



# **SPONSORSHIP FRAMEWORK FOR RACEHORSE OWNERS (SFRO)**

**Code of Conduct  
1 July 2018**

This Code of Conduct represents the sponsorship controls approved by the British Horseracing Authority (BHA) under [Rule \(A\)88](#) of the Rules of Racing.

This edition of the Code of Conduct will take effect from 1 July 2018, replacing all previous versions published.

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## **1. Introduction**

In response to the agreement set out in the Memorandum of Understanding of January 1998 (the 'new' Memorandum of Understanding) between the British Horseracing Authority (BHA) and HM Revenue & Customs (HMRC) relating to VAT and Bloodstock, this Code of Conduct details the resultant framework designed to facilitate sponsorship income for racehorse owners.

The Racehorse Owner's VAT Scheme is essential to the continuing success of the British Horseracing Industry.

Sponsorship permitted in this Code of Conduct only extends to race meetings held in Great Britain. So far as racing in other countries is concerned, any forms of advertising sponsorship carried on the horse, its equipment, its attendant(s) and/or its rider during a race meeting is a matter for the respective Racing Authority. **Contact details for other Racing Authorities are available at [www.britishhorseracing.com](http://www.britishhorseracing.com) or from the BHA.**

The Sponsorship Framework for Racehorse Owners (SFRO) principally addresses the following issues:

- The fulfilment of the agreement with HMRC by enabling owners to secure sponsorship or other business income therefore enabling owners to register for VAT
- The generation of additional income for racehorse owners through Sponsors
- Co-existence with sponsorship arrangements made between sponsor organisations and racecourses (Race-Sponsors)
- Operation within any future, wider framework(s) designed to attract and encourage additional sponsorship initiatives involving racing-industry groups

Failure to comply with any part of this Code of Conduct, as amended from time to time, will be a breach of the Rules of Racing (as amended to take account of the SFRO) for which warnings and penalties may be imposed.

This Code of Conduct is effective as of 1 July 2018, replaces the previous Code of Conduct, and may be subject to amendment from time to time. Any renewal of existing contracts or registration of new contracts must comply with the Code of Conduct, as amended, which may also be amended in future.

It is essential that both the spirit and the letter of this Code of Conduct are observed by all parties, at all times.

**British Horseracing Authority  
July 2018**

## **2. Executive Summary of SFRO**

### **2.1. Requirements of SFRO**

- Develop racing's commercial opportunities
- Meet the terms of the Memorandum of Understanding with HMRC in order to safeguard the current Racehorse Owner's VAT Scheme
- Provide commercial opportunities for Sponsors and Race-Sponsors
- Maintain the principle of co-existence between Sponsors and Race-Sponsors
- Determine specific sponsorship opportunities available

### **2.2. Sponsorship income opportunities within the SFRO**

A two-tiered approach to generating sponsorship income:

#### **2.2.1. Income sourced by owner or owners with defined or independent branding opportunities.**

Owners have specific branding opportunities on the following items supplied by Owners or their Trainer:

- Owners' colours
- Attendants' clothing
- Rugs and sheets

Owners should note that these branding sites are the only branding sites available to Sponsors. Owners should also note that sites not under contract to Sponsors should remain clear of any other wording or logos as supplied by the Owner or other connections of the horse. This does not affect a Company Owners right to self-advertise – providing they register their arrangements with the BHA (see [Section 3.2.4](#)).

#### **2.2.2. Income sourced by the racecourse with defined branding opportunity.**

Racecourses have a specific branding opportunity for any race, on the Number Cloths. A sponsorship payment must be made whenever this branding opportunity is used; such payments will qualify as business income under the Racehorse Owner's VAT Scheme.

The total payment value is detailed within the conditions of the race. The payment will be divided in proportion to the number of horses that have started (as defined in the Rules of Racing). In such races, each horse's share being paid in accordance with [Rule \(F\)131](#). The payment structure is as detailed in [Section 4.2.1](#).

**The items as listed above are the only areas permitted by this Code of Conduct for branding on the horse, its equipment, its attendant(s) and/or its rider.**

### **2.3. Minimum Values**

To ensure the commercial nature of sponsorship contracts signed within the SFRO, an Owner or Owners must obtain a minimum level of sponsorship fee, such fee to be paid only for the right to use branding sites. Additional fees can be negotiated within the contract to cover incentive payments (e.g. the number of runs per horse, number of wins, number of televised runs), and other benefits.

Minimum values have been set by the BHA, in consultation with all relevant industry bodies, as follows:

- |            |   |
|------------|---|
| 1-9 Horses | £300 per horse per annum (not pro rata)   |
| or         | £750 per horse per annum (not pro rata)   |
|            | - payable if any horse runs in a Class 1 race in Great Britain  |
|            | - such value, once attained, is not open for rebate or reduction on the reclassification of the horse, throughout the duration of the contract. |
| 10+ horses | £100 per horse per annum (not pro rata)   |

All Sponsors should be made aware through contract of the possible increase in sponsorship fee if a sponsored horse runs in a Class 1 race in Great Britain. The additional payment should be made within 28 days of the horse running its first Class 1 race (if the first run at this level comes after the start of the contract period). Owners will be expected to invoice Sponsors accordingly.

**No sponsorship contract will be registered unless the sponsorship fees meet these minimum values.**

### **2.4. Additional Opportunities**

Owners are encouraged to include additional opportunities/benefits within sponsorship contracts to help maximise sponsorship income.

### 3. Owners

#### 3.1. Sponsorship Opportunities

**Definition of an Owner:** As defined in the Rules of Racing - see [Appendix 1](#).

**Definition of Sponsorship:** "Sponsorship is a business relationship between a provider of funds, resources or services, and an individual, event or organisation which offers in return rights and association that may be used for commercial advantage."

It is emphasised that the key terms are 'business relationship' and 'commercial advantage', which distinguish 'sponsorship' from 'patronage', which is essentially, an altruistic gesture. Sponsorship must be understood as similar to a partnership between two parties, of mutual benefit to both.







**Definition of Logo:** Short for logo type, a logo is a trademark, company name/emblem or series of characters that may be used within any of the branding sites referred to in this Code of Conduct.

**What can be sold? - branding sites and sizes, appearance and method of fixing:** These dimensions comply with [The BCAP Code](#).

**Branding sites:** Patches are permitted to be full colour. Ideally, patches are to be fixed with Velcro\* or other such removable fixing method to enable ease of removal. If patches are permanently fixed, an alternative un-branded item should be available at the racecourse to be used in the event of any non-compliance with this Code of Conduct. Should an un-branded item not be available, branding may, at the discretion of a BHA Official, be covered over or removed in order to comply with this Code of Conduct.

\* "Velcro" is a registered trademark of Selectus Limited.

Once sponsored, any horse which is the subject of a sponsorship contract **MUST** carry the sponsor's logo on at least **ONE** of the designated branding sites.

		
<p><b>Owners Silks: Collar</b></p> <p>Any shape  <b>1.5 x 4in. (3.8 x 10.2cm) max.</b>            Both sides must be branded</p>	<p><b>Owners Silks: Chest</b></p> <p>Any shape  <b>32 sq. in. (206 sq. cm) max.</b>            Front only</p>	<p><b>Attendant: Hat</b></p> <p>Any shape  <b>9 sq. in. (58 sq. cm) max.</b></p>
		
<p><b>Attendant: Rear of Clothing</b></p> <p>Any shape  <b>32 sq. in. (206 sq. cm) max.</b></p>	<p><b>Attendant: Front of Clothing</b></p> <p>Any shape  <b>32 sq. in. (206 sq. cm) max.</b>            Central or Right pocket area</p>	<p><b>Rug</b></p> <p>Any shape  <b>64 sq. in. (412 sq. cm) max.</b>            Both sides must be branded.</p>

**Attendants' Clothing:** Trainers may brand the left breast pocket area with a logo (10 sq. in. (64.5 sq. cm) max) promoting their own yard. This site may be shared with the Owner-Sponsor, provided agreement has been secured from the Sponsor.

If the Race-Sponsor provides Attendants' Clothing then the sponsor's logo **MUST** still be carried on at least one of the other designated branding sites.

**Rugs:** Owners and Trainers are permitted to brand their rugs, on both sides, with their name or logo (64sq. in. (412sq. cm) max.) if the rug is displaying no other branding. If other branding is in use, the logo must be 32 sq. in. (206sq. cm) max.

In the event of a rug/ sheet being provided by a Race-Sponsor for a winning horse, the use of such rug/sheet takes precedence over any rug or sheet provided by an Owner or Trainer.

All areas are to be calculated by measuring around the outline of the words/logo(s) and will include the space between words if more than one is carried or between words and logo if both are carried. Any lines or box surrounding the words/logo(s) will be considered as part of the maximum area.

Branding must comply with the Code of Conduct at all times when it appears on a racecourse in the following locations:

- in any stabling area or horse box
- in the pre-parade or parade ring
- on the race-track
- in the winners enclosure and any other unsaddling area
- and whilst proceeding between any of the above locations

**The responsibility for compliance with the Code of Conduct in relation to Owners' branding opportunities lies with the Trainer acting on behalf of the Owner, unless the Trainer can satisfy the Stewards that the failure to comply with the Code of Conduct was the sole responsibility of the Owner. Breaches of the Code of Conduct are breaches of the Rules of Racing** (see [Section 5.3](#)).

**Horses trained outside Great Britain** that are due to run at a meeting in Great Britain may only carry branding if a sponsorship agreement has been approved and registered with the BHA (see [Section 3.2.3](#)).

## 3.2. Approaching Sponsors

The Code of Conduct permits and encourages an Owner to enter the market place as an individual, and/or as a member of a group, and to have the option to appoint an agent to assist in identifying and negotiating with Sponsors. In order to protect Sponsors' rights on course, BHA Officials monitor, advise and report on the scheme, to ensure all Sponsors receive their contractual rights.

The key requirements are summarised below:

### 3.2.1. Price/income imperatives

The sponsorship opportunities for each racehorse should be valued together, and Owners should ideally sell them to one Sponsor only. To ensure the commercial nature of sponsorship contracts signed within the SFRO, an Owner or Owners must gain a minimum level of sponsorship fee, such fee to be paid only for the right to use branding sites.

Additional fees can be negotiated within the contract to cover incentive payments (e.g. the number of runs per horse, number of wins, number of televised runs) or other sponsor benefits.

*If a Group sponsorship should drop below 10 horses during the contractual period, the Group organiser must make every effort to ensure sufficient horses are identified as replacements. If at renewal there are still less than 10 horses this will no longer qualify as a Group sponsorship and minimum values will have to be altered accordingly.*

**The minimum values have been set by the BHA in consultation with all relevant industry bodies and are as given in [Section 2.3](#). Sponsorship contracts will NOT be registered unless these minimum values have been attained.**

### 3.2.2. Contracts

The Sponsorship Contract Template may be used to record a contract between an Owner and Sponsor. If this is not utilised, any contract should contain all of the following:

- agreement by the sponsor to pay the minimum value
- date of signing
- name and address of Owner
- name and address of Sponsor
- the nature of the Sponsor's business
- exact description of name, logo or word(s) to be used within the allowed branding sites
- period of the sponsorship (ideally be no less than one year, with a maximum term of five years (60 months))
- financial consideration (sponsorship payment by Sponsor to Owner) plus VAT (if applicable)
- list of sponsored horses
- agreement to comply with the Code of Conduct, as amended from time to time.

A copy of the agreement should be kept by both parties for information purposes.

### 3.2.3. Registration of Sponsorship

Following the signing of a contract with a Sponsor, the Owner must submit the details of the sponsorship online, through the new Racing Administration system, for approval and registration with the BHA.

The details of the contract will be checked for compliance with the Code of Conduct. Registration will become effective five (5) days after approval and from this time the Sponsor's logos must be worn on the racecourse in accordance with the Code of Conduct.

Confirmation of successful registration, detailing the date from which the Sponsor's logos must be worn, will be sent to the Owner and Sponsor.

### 3.2.4. Company-owned horses

Horses owned by companies registered as Owners may carry that company's branding, on rugs and sheets only, provided such branding is in accordance with this Code of Conduct. In the event of a company registered as an Owner electing to use other branding sites detailed in this Code of Conduct (i.e. Owners' colours and attendants' clothing), details must be submitted online, as specified in [Section 3.2.3](#).

Registration will become effective five (5) days after approval and from this time logos may be worn on the additional branding sites.

### 3.2.5. Single-race leasing

When entering a horse that has been leased for a single race only, please contact BHA Sponsorship/VAT Desk at Weatherbys, with details of any branding that you wish the horse to carry at the earliest possible opportunity, so that they may inform the racecourse in advance of the race day.

### 3.2.6. Unacceptable products or services

All sponsorship or advertising under the Code of Conduct must also comply with the [UK Code of Broadcast Advertising](#) ('The BCAP Code').

Under The BCAP Code the following products or services are listed as unacceptable:

- i) **All tobacco products**
- ii) **Betting systems and products that are intended to facilitate winning games of chance**
- iii) **Breath-testing devices or products which mask the effects of alcohol**
- iv) **Guns and gun clubs**
- v) **Prostitution and sexual massage**
- vi) **Obscene material**
- vii) **Pyramid promotional schemes**

The above list of unacceptable products is not exhaustive and under [Rule \(E\)91](#) (see [Appendix 1](#)) the BHA shall have complete discretion whether to approve and register any Owner sponsorship contract.

