

# BSA's Code Of Conduct

## Introduction

The Code hereunder sets out the principles which apply to all sales of bloodstock and stallion shares by BSA at public auction, to ensure that sales of bloodstock by BSA set and maintain a high standard of integrity and transparency, which will safeguard the interests of vendors, consignors, buyers, bloodstock agents, owners, trainers and BSA.

## Definitions

- "Agent" means any breeder, owner, trainer, consignor, bloodstock agent, or any other person or entity who represents a Principal in the sale or purchase of bloodstock or stallion shares, whether 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 fees), or not.
- "Principal" means a person or entity who appoints an Agent to act as agent on his/her behalf in the sale or purchase of bloodstock or stallion shares as in the definition above.

## Code

1. An Agent owes a duty to his/her Principal to act at all times in accordance with his/her Principal's best interests.
2. An Agent shall not place him/herself in a position where personal interests conflict with the duty to his/her Principal. In particular, an Agent shall not use his/her position to obtain a secret profit or benefit.
3. When an Agent acts as a vendor or part-vendor and sells or intends to sell any horse in which he/she has an interest to a Principal, or intended Principal, the Agent must disclose to his/her Principal, before completion, the full extent of that ownership or interest and the benefit derived from that transaction.
4. If an Agent acts for more than one Principal in a transaction (which might be both the vendor and buyer), the Agent can only do so if he/she has first disclosed this fact, before completion, to all his/her Principals, and obtained their consent.
5. An Agent must notify his/her Principal, preferably in advance, when a conflict of interest could arise, such as transactions involving third parties with whom he/she has a retainer, transactions where he/ she is aware he/she will benefit from a third party, or transactions concerning horses which he/she has previously purchased or been involved with.
6. An Agent shall disclose to his Principal and, if required, account to his/her Principal for any Special Financial Benefit/Accrual paid to him/her by or on behalf of a vendor. "Special Financial Benefit/Accrual" refers to any financial payment or payment in kind made by or on behalf of a vendor to a Buyer or his agent, after the sale of a horse has been concluded.
7. If an Agent receives an offer to purchase a horse he/she must relay that offer in its entirety to his/her Principal and respond in accordance with the Principal's instructions.
8. A vendor must not offer any secret profit or benefit to any person whom he/she believes to be an Agent acting for a prospective Buyer.

## Enforcement

9. Any alleged breach of this Code may be reported to the National Horseracing Authority of South Africa ("NHRA"). It will be the responsibility of the complainant of the alleged breach to provide the NHRA with the evidence in support of the alleged breach. Should the NHRA consider that there is merit in the complaint and that its Rules may have been contravened, the NHRA may constitute an Inquiry Board to deal with the matter as provided for in its Rules. All parties involved must provide their full assistance and cooperation to the NHRA.