



BY
INVITATION ONLY



TERMS & CONDITIONS

Terminology

“Approved Claim” - shall mean a Claim that has been submitted for Vote of approval (“Approval”) and subsequently approved by annual Vote. Such Vote (which is not before 3 calendar months following conclusion of the then current Indemnity Period) (the “Approval Process”) shall also determine the amount, if at all, payable to the Member (the “Approved Amount”).

“Arbitration” - shall mean referral to an independent arbitrator(s) elected by the Company whose decision shall be final and binding. The cost of arbitration shall be met by the party against whom the arbitrator finds.

“Claim” - shall mean a loss within a valid Indemnity Class having occurred anywhere in the world that is reported at the Portal before commencement of the relevant Approval Process in relation to a Horse where: (i) such loss occurred within a valid period of Membership; (ii) the Horse was assigned to a Risk Pool(s) at the time of said loss. No Claim shall be considered where: (i) dishonest or insufficient comprehensive information and/or evidence has been provided (at Members cost and expense); (ii) any Membership Fee's or Indemnity Call is outstanding; (iii) any arbitration or dispute of any nature is ongoing with the Member.

“Company” - shall mean the Scheme operator of equineindemnity.com, Equine Indemnity & Guarantee (International) C.I.C., Pera Business Park, Nottingham Road, Melton Mowbray, LE13 0PB, UK, a community interest company regulated under the UK Companies (Audit, Investigations and Community Enterprises) Act 2004 by the Office of the Regulator of Community Interest Companies (the “Regulator”).

“Default” - shall mean the failure by a Member to adhere to the Scheme conditions, terms, failure to pay any Membership Fees or Indemnity Calls. Such default may result in immediate termination of Membership upon a vote by the Members without any return of any Membership Fees. All Membership Fees and Indemnity Calls may still be recovered against a Member in

default if so approved by the Members in respect of which the Defaulting Member shall also indemnify the other Members and/or the Company as the Members agent in respect of any legal cost, (including counsels costs and disbursements).

“Distress Claims” - shall mean Claim(s) that are the Members Vote to pay out of any residual profit once authorised by the Regulator.

“Excess” shall mean 20% (twenty percent).

“Horse” - shall mean a horse aged between (and including) 7 and 16 that is: (i) subject to the respective Risk Pool criteria to which the Member seeks to assign it; (ii) owned (or part owned and principally controlled) by the Member; (iii) registered by that Member into a Risk Pool at any one or more point in time during the current Indemnity Period; (iv) in the written opinion of Members veterinary surgeon (received by Member no longer than 14 days prior to inclusion in the respective Risk Pool) OF SOUND HEALTH, FREE FROM ANY ILLNESS, DISEASE, LAMENESS, INJURY, DISABILITY OR CONDITION LIKELY TO AFFECT IT, OR GIVE RISE TO A CLAIM FOR MORTALITY OR LOU (as per the schedule attached hereto and marked ANNEX - A); (v) its use has been exclusively that which is specified in said Risk Pool for at least the last 3 years (or 100% of its professional life if less than 3 years). Please refer to ANNEX - A attached hereto detailing vetting and self declaration Opinion requirements.

“Indemnity Call” - shall mean the amount payable by each Member in respect of each Indemnity Period subject to the Indemnity Limit.

“Indemnity Class” - shall mean a class of risk in respect of which Members will consider approving a claim as an Approved Claim.

“Indemnity Level” - the value and hence the indemnity limit declared by each Member in relation to the total of all Horses in the Risk Pool at any given time during the Indemnity Period.

T&C

TERMS & CONDITIONS

Terminology (cont'd)

"Indemnity Limit" - shall mean the cap on the Indemnity Call Voted by the Members in respect of each Indemnity Period, by default at 2.5% (two and a half percent) of the Indemnity Level.

"Indemnity Period" - shall mean each annual period commencing 06 April to 05 March.

"Indemnity Class" - shall mean (i) death, (ii) loss of use and any other class as from time to time agreed in relation to a Indemnity Period by a Vote.