Sponsorship of Owners by a betting and gaming organisation is only permitted where a minimum of 50 horses and 50 individual ownership entities (whether sole or multiple ownership) are covered by the individual contract.

### 3.2.7. Sourcing branding

Following the signing of a contract and approval by the BHA, arrangements must be made to produce sponsorship branding.

Registration becomes effective five (5) days after approval and from this time the Sponsor's logos must be worn on the racecourse in accordance with the Code of Conduct.

## 4. Racecourses

### 4.1. Sponsorship Opportunities

**What can be sold? - branding sites and sizes, appearance and method of fixing:** These dimensions comply with [The BCAP Code](#).

#### 4.1.1. Paddock name and number cloths:

- The only branding sites available to sponsors are underneath the racecard number on both sides of number cloths. Paddock name and number cloths, which may be worn over the top of horses' paddock sheets as long as they do not obscure the Sponsor branding on those sheets, may display the number, the name of the horse and also the Race-Sponsor's logo.
- Size; Rectangular patches exactly 14.5 inches by length and 4.5 inches by height (or 37 cm in length and 11 cm in height).
- Appearance; A logo of any shape may be positioned only within the area of patches.

*A branding site, of area no larger than 5 square inches (32 square cm), is available free of charge to racecourses in order to self-advertise. The racecourse logo/name may appear on both sides of the number cloth, in the upper rear corner. The logo/name may be permanently fixed and full colour is permissible.*

#### 4.1.2. Attendants' clothing:

- The Aintree Grand National Festival and the Epsom Derby Meeting, are the only meetings for which attendants **MUST** wear the Race-Sponsors branded clothing, if it is offered.
- A race sponsor that does not have a contract to supply attendants' clothing may do so, provided the logo of the relevant SFRO Sponsor is shown on AT LEAST one other branding site, however attendants are under no obligation to wear it.

The details concerning branding sites and sizes, appearance and method of fixing are as given in [Section 3.1](#) of this Code of Conduct. **The branding sites detailed in this section are the only sites allowed.**

### 4.2. Approaching Sponsors

A racecourse may sell the number cloth sponsorship opportunity to an existing Race-Sponsor or use it to attract new sponsors to the course. Where a race has a title sponsor, this opportunity must be offered to them in the first instance. Should the Race-Sponsor not exercise this option, the racecourse may then approach another sponsor for the branding site. Racecourses may also sell this branding site in unsponsored races, and may utilise the branding site to promote the racecourse itself. In any instance, the minimum sponsorship payment must comply with the Payment Table below, which may be amended from time to time.

#### 4.2.1. Price/income imperatives

- Only one sponsor's name/logo shall appear on the number cloths per race.
- A racecourse may sell this opportunity to one sponsor for a number of races.
- Racecourses should set a value based on whether the race has minor or major status, is covered by television and/or attracts a large crowd. Consideration should also be given to other commercial factors that are already taken into account by racecourses in current sponsorship dealings.
- Whether the payment for this branding opportunity has come via a payment from an existing Race-Sponsor or within the package agreed with a new sponsor, the payment will be divided in proportion to the numbers of horses which have started (as defined in the Rules of Racing) in such races; each horse's share being paid in accordance with [Rule \(F\)131](#) (see [Appendix 1](#)).

The following Payment Table describes current Guidelines and Minimum Payments.

#### Sponsored Number Cloths (SNCs) - Payment Table

RACE TYPE	GUIDELINE	MINIMUM PAYMENT
Live, scheduled terrestrial televised race	10% of Money Added to Stakes	£500
Satellite-only (RUK, SIS, attheraces) scheduled race	5% of Money Added to Stakes	£250
All other races not covered by the above	None	£150



#### **4.2.2. Unacceptable products or services**

Racecourses are referred to [Section 3.2.6](#) of this Code of Conduct. Unacceptable products or services must be avoided.

#### **4.2.3. Contracts**

A clear written agreement is recommended to be drawn up and signed by the racecourse and the Race-Sponsor.

#### **4.2.4. Notification/distribution of income to owners**

When racecourses exercise their options under this Code of Conduct, notification must be given on the Race Entry proofs to ensure that the relevant information appears in the race conditions within the Racing Calendar.

