must be lodged together with the Stallion and/or Breeder Application Forms as described in 8 and 9 below by no later than 30 September or such alternate date as agreed by the Committee.

## **8. BREEDERS PREMIUMS**

- 8.1 Any Applicant for a Breeder Premium shall lodge or ensure that there is lodged, in a form approved by the Committee, the affidavit(s) referred to in 7 and an Application Form for Breeders Premiums by not later than 30 September or such alternate date as agreed by the Committee, reflecting inter alia:
- 8.1.1 details of the KZN-Bred Horse in respect of which the Breeder Premium is claimed (names of progeny, Sire and Dam);
  - 8.1.2 the name of the Qualifying Beneficiary, if applicable;
  - 8.1.3 KZN-Based Mare and foal departure and return dates from and to KZN, along with supporting documents; and
  - 8.1.4 the amount of Stakes earned during the Qualifying Year by each of the KZN-Bred Horses.

## **9. STALLION PREMIUMS**

- 9.1 An Applicant for a Stallion Premium shall lodge or ensure that there is lodged, in a form approved by the Committee:
- 9.1.1 KZN-Based Stallion Covering Schedules by not later than the date prescribed on the Covering Schedule for the Qualifying Year, but by no later than February, reflecting inter alia:
    - 9.1.1.1 the name of the KZN-Based Stallion and the name of the stud at which such Stallion stands;
    - 9.1.1.2 the names of all KZN based mares and specifying those covered during the season which commenced on 1 August in the previous calendar year;
  - 9.1.2 a copy of the Stallion syndication agreement certified as a true copy by the stud at which the Stallion stands, as if not yet lodged and, if lodged, then a copy of any changes subsequent to the date of the original lodgement;
  - 9.1.3 an Application Form for Stallion Premiums by not later than 30 September or such alternate date as agreed by the Committee, immediately following the end of a Qualifying Year reflecting inter alia:
    - 9.1.3.1 details of the KZN-Bred Horse in respect of which the Breeder Premium is claimed (names of progeny, Sire and Dam);
    - 9.1.3.2 the name of the Qualifying Beneficiary, if applicable;
    - 9.1.3.3 KZN-Based Mare and foal departure and return dates from and to KZN;
    - 9.1.3.4 the amount of Stakes earned during the Qualifying Year by each of the KZN-Bred Horses.
- 9.2 The Board may request:



- 9.2.1 in the case of a Stallion which is syndicated, Audited Financial Statements for the Syndicate for the period or year ending not less than 31 December of the covering year referred to in 9.1;
- 9.2.2 where no services were sold resulting in no income accruing to the Syndicate and accordingly there being no distribution of funds, a letter to be submitted by the syndicate secretary enclosing a copy of the minutes of the meeting of shareholders confirming that there was no income or other benefit accruing to the Syndicate.
- 9.3 Stallion Premiums shall not be credited to a recipient until the Committee has received all documents referred to in 9.2.1 and 9.2.2. Should such documents not be received by the relevant due dates, the Committee may, in its sole discretion, declare the Applicant ineligible for the Stallion Premium.
- 9.4 For each KZN-Based Stallion qualifying its Owner or Shareholder for Stallion Premiums, such Owner or Shareholder is required to own at least 1 (one) KZN-Based Mare in order to entitle such Owner or Shareholder to the benefit of Stallion Premiums.
- 9.5 Non KZN-Based Stallion coverings do not qualify for Stallion Premiums.

## **10. REFUND**

- 10.1 The Committee has the right to claim back any Breeder or Stallion Premiums paid should the facts, submission and/or documentation upon which such monies were paid be found to be incorrect or incomplete.
- 10.2 In the event of a KZN-Based Breeder not refunding any Premiums referred to in 10.1 within 30 (thirty) days of written request, such KZN-Based Breeder shall:
- 10.2.1 immediately be disqualified from receiving any further Premiums until such time as the refund is made; and
- 10.2.2 remain liable for the refund and may be sued for the recovery of such refund by the Breeders Club, in which event that company shall be entitled to recover any legal costs incurred on an attorney/own client basis.

## **11. DECLARATION**

Any declaration by a KZN Breeder which may be found to be false or which may constitute any fraudulent act may at the sole discretion of the Breeders Club in consultation with the Committee entitle the Breeders Club to take steps in terms of 10, to cancel any further participation in the Scheme and/or to prosecute the offender.

## **12. EFFECTIVE DATE**

These Rules and Regulations are effective from 1 August 2020. For periods prior thereto, the Rules and Regulations effective from 1 August 2016 continue to apply.

ADDENDUM TWO TO AN AGREEMENT DATED 6 AUGUST 1999

ENTERED INTO BETWEEN

GOLD CIRCLE (PROPRIETARY) LIMITED  
("Gold Circle")

AND

KWAZULU-NATAL BREEDERS CLUB  
("Breeders Club")

IT IS AGREED THAT:

### 1. INTERPRETATION

- 1.1 "Agreement" means the agreement entered into by the Breeders Club and Gold Circle on 6 August 1999;
- 1.2 "Breeders Club" means the KwaZulu-Natal Breeders Club NPO (Proprietary) Limited (Registration No. 0999/00208/08);
- 1.3 "Breeders Premium Scheme" means the Scheme insofar as it applies to the Breeder Premiums;
- 1.4 "Gold Circle" means Gold Circle (Proprietary) Limited (Registration No. 1998/024366/07
- 1.5 "Minor races" means all thoroughbred horse races at the courses in the province except for Group 1, 2, and 3 feature races;
- 1.6 "Parties" means the persons in 1.3 and 1.4;
- 1.7 "Province" the province of KwaZulu-Natal;
- 1.8 "Qualifying Year" means an official racing year which is a twelve month period from 1 August to 31 July the following year;
- 1.9 "the Scheme" means the Rules and Regulations of the Kwazulu-Natal Thoroughbred Breeder, Stallion and Owner Premium Scheme as amended from time to time;
- 1.10 "Stallion Premium Scheme" means the Scheme insofar as it applies to the Stallion Premiums

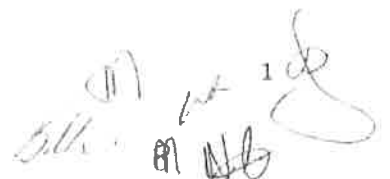
### 2. HISTORY

- 2.1 An agreement was entered into on 3 August 1999 between the Breeders Club and Gold Circle which provides inter alia; for Gold Circle to administer the Scheme in terms of the Rules and Regulations of the Kwazulu-Natal Thoroughbred Breeder, Stallion and Owner Premium Scheme as may be amended from time to time;
- 2.2 The Breeders Club and Gold Circle wish to amend the terms of the Scheme as referred to in 6.2 of the agreement.

### 3. AMENDMENT OF AGREEMENT

Notwithstanding the content of Clauses 4.4 and 5 of the Agreement and Clause 5 of the Scheme the Parties have agreed to amend the funding obligation as follows:

- 3.1 In respect of the Qualifying Year ended 31 July 2020 no premiums are payable by Gold Circle due to financial constraints and the Covid pandemic. The parties agree that that for the respective year in this 3.1, the Breeders Club shall have no claim against Gold Circle for premiums payable in terms of the Scheme as these are not recoverable.



- 3.2 In respect of the Qualifying year ended 31 July 2021, the Breeders Club will continue to record statistics for the purpose of calculating credits to qualifying breeders. Gold Circle will have no financial obligation for the accruing credits to breeders in this 3.2.
- 3.3 In respect of the Gold Circle financial year commencing 1 August 2021 to the financial year ended 31 July 2024, the aggregate amount that will be allocated to the Scheme in each year will be R5 million (five million Rand) in terms of 5 of the Rules and Regulations in respect of the Scheme;
- 3.4 The R5 million (five million Rand) contribution in 3.3 made in any financial year shall escalate by the same inflationary increase that Gold Circle awards to Minor race stakes.
- 3.5 The Parties have agreed that with effect from the financial year commencing 1 August 2021, recipients presenting a credit voucher to Gold Circle, issued by the Breeders Club, will be paid the face value thereof as per the Scheme up to the maximum as provided for in 3.4.
- 3.6 Gold Circle will honour all obligations arising through the term of this agreement in any period that occurs during and after the termination date of 31 July 2024 with the exception of the following events occurring:
- 3.5.1 income generated by Gold Circle from bookmakers 3% winning tax deductions as determined in the KwaZulu-Natal Gaming and Betting Tax Act 2010 being withdrawn or significantly reduced by the KwaZulu-Natal Provincial Government. The Breeders Premium value in 3.3 shall be reduced in the same proportion as the 3% winning tax deductions payable to Gold Circle is reduced by the KwaZulu-Natal Provincial Government ; and/or
- 3.5.2 Gold Circle litigation with Phumelela (in business rescue) being unsuccessful with regard to its ownership of equity in Phumelela Gold International on the Isle of Man.
- 3.5.3 in respect of the event occurring in 3.5.2 there will be no further obligation by Gold Circle to make payments in terms of the Scheme from the effective date of the event due to the significant negative financial impact each event will have on Gold Circle.
- 3.7 thereafter, unless otherwise agreed by the Parties, the Parties shall renegotiate the terms for contributions to the Scheme by Gold Circle, in good faith, six months prior to the Qualifying Year ending 31 July 2024.

#### **4. ADDITIONAL FUNDING**

- 4.1 Gold Circle has traditionally allocated a race meeting to the Breeders Club for the staging of the Breeders Mile. The allocated race meeting is held in July of each year.
- 4.2 The winning stakes paid at the race meeting in 4.1 has in the past been partially funded by Gold Circle and through funds provided for in the Scheme.
- 4.3 Gold Circle will for the duration of the Agreement fully fund the winning stakes paid at the race meeting in 4.1 with no further contribution being allocated from the Scheme. Total winning stakes for the race day will be a minimum of R1 440 000 (one million four hundred and forty thousand Rand) or such other value as agreed between the Parties.
- 4.4 Gold Circle will provide the Breeders Club members with hospitality and provide prizes to the winning connections to a minimum value of R200 000 (two hundred thousand Rand).

#### **5. AGREEMENT VARIATION**

- 5.1 This agreement may be varied only by a written agreement signed by the Breeders Club and Gold Circle, supported by an ordinary resolution passed at a general meeting of the Breeders Club.

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*ll* 2  
*N. G. M.*

**6. COUNTERPARTS:**

This Addendum may be signed in counterparts, each of which shall be an original, but all of which together shall constitute a single indivisible agreement.

SIGNED by **GOLD CIRCLE (PROPRIETARY) LIMITED** at DURBAN  
on this 14<sup>th</sup> day of AUGUST 2021.



**AS WITNESSES:**

1. 
2. 

  
\_\_\_\_\_  
DULY AUTHORISED

SIGNED by **KWAZULU-NATAL BREEDERS CLUB NPC** at Mooi River  
on this 27 day of July 2021.

**AS WITNESSES:**

1. 
2. 

  
\_\_\_\_\_  
DULY AUTHORISED