"Member/Membership" - shall mean an owner of professional sporthorses that has been invited/sponsored and approved by all other Members to join and participate in the Scheme and in respect of which all Membership Fee are up to date.

"Membership Fee" - shall be payable by each Member as follows: £375 per Member payable pro-rata per Indemnity Period in advance and 1% per Horse per annual Indemnity Period.

"Profit" - shall mean taxable profit as specified pursuant to the United Kingdom Companies Act 2006 relating to the Company.

"Profit Lock" - shall mean 100% (one hundred percent) of Profit which shall, in order of preference and subject to a Vote, be:
- used to meet Distress Claims
- distributed to charitable causes (the "Charitable Donations").

"Risk Pool" - shall mean the common sharing of the Indemnity Classes between the Members in relation to their Indemnity Level subject to the Indemnity Limit. More than one Risk Pool may be established for different Indemnity Classes, Horses or Members as otherwise directed by the Members in respect of each Indemnity Period. For the avoidance of doubt, a Horse that is in a Risk Pool at any point in time and for any duration of time during an Indemnity Period shall be counted (at full value) when calculating an Indemnity Call in relation to that Risk Pool. As

such, a Horse may exist in more than one Risk Pool resulting in an Indemnity Call with respect to each such Risk Pool in any Indemnity Period. It is strongly advised therefore that a Horse should only be assigned to one particular Risk Pool in any Indemnity Period by a Member.

"Scheme" - shall mean the equine indemnity scheme as set out herein and operated by the Company for and on behalf of the Members as their agents, at equineindemnity.com (the "Portal").

"Vote/Voting" shall mean an unfettered vote by all Members (excluding Members who are in Default) who, in the Indemnity Period in question had one (1) or more Horses assigned to a Risk Pool. Members are each entitled to one vote. Voting is controlled and executed via the Portal. A vote shall be carried by a majority vote of the Members. In the event of a tie or a no-vote by the Members an external veterinary surgeon or loss adjuster appointed at the Company's sole discretion shall be authoritative and/or have the casting vote.

NO OFFER

This document is not an offer, is subject to change and is for information purposes only. Members shall be provided with the latest terms and conditions via the Portal where any changes thereto shall be updated and announced to the Members at the Portal (the "T&C"). Payment of Membership Fee's shall result in the Parties being bound by the current T&C.

LEGAL CONTRACT

This document, its annexes and the Risk Pool documents together constitute the T&C and a legal contract. You should examine them carefully before paying Membership Fee's at which point they become binding on all parties. Any breach of these T&C may result in termination, without refund, of your Membership.

T&C

TERMS & CONDITIONS

Each and all Members and the Company (“Parties”) agree that:

The Scheme is administered by the Company as set out herein as agent and trustee for the Member(s) who hereby irrevocably authorise, instruct (and hold harmless and indemnify) the Company in respect thereof until such time that all rights and obligations in respect thereof have been discharged in full, including all rights of subrogation.

Scheme operation

The essence of the Scheme is the participation in good faith by and between the Members on a peer to peer multilateral basis. The Company charges Membership Fees and Excess to cover the costs of its administration of the Scheme and shall, at its sole discretion, appoint a board (and other such persons) and incur such costs and expenses required to operate the Scheme within the confines of the Membership Fees. The Company is regulated as a community interest company under the UK Companies (Audit, Investigations and Community Enterprises) Act 2004 by the Office of the Regulator of Community Interest Companies (the “Regulator”). Profit is subject to the Profit Lock and shall be used to pay Distress Claims with any residual donated to charitable causes (subject to Regulator consent). The Company is not liable to any Member or person for the default, action or inaction of any other Member.

Member Voting and control of the Scheme

Risk Pool #1 Members may Vote to object to new Risk Pool #1 Membership applicants on a weekly or other periodic basis, else new applicants will be automatically accepted. All Members shall also Vote on: (i) Claims (approving all Authorised Claims), (ii) Distress Claims (approving Distress Claims), (iii) Indemnity Limit, (iv) Charitable Donations (nominating and approving Charitable Donations subject to approval by the Regulator), (v) Indemnity Classes (amendment thereto) as well as any and all other matter requested by the Company from time to time. The Company may veto Votes in relation to point (v) Votes if, in its absolute and sole discretion, it considers that such a Vote may create a possibility of adverse risk for the Members. In the event of a no-vote or deadlock the Company has casting discretionary vote.

Membership Fees

The Company may increase or decrease the Membership Fees from time to time at its sole discretion for the correct Scheme operation.

Acceptable Claims

Subject to deduction of the Excess (which shall be retained towards scheme operating costs), provided the Claim is (i) not relating to a pre-existing condition; (ii) not the subject of a previous or related Claim; (iii) relates to a Horse that has been maintained to highest level and has been offered all possible treatment(s) and all possible steps (at any cost) have been taken to avoid and/or mitigate such a Claim; and (iv) prima-facie validated by Chartered loss adjusters and/or investigative solicitors and Experts appointed by the Company, the Scheme will put the following Claims to an annual Members Vote, which if successful will result in the Members sharing the cost thereof, subject to these T&C as follows:

- Mortality (death):

Death by (i) illness; (ii) disease; (iii) during colic surgery; (iv) external accidental injury; (v) emergency veterinary euthanasia;

- LOU (loss of use):

Permanent total loss of use by (i) external accidental injury (excluding ground force); (ii) accidental injury whilst jumping in a FEI or Federation competition; (iii) critical illness; (iv) disease. Whereby such event permanently prevents it from carrying out the functions specified in a Risk Pool to which it is assigned during a current Indemnity Period, none of which was reasonably foreseeable and/or the result of wear and tear (“LOU”); payable at 100% of the Approved Amount, or 60% thereof if it can still be used for breeding or can still be ridden. Horses subject to Authorised LOU Claims shall be prominently freeze marked and shall not thereafter be put to any use specified in any Risk Pool. The value of the Horse shall be deducted from the Approved Amount where not euthanased.

- Distress Claims:

The Scheme may also, subject to a Vote, respond to Distress Claims on a discretionary, goodwill and charitable basis.

T&C

TERMS & CONDITIONS

Members' ongoing risk management obligations

It is a condition precedent that veterinary surgeons appointed by Member shall continue to opine upon each Horse(s) [ongoing] suitability for the use set out in a Risk Pool to which the Horse is assigned, in respect of which its Fitness must be clear and unambiguous.

Member must take all reasonable steps to ensure that it has sufficient information and Opinion(s) such as to allow it to meet the Scheme and individual Risk Pool criteria at all times and on an ongoing basis. In particular Member hereby recognises its continuing obligation to solicit a further Opinion(s) (and/or Report) if there is any reason whatsoever to believe that it may be necessary (notwithstanding it is a condition precedent of these T&C to do so if any evidence of change of Fitness presents).

If Member fails to adhere to these T&C and in particular the conditions set out in this Annex (including the Risk Pool criteria) then despite the payment of any and all Membership fees, Indemnity Call or other costs set out in these T&C, no indemnity shall be afforded to Member whose Claims shall be automatically void with no refund or credit.

Member is also reminded that the obligations herein set out extend to maintaining the health and fitness of each Horse assigned to a Risk Pool at all cost, thereby offering all possible treatment(s) and precautionary steps (at any reasonable cost) to avoid and/or mitigate a Claim. This does not affect Members further obligations at UK common law to mitigate its losses by taking reasonable steps to avoid them.

Professional Opinion & Member declaration

Member is reminded that if it is unclear about any veterinary advice, Opinion or Report(s) - or the ongoing condition, Fitness or eligibility of any Horse assigned to a Risk Pool - member must take care to ensure that it seeks immediate and careful guidance, including any independent legal advice (at its own cost and risk).

Member shall continue to take particular care to **ONLY** assign Horse(s) to a Risk Pool that meet all of the T&C set out herein, within the Risk Pool and other Scheme criteria documentation.

Any breach, wilful or negligently, is likely to void any Claim being capable of recommending to the Members for a Vote and even if recommended for a Vote Member may increase the possibility or probability of Members' Claim being Voted unfavourably, and hence declined (either in full or part). As such, the essence of the Scheme is compliance, good faith and fairness between all Members. This requires due diligence and professional care of all Horses assigned to a Risk Pool, with all steps taken, informant provided etc being open to scrutiny by the Scheme loss-adjusters, investigative Solicitors and ultimately the Members when they are asked to opine upon all Claims pending approval at the end of each year.

In the event of a Claim, Member will be contacted by the Scheme loss-adjusters and/or Solicitors who will require Member to make a full statement, sign various statements and require a detailed disclosure, evidence and may contact all veterinary surgeons retained or used by Member for detailed medical records. Please lodge all Claims via the Portal and follow the instructions carefully.

FOR THE ABSOLUTE AVOIDANCE OF ANY DOUBT, NOTHING IN THESE T&C PROVIDES INDEMNITY FOR ANY CONDITION, ILLNESS, DISEASE, DEATH OR LOSS THAT WAS, OR WAS LIKELY TO HAVE BEEN, PREEXISTING ON OR BEFORE ASSIGNMENT OF A HORSE TO A RISK POOL FOR ANY REASON WHATSOEVER.



TERMS & CONDITIONS

Arbitration

Disagreements that arises as between a Members (including Claims) shall be decided by way of Vote. All other matters (including Vote deadlock) or the lack of a Vote, shall be referred to an independent arbitrator elected by the Company, whose decision shall be final and binding. The cost of arbitration shall be met by the party against whom the arbitrator finds.

Member liability

Save as for the Membership Fees, each Member is not required to pay any other amount that would otherwise amount to a conventional 'insurance premium'. Instead each Member is liable, inter-alia on a pari-pasu basis, to each other Member in relation to each Horse assigned, at any point in time, to a Risk Pool (the "Member Liability"). This means that the Members Liability shall extend to all other Members. The Members Liability herein created is owed by each Member directly to each other Member, and not to or from the Company who simply administer the Scheme for the benefit of, and as agents for the Members. The Member Liability created in each and every Indemnity Period is expressed as the Indemnity Call, which in turn is limited to an amount expressed by the capped Indemnity Limit. Each Member will be asked to meet their proportion of Approved Claims on an annual basis, save that they shall be exempt from any such liability in the event that they have submitted a Claim that is disapproved by a Members Vote.

Duty to disclose all material facts and changes

It is also a condition precedent that all Members shall fully disclose any and all information in their knowledge or possession, however insignificant, in relation to each Horse, including any change in its health, any injuries or other facts that may affect the risk assumed by the Risk Pool. The Member shall not make a judgement call about that might be considered material and shall notify the Company about any and all changes, unless clearly insignificant (a "Material Change").

Furthermore, in the event of such a Material Change the Member shall within 14 days obtain, at its own cost, an opinion from a veterinary surgeon as to whether there is any increased risk to Mortality and/or loss LOU. Where such opinion indicates an

Increase in risk that is likely to affect Mortality and/or LOU the Member shall immediately notify the Company via the Portal thereof and remove the Horse from the respective Risk Pool at the end of the Indemnity Period. Thereinafter the Horse may not be assigned to a Risk Pool unless the Member has obtained a 5 stage vetting confirming that the Horse is OF SOUND HEALTH, FREE FROM ANY ILLNESS, DISEASE, LAMENESS, INJURY, DISABILITY OR CONDITION LIKELY TO AFFECT IT, OR GIVE RISE TO A CLAIM FOR MORTALITY AND/OR LOU FOR SHOWJUMPING, the same must be confirmed via a compulsory 5 stage veterinary report that analyses: bloods; x-rays of feet, fetlocks, knee/hock, stifle and ultrasound scans of all suspensory apparatus along with any and all other risks associated to the Material Change.

Entire agreement, no other benefits or representations

Except as herein stated, no other benefits are afforded by the Scheme (whether implied or otherwise). The T&C (as published and/or updated at the Portal from time to time) is the entire agreement and understanding between the Parties and is subject to the exclusive jurisdiction of English Law and the exclusive jurisdiction of the Courts of London, England.

IT IS A STRICT CONDITION PRECEDENT that each Member has done all things necessary, as from time to time required via the Portal or otherwise, to notify all claims with full supporting information, including actively liaising with the Scheme Experts, loss adjusters and solicitors. Members are expected to act in good faith towards each other when casting a Vote and to do all things necessary to ensure the smooth and fair operation of the Scheme for the benefit of all Members.

© All rights reserved.

Vetting & underwriting requirements (self declaration)

Member should read this annex carefully. It details the information required and the steps Member should take to ensure that the Fitness of each Horse to be assigned to a Risk Pool is properly acquired proportionate to the risk assumed by all the Members in the respective Risk Pools. Member may wish to provide a copy of this page to their veterinary surgeon in order that they can provide the correct information and opinion.

Horse Fitness and 5 Stage Vetting

We require that Members seek a professional opinion on the health of each Horse before placing them into a Risk Pool for the first time, or after a lapse in excess of six (6) months (the "Opinion") and where the Horse is a new purchase this must be supported by a UK BEVA (or foreign equivalent) 5 stage veterinary report (the "Report").

In relation to an existing Horse owned by Member, we **very strongly** advise the undertaking of a Report for peace of mind and to avoid the potential risk of rejection of a Claim if, in the Members Vote, the Fitness of a Horse cannot be accurately ascertained at the point it was assigned to a Risk Pool from medical records alone. We cannot advise on this risk.

Whilst we do NOT need to be provided with a copy of any examinations, Opinions or Reports before each Horse is assigned to a Risk Pool, we do require that:

(i) they are sought from a licensed and insured veterinary surgeon; (ii) in relation to any and all examination, Opinion and/or Report, it must be confirmed that Horse is OF SOUND HEALTH, FREE FROM ANY ILLNESS, DISEASE, LAMENESS, INJURY, DISABILITY OR CONDITION LIKELY TO AFFECT IT, OR GIVE RISE TO A CLAIM FOR MORTALITY AND/OR LOU SHOWJUMPING (the "Fitness"); (iii) In relation to a Report that is a 5 stage veterinary report it should also analyse: bloods ideally for any FEI prohibited substances and biological anomalies; x-ray of feet, fetlocks, knee/hock, stifle and ultrasound scan all suspensory apparatus.

X-Ray Views

In relation to X-Rays, the views required are as follows:

FRONT LEGS:

Dorso -Palmer and latero- medial views of front feet, pasterns and fetlock. This should include:

- (i) Dorsoproximal - palmarodistal oblique (dpr- padio) of pedal bone;
- (ii) Dpr- Padio view of navicular bones;
- (iii) Lateromedial views of pedal and navicular bones;
- (iv) Dorso- palmer views of pasterns and fetlocks;
- (v) Latero- medial views of pasterns and fetlocks.

HIND LEGS:

Dorso- pianter and latero- medial and oblique views of both hocks.

- (i) Dorso- plantar views of both hocks;
- (ii) Latero- medial views of both hocks;
- (iii) Dorsolateral - plantaromedial oblique view of both hocks.

We kindly ask that the front shoes are removed prior to x-rays being take of the feet. Each image must be dated, labelled with the name of the view, the Horse and the veterinary surgeon ID. We may require further views or investigations depending on the level of indemnity required. Please only upload DICOM images along with digital copies of any Opinion and/or Report(s) via the Portal if asked to do so.

With consent, and at Member cost, we may arrange the Report and Opinion directly with our panel veterinary surgeons.

Ultrasonography

As part of any Member Report, both front and hind leg suspensory apparatus should be scanned and reported accordingly with any abnormalities being reported on.