The coding and wording will be as follows:

**SNC = Sponsored Number Cloth:** All Number Cloths to be carried in this race have been sponsored and will carry the name/logo of (sponsor). The sponsorship payment of £x will be distributed equally amongst all horses starting in this race in accordance with [Rule \(F\)131](#) of the Rules of Racing.

**AC = Attendants' Clothing:** Attendants' Clothing branded and will be provided by Race-Sponsor.

For Sponsored Number Cloths, the Race Conditions will also show the Sponsor and the Total Amount to be paid out (exclusive of VAT).

In the event of the relevant coding failing to appear in the race conditions, Sponsored Number Cloths may only be carried at the discretion of the Managing Executive of the racecourse. In the instance of details not being published in the race conditions, racecourses MUST inform the Racing Finance team at Weatherbys as soon as possible.

In the event that Sponsored Number Cloths details are published in relation to a race but do not physically appear in such a race, the published sponsorship payment will remain payable in accordance with [Rule \(F\)131](#) (see [Appendix 1](#)).

**The responsibility for compliance with the Code of Conduct in relation to racecourse branding opportunities under the Code of Conduct will lie with the Managing Executive of the racecourse.**

## **5. Additional Notes**

### **5.1. Visibility of Branding Sites**

The branding sites and sizes covered by this Code of Conduct must be respected by all parties. Any obstruction of the visibility of legitimate branding sites, by any party, whether pre-meditated or otherwise, is prohibited, except where such action is taken on grounds of horse welfare. Such practice may constitute a breach of [Rule \(A\)39](#) (see [Appendix 1](#)).

### **5.2. Exclusivity Arrangements - the Grand National Festival (Aintree) and the Derby Meeting (Epsom)**

The following two race meetings currently have optional exclusivity arrangements for ALL branding sites, as detailed in this Code of Conduct, for all races run at these meetings.

The existing Race-Meeting Sponsors currently utilise their exclusivity rights for these two meetings in the following way:

- **Grand National Festival (Aintree)**

Where branded items are not provided by the race-meeting sponsor, all branding sites MUST be left clear, or covered, to comply with this Code of Conduct.

- **Derby Meeting (Epsom)**

For the three Group 1 Races (The Derby, The Oaks, and The Coronation Cup), all branding sites MUST be left clear, or covered, to comply with this Code of Conduct. Attendants' clothing will be provided by the race-meeting sponsor and must be worn for ALL races. For races other than the three Group 1 Races branding may be worn on the Owner's colours or rug.

Details of these arrangements, including sponsorship payments, will appear in the Racing Calendar from time to time in accordance with the race conditions.

### **5.3. Fines for breaching the SRFO Code of Conduct**

The following fines have been recommended under [Rule \(A\)39](#) for breaches of the Code of Conduct:

On the racecourse

1st – 3rd Offence - warn trainer  
4th Offence upwards - £80 fine

Failing to remove sponsorship branding when instructed will be liable to the following penalties:

1st Offence - £600 fine  
2nd Offence - £1,200 - £5,000 fine

Disciplinary Panel

Deliberately breaching sponsorship controls:  
£1,000 - £25,000 fine

### **5.4. Effective Date**

This Code of Conduct is effective as of 1 July 2018 and replaces that which became effective from August 2017 and it may be subject to amendment from time to time.

Any renewal of existing contracts and/or new contracts must comply with this Code of Conduct as amended, which also may be amended in future.

## **Extract of Relevant Rules of Racing**

### **Definitions:**

'Owner' save as otherwise stated below means the legal not the equitable owner of a horse. In the case of a horse owned by a Recognised Stud Company, the word 'Owner' means the nominee of the Company, approved and registered in accordance with [Rule \(E\)34/36](#). In the case of a horse owned by a Company the word 'Owner' means the Company. In the case of a horse owned by a Racing Club, the term 'Owner' means the Club Manager approved and registered in accordance with Rule (E)73F/73H. In the case of a 'Recognised Business Partnership', the term 'Owner' means the Business Partners. In the case of a Partnership the term 'Owner' means each Partner. In the case of a 'Syndicate' the term 'Owner' means the Syndicators. The term 'Owner' includes 'part-owner'. Where a horse is leased the word 'Owner' means the lessee but not the lessor, except for the purposes of Leasing Handicaps, and the lessor of a horse shall be deemed to have no interest in the horse for the purpose of [Rule \(E\)75/76](#) unless he receives a share of the prize money won by the horse and contributes to the expense of running it.

### **Rules:**

**(A)39.** Requirement to comply with controls on sponsorship

A person must comply with any Code of Conduct on sponsorship imposed by or under these Rules.

**(B)83.** General duty to comply with Stewards' instructions and other requirements

Each Person must comply with any instructions given by the Stewards of a meeting.

**(D)39.** Approval of advertising on (Rider's) clothing or equipment

The Stewards of the BHA wish it to be known that no Rider may carry any form of advertising material on any part of his clothing or equipment on the racecourse except to the extent approved under controls for sponsorship pursuant to [Rule \(A\)39](#).

**(E)91.** Owner's sponsorship agreements

On an application made to it under this Rule and in accordance with the Code of Conduct, the Authority may approve and register an Owner's sponsorship agreement in such circumstances, and subject to such restrictions or conditions as it considers appropriate.

Note: Unless otherwise agreed, registration shall become effective five(5) days after the BHA's approval of the agreement. A registration fee is payable at the time of application for such registration in accordance with [Schedule \(A\)1](#).

**(F)131.** Payment for the Sponsorship of Number Cloths

The payment for the sponsorship of number cloths, as provided for in the sponsorship controls under [Rule \(F\)114](#), shall be paid over by the Stakeholder for each Horse which has started in a relevant race as follows:

81% to the Owner

8% to the Trainer

6% to the Rider

5% to the National Association for Stable Staff

In the event of the rider being an Amateur Rider the payment shall be paid to the BHA. Where the horse has been trained either outside Great Britain, France or Ireland, or privately under [Rule \(C\)1](#), the payment due to the Trainer or the National Association for Stable Staff shall be made to the Owner of the horse. Where an Owner is registered for VAT in accordance with [Rule \(A\)100](#), VAT shall be added to the amount due to the Owner under this Rule.

## **SFRO Schedule of Terms and Conditions**

### **1. Period**

- 1.1. On expiration of the Period, if the Owner wishes to arrange for further sponsorship under the Code of Conduct they shall first offer to renew this Agreement on terms to be negotiated in good faith. If the parties cannot agree such terms within thirty (30) days after the expiration of the Period the Owner shall be free to contract with third parties for such sponsorship arrangement, provided that the Owner cannot conclude any agreement with any such third party within thirty (30) days after such expiration on terms which are no more beneficial to the Owner than those terms last offered in writing to the Owner by the Sponsor without first offering to conclude an agreement within ten (10) days from such offer on such terms with the Sponsor.

### **2. Sponsorship**

- 2.1. In consideration of the payment of the Sponsorship Fee by the Sponsor to the Owner, the Owner hereby agrees that the Sponsor may sponsor the Owner's racehorse(s) registered online through the new Racing Administrations system ("the Racehorse(s)") for all appearances at race meetings conducted in accordance with the BHA's Rules of Racing in Great Britain ("The Territory") during the Period.
- 2.2. The Sponsorship hereunder shall at all times be in accordance with the Code of Conduct (a copy of the current version which is attached hereto) as amended from time to time and this Agreement shall be read in conjunction with the Code of Conduct. Terms defined in the Code of Conduct shall have the same meanings when used herein unless provided to the contrary and in the event of conflict the terms of this Agreement shall prevail. The Code of Conduct entitles the Sponsor to have its logo attached to the Owner's Colours, the Attendants' Clothing and the Rugs and Sheets in the manner and subject to the restrictions more fully set out in the Code of Conduct ("the Sponsorship Rights"). Where a racecourse or race sponsor has agreed to supply Attendants' Clothing as part of its racecourse or race sponsorship agreement, or there are other exclusivity arrangements or restrictions, the Owner shall use reasonable endeavours to notify the Sponsor of the same and the Sponsor agrees that this will not be or be considered to be a breach of this Agreement.
- 2.3. The Owner undertakes that it will not enter into any other Sponsorship Agreement for the Racehorse(s) with any third party during the Period without the prior written consent of the Sponsor.

### **3. Sponsor's Obligations**

- 3.1. The Sponsor confirms that it is the sole owner of or controls all copyright and any other rights in the Sponsor's logo to be used in exercise of the Sponsorship Rights and that any use by the Owner or on his behalf under this Agreement of the Sponsor's logo will not expose it to any criminal or civil proceedings.
- 3.2. The Sponsor will provide all necessary artwork and a sample of the Sponsor's logo to the Owner following the registration of this Agreement with the BHA. The parties will discuss the manufacture and costs of manufacture of items depicting the Sponsor's logo for use hereunder and the Sponsor agrees to reimburse the Owner for all agreed costs of manufacture of such items following the receipt of an invoice for the same. On reimbursement of such costs all items bearing the Sponsor's logo shall belong to the Sponsor and be returned to the Sponsor at the expiration of the Period.
- 3.3. The Sponsor confirms that it has full title and authority to enter into this Agreement and is not bound by any previous Agreement which already affects this Agreement. The Sponsor confirms that it has the necessary power to grant the rights granted hereunder in the Sponsor's logo and that the use of the Sponsor's logo as contemplated hereunder will not be in breach of any rights of any third party.

### **4. Owner's Obligations**

- 4.1. The Owner undertakes to ensure that the Sponsor's logo is displayed as permitted by the Code of Conduct at all race meetings held in the Territory during the Period conducted in accordance with the BHA's Rules of Racing. The Owner agrees to use its best endeavours to notify the Sponsor of all occasions when the Racehorse(s) or any of them is entered to run in such race meetings.
- 4.2. The Owner agrees to apply to register this Agreement with the BHA and notify the Sponsor once such registration has taken place and once the details of the Agreement have been published on the said Racing Administration Internet Site.
- 4.3. The Owner undertakes to discuss the manufacture and manufacturing costs of items to bear the Sponsor's logo to be displayed in exercise of the Sponsorship Rights with the Sponsor and to return all such items to the Sponsor at the expiration of the Period once the agreed costs of manufacture have been reimbursed. The Owner will use all reasonable endeavours to ensure that such items are kept reasonably clean and in a presentable state for use at the said race meetings.
- 4.4. The Owner agrees to discuss suitable promotional activities with the Sponsor from time to time during the Period.
- 4.5. The Owner confirms that it has full title and authority to enter into this Agreement and is not bound by any previous agreement which adversely affects this Agreement.

### **5. Withdrawals**

In the event of the Racehorse(s) or any of them being unable to take part in the said race meetings during any part of the Period by reason of the sale, death or injury (as supported by a veterinary certificate) of the Racehorse(s), the Owner agrees to repay a part of the Sponsorship Fee (plus VAT if applicable) to the Sponsor to be calculated on a pro-rata basis based on the number of Racehorses involved (if more than one) and the remainder of the Period.

## **6. Termination**

- 6.1. In addition to any other rights and remedies that the Owner may have this Agreement may be terminated by giving written notice to the Sponsor in the following circumstances:
  - 6.1.1. where the Sponsor is in breach of any of its material obligations or agreements hereunder which is not capable of remedy; or
  - 6.1.2. where the Sponsor is in breach of its material obligations or agreements hereunder which are capable of remedy and fails or refuses to remedy such breach after receiving written notice requiring it so to do within thirty (30) days from the date of such notice; or
  - 6.1.3. where the Sponsor goes into voluntary or involuntary liquidation, is declared insolvent either in bankruptcy proceedings or other legal proceedings, reaches agreement with its creditors due to its inability or failure to pay its debts as they fall due and/or has a receiver appointed over the whole or part of the Sponsor's business.
- 6.2. In addition to any other rights and remedies that the Sponsor may have this Agreement may be terminated by giving written notice to the Owner in the following circumstances:
  - 6.2.1. where the Owner is in breach of any of its material obligations or agreements hereunder which is not capable of remedy; or
  - 6.2.2. where the Owner is in breach of its material obligations or agreements hereunder which is capable of remedy and fails or refuses to remedy such breach after receiving written notice requiring it so to do within thirty (30) days from the date of such notice; or
  - 6.2.3. where the Owner is a Disqualified Person (as defined in the BHA's Rules of Racing) or is otherwise found to be in serious breach of either the Orders and Rules of Racing and Instructions of the BHA's.

## **7. Indemnity**

Each party undertakes to indemnify the other party against all liabilities, claims, demands, actions, costs (including reasonable legal fees), damages or losses arising out of any breach by the relevant party of any of the terms of this Agreement.

## **8. Force Majeure**

In the event that this Agreement cannot be performed or its obligations fulfilled for any reason beyond the reasonable control of the Owner, including such events as the illness of the Racehorse(s), official cancellation and/or abandonment of race meetings, war, industrial action, floods, Acts of God, unforeseen technical failures, then subject to Clause 5 above, such non-performance or failure to fulfil its obligations shall be deemed not to be a breach of this Agreement and shall not render the Owner liable to the Sponsor in respect of the same.

## **9. Confidentiality**

Save for registration with the BHA as required under the Code of Conduct, each party agrees with the other that it will maintain as confidential and will not make any unauthorised use of any private or confidential information about the other party and its business or its private and financial affairs that may come into its possession as the case may be.

## **10. Miscellaneous**

- 10.1. This Agreement is personal to the parties and shall not be assigned or licensed by either party without the prior written consent of the other.
- 10.2. This document constitutes the entire agreement between the parties hereto relating to the Sponsorship Rights and no statement or promise or inducement made by any party which is not contained herein shall be binding or effective and this Agreement shall not be varied or amended except by a separate agreement between the parties hereto.
- 10.3. This Agreement shall be construed and enforced in accordance with the laws of England and Wales whose courts shall be the sole courts of jurisdiction.
- 10.4. Nothing in this Agreement is intended to nor shall create any partnership between the parties hereto.
- 10.5. All notices or other communications to be given hereunder shall be in writing and may be sent by:
  - facsimile transmission to a current facsimile number of the respective party, and be deemed to have been served at the time of dispatch
  - email to a current email address of the respective party, and be deemed to have been served at the time of dispatch
  - first class registered post to the parties at their respective addresses set out in this agreement, and be deemed to have been received on the third day after posting.



**THIS IS A TEMPLATE SPONSORSHIP AGREEMENT THAT IS RECOMMENDED FOR USE BETWEEN OWNERS AND SPONSORS. TO REGISTER A NEW SPONSORSHIP WITH THE BHA PLEASE LOG IN TO THE NEW RACING ADMIN SYSTEM.**

RACEHORSE OWNER'S DETAILS
Name of Owner/Trainer*: (*for stable sponsorship)
Address:
Contact Tel Number:
Contact Email Address:

AND

SPONSOR'S DETAILS
Name of Sponsor:
Address:
Contact Tel Number:
Contact Email Address:
Web Site:
Nature of Business:
Name/Logo/Products: (to appear on the available branding sites)

**A. Period of the Agreement**

This agreement will continue for a period of \_\_\_\_\_ months.  
*(It is recommended that the Period be no less than twelve (12) months and it must not exceed sixty (60) months)*

This agreement shall commence five (5) days after BHA approval and registration. For further details, see [Section 3.2.3](#) of the Code of Conduct.

At the time of registration, a fee in accordance with [Schedule \(A\)1](#) is due to the BHA and will be debited from your Weatherbys/BHA account.

**B. Sponsorship Fee**

Minimum values have been set by the BHA, in consultation with all relevant industry bodies, as follows:

- 1-9 Horses    £300 per horse per annum (not pro rata)
- OR                £750 per horse per annum (not pro rata)
- payable if any horse runs in a Class 1 race in Great Britain.
- such value, once attained, is not open for rebate or reduction on the reclassification of the horse, throughout the duration of the contract.
- 10+ horses    £100 per horse per annum (not pro rata)

*All sponsors should be made aware through contract of the possible increase in sponsorship fee if a sponsored horse runs in a Class1 race. The additional payment should be made within 28 days of the horse running its first Class 1 race (if the first run at this level comes after the start of the contract period). Owners will be expected to invoice sponsors accordingly.*

In consideration of the grant of the Sponsorship Rights for the Period, the Sponsor agrees to pay to the Owner the Sponsorship Fee calculated on the following basis:

Number of Horses \_\_\_\_\_ @ £ \_\_\_\_\_ per horse per annum – as listed in Section C below.

The sponsorship of above horses is hereby collectively valued at (£ \_\_\_\_\_) ("the Sponsorship Fee") which shall be non-returnable save as envisaged under [Section 5, Appendix 2](#). The Sponsorship Fee shall be payable (plus VAT if applicable) once approved and registered by the BHA, and has supplied the Sponsor with a valid invoice for the Sponsorship Fee (plus VAT if applicable).

**C. Sponsored Horses**

The Owner owns the Racehorse(s) as listed below and has agreed to allow the Sponsor to sponsor the Racehorse(s) on the terms and conditions set out herein.

HORSE NAME (or breeding if un-named)	OWNER (if a stable sponsorship)
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
18.	
19.	
20.	

Please use a separate sheet if additional space is required.

NB: Any changes or additions to this list must be made online, through the new Racing Admin system.

**For details of available branding sites and sizes, please see [Section 3](#) of the Code of Conduct.**

In witness whereof the parties have hereunto set their hands:

Signed by: (for and on behalf of the Owner)	Signature:
In the presence of:	Signature:
Date:	
Signed by: (for and on behalf of the Sponsor)	Signature:
In the presence of:	Signature:
Date:	