

FILLIES AND MARES BREEDING CREDIT SCHEME TERMS AND CONDITIONS

Effective Date: **1 August 2023**

Overview of the Scheme

HRNZ is pleased to announce the terms and conditions associated with the recently announced Fillies and Mares Breeding Credit Scheme ("FMBCS").

The scheme is intended to encourage the retention of Fillies and Mares who have been domiciled and raced in New Zealand for breeding once they have finished racing. It will operate for the 2023/24 breeding season and be reviewed to see if it is 'fit for purpose' - HRNZ reserves the right to remove, adjust or confirm the FMBCS thereafter.

We note that as with any new and significant undertaking, there may be matters that simply have not been contemplated at the time of drafting this new policy and its associated terms and conditions. Where it becomes clear - in the view of the HRNZ CEO - that a matter was not reasonably contemplated or prepared for in the FMBCS, then HRNZ reserves the right for the CEO to properly investigate and determine that matter and for that to be a full and final settlement of the issue.

HRNZ has budgeted a total of \$400k per year for the FMBCS. This is a significant sum of industry funding and needs to be balanced against the other costs and investments made in Harness Racing. As such, HRNZ reserves the right to suspend the FMBCS in the event that the total budgeted amount for the season is reached. At that time, HRNZ would review the success of the scheme and consider whether it should be continued with additional funding.

Finally, all applicable terms and requirements of the Rules of Racing remain operative and in place, especially in respect of welfare and registration.

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TERMS

General Terms

- The filly / mare must race in New Zealand to be eligible for a credit.
- The credit is only earned in Fillies and / or Mares races in New Zealand.
- The credit is attached to the mare who earned it and is not assignable or transferable.
- If the filly and / or mare is sold within New Zealand the credit transfers with the horse to the new owner.
- If the filly / mare is exported, then the credits expire with no payment or compensation.
- If the filly / mare is exported for racing and then put in foal prior to returning to New Zealand, then the credits will apply for costs associated with breeding the filly / mare in New Zealand, in any following years as per the other terms and conditions.
- If the filly / mare is leased the use of or not the use of the breeding credit must be covered in the lease agreement as to what rights the lessee has (if any).
- The credits expire after five years from the end of the animal's retirement from racing, which is judged as the last day of the last racing season the animal participated in publicly starting in New Zealand.
- Should the mare die or it be found that it cannot reproduce, any existing credits will expire without any compensation.
- You may use the credit as part payment to meet a price higher than the credit earned.
- You may 'split' a credit and use only a portion of it to meet a price lower than the credit limit.

Specific Terms

- First three placegetters in any fillies/mares totalisator race get a \$1000 win, \$300 second, \$200 third breeding credit in any fillies and / or mare's race in New Zealand.
- The monies are calculated by HRNZ, and will be held by HRNZ. A claim for a credit can occur only once the mare has finished racing.
- All credit claims are by way of reimbursement and HRNZ will pay the credit value to the applicant on production of relevant invoice(s).
- The credits do not have to be used within a single breeding season but must be used within five years of finishing racing.
- The mare must be located and served / inseminated in New Zealand to be eligible to redeem the credit.
- In the event of a dead heat the credits will be paid out in full for each of the dead heat horses for their finishing position E.g. two horses dead heat for first they will both earn a \$1000 breeding credit.
- Credit may be used for DIRECT breeding costs only such as Service fees, semen and vet packages – including the purchase of semen, semen related costs such as transport, and working fees. Generic vet work and grazing costs would not be able to be claimed.
- Application may be made to the CEO of HRNZ for special requests.

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- The credit can be claimed if the conditions of the scheme are met, and on production of the following:
 - A copy of proof of payment to the stud for the service of the mare for which the claim is being made.
 - A copy of proof of payment to a provider for direct costs associated with the service of the mare for which the claim is being made.
 - Should a horse be disqualified in any particular race then the credit will transfer to the next horse promoted to the disqualified horse's placing.
 - The scheme will be reviewed periodically. HRNZ has the discretion to change, amend or cancel the scheme at its discretion.
 - The scheme relates to HRNZ Financial year with the sums calculated from 1 August through 31 July each year.
6. Owners must confirm or provide their bank account to HRNZ to get paid. Failure to do so within 12 months of the claim will mean removal from the FMBCS.
 7. You are not able to aggregate credits across Mares to increase the amount payable under the FMBCS.
 8. You accept that you may be randomly audited to ensure that the FMBCS terms and conditions have been adhered to. Failure to fully comply with such an audit will mean removal from the FMBCS.
 9. You are required to provide HRNZ with confirmation of whether you are GST registered and if so your GST registration number. You must advise HRNZ if this information changes at any time.
 10. If you are GST registered, HRNZ will issue a buyer created tax invoice (BCTI) / buyer created taxable supply information (BCTSI) to you within 28 days of any FMBCS being paid. This will show the GST payable by you in respect of the BIP.

Commercial Terms

1. The FMBCS is paid by HRNZ in return for agreeing to provide information and undertaking the actions to meet the eligibility criteria ("the supply") to HRNZ as noted in these terms.
2. The FMBCS is in New Zealand dollars plus GST if any.
3. HRNZ reserves the right to suspend the FMBCS if the total budgeted amount for the season is reached.
4. Owners are responsible for returning GST as applicable in respect of the FMBCS.
5. HRNZ will pay the FMBCS on the 20th of the month following application to the FMBCS provided that all requested information has been provided and all the eligibility criteria have been met as outlined in these terms.
11. If you are not GST registered, HRNZ will issue remittance advice to you within 28 days of any FMBCS being made.
12. HRNZ will issue a credit note / supply correction information if for any reason the FMBCS is repaid.
13. You agree that you will not issue tax invoices or taxable supply information to HRNZ.
14. You confirm that you will retain a copy of the documentation issued by HRNZ in respect of the FMBCS when it is provided by HRNZ.
15. Participation in this scheme does not preclude you from participation in any other scheme.