

**TO: THE NATIONAL BOARD OF DIRECTORS OF THE NATIONAL HORSERACING
AUTHORITY OF SOUTHERN AFRICA (“THE NHA”)**

c/o Mr. Vee Moodley

Chief Executive Officer of the NHA

Turffontein Racecourse

14 Turf Club Street

Turffontein

Johannesburg

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BY HAND

**WRITTEN REQUISITION OF A SPECIAL GENERAL MEETING OF THE MEMBERS OF THE
NHA IN TERMS OF CLAUSE 13 OF THE NHA’S CONSTITUTION**

We, the Members of the NHA named hereunder, hereby demand that, within 30 days of the date of receipt of this notice, the National Board of Directors of the NHA (“the National Board”) convenes a special general meeting of Members in terms of clause 13 of the NHA’s Constitution (“the Constitution”) to deal with the objects and the business more fully set out below.

The special general meeting is required, in terms of clause 13 read with clause 12.3 of the Constitution, to be convened by the National Board by notice published in the official publication and/or on the NHA website not less than 21 days prior to the meeting.

We further request that a copy of this notice be made available to Members prior to the meeting in accordance with clause 12.3.3 of the Constitution.

1 The Object of the Special General Meeting

1.1 The object of the Special General Meeting is to consider, and if deemed fit, approve the amendment of the Constitution in terms of clause 26 of the Constitution in the manner set out hereunder in order to reconstitute the National Board to ensure the equitable representation of all stakeholders and to remove all references in the Constitution to the office of the Racing Control Executive.

1.2 To this end, clause 26 of the Constitution states as follows:

“26.1 No alteration, amendment or addition shall be made to this Constitution nor shall the NATIONAL HORSERACING AUTHORITY be dissolved or wound up save by a special resolution carried by a majority of not less than two thirds of the votes, both given by proxy and by MEMBERS present and entitled to vote at a SPECIAL GENERAL MEETING called for the purpose.

26.2 Any additions, alterations or repeal made as provided for in clause 26.1 shall be published in the OFFICIAL PUBLICATION as soon as practicable and, from the date that they are expressed to

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come into force either by a SPECIAL GENERAL MEETING of MEMBERS of the NATIONAL HORSERACING AUTHORITY, or by the NATIONAL BOARD, as the case may be, shall apply to, and be binding on, RACING OPERATORS and all persons and bodies to whom this Constitution and the RULES of the NATIONAL HORSERACING AUTHORITY apply.

26.3 ...”

2 The Business of the Special General Meeting

The Special General Meeting is called for the purpose of considering, and if deemed fit, adopting, with or without modification, the special resolutions amending the Constitution set out hereunder in accordance with the provisions of clauses 26.1 and 26.2 of the Constitution.

The business of the special general meeting shall be to consider and vote on the following special resolutions:

2.1 *The Election and Composition of the National Board of Directors*

Special Resolution Number 1:

“THAT the Constitution be and is hereby amended in terms of clause 26.1 by:

- (a) the deletion of clauses 5.2, 14 and 15 in their entirety;
- (b) the insertion of the following new definition as clause 29.1.7A:

“29.1.7A INDEPENDENT PERSON – a person who is not a MEMBER and for a period of at least 3 years prior has not held any position as a TRAINER, ASSISTANT TRAINER, STABLE EMPLOYEE, JOCKEY or APPRENTICE JOCKEY, been licensed or employed by the NHA in any capacity, bred horses and/or held any office or interest in any business concerning thoroughbred racehorses;

- (c) the insertion of the following new clauses 14 and 15:

“14. NOMINATIONS COMMITTEE

The NATIONAL BOARD shall cause the NOMINATIONS COMMITTEE to be established. The NOMINATIONS COMMITTEE shall be comprised of at least three but not more than five DIRECTORS, at least one of which of whom shall be an INDEPENDENT PERSON. The MANAGING DIRECTOR shall not be eligible for appointment to the NOMINATIONS COMMITTEE.

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15. THE NATIONAL BOARD

- 15.1 Subject to the transitional provisions set out in clause 15.7 below, there shall be a maximum of twelve DIRECTORS, eleven of whom shall be appointed in the manner set out below:*
- 15.1.1 one person appointed by the Thoroughbred Horseracing Trust or such other entity that may be established to represent the grooms in its place as may be nominated by the trustees of the Thoroughbred Horseracing Trust at that time;*
- 15.1.2 one person jointly appointed by the South African Jockeys Association NPC (registration number 2007/029457/08) or its successor in title and the Coastal Jockeys Association (a non-profit organisation with registration number 155-582);*
- 15.1.3 one person appointed by the South African National Trainers Association NPC (registration number: 2019/552920/08) or its successor in title;*
- 15.1.4 one person appointed by the Racing Association NPC (registration number: 1997/019092/08) or its successor in title;*
- 15.1.5 one person appointed by the Thoroughbred Breeders Association or its successor in title;*
- 15.1.6 one person appointed by each Racing Operator (comprising three persons in total); and*
- 15.1.7 three persons elected by the MEMBERS in accordance with the provisions of clause 15.5 below, at least one of whom shall be an INDEPENDENT PERSON.*
- 15.2 The parties entitled to appoint DIRECTORS in terms of clauses 15.1.1 to 15.1.6 above shall be entitled, at any time on written notice to the NHA, to remove a DIRECTOR appointed by that party and/or to appoint a new DIRECTOR in his place.*
- 15.3 In order to ensure representation of the management of the NHA on the NATIONAL BOARD, the MANAGING DIRECTOR shall be a DIRECTOR.*

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15.4 *No person may be appointed or elected as a DIRECTOR if he has reached the age of 75 years, is an employee of the NHA (save for the MANAGING DIRECTOR) or has been found guilty by the NHA of an offence which relates to or is in any way connected to an act of dishonesty. A DIRECTOR shall not be required to be a MEMBER.*

15.5 *ELECTION OF DIRECTORS*

Subject to the transitional provisions set out in clause 15.7 below, the election of the DIRECTORS referred to in clause 15.1.7 shall take place as follows:

15.5.1 *At least sixty days before the date of each ANNUAL GENERAL MEETING, the NHA shall give each MEMBER written notice calling for nominations of candidates for election to the NATIONAL BOARD.*

15.5.2 *Completed nomination forms accompanied by signed acceptances of such nomination by the persons nominated must reach the NHA at least twenty days after the date of the notice referred to in clause 15.5.1.*

15.5.3 *The list of eligible nominees shall be determined by the NOMINATIONS COMMITTEE in accordance with clause 15.5.6 and, if an election is necessary, the MANAGING DIRECTOR shall forthwith send voting papers in the form prescribed by the NATIONAL BOARD to each MEMBER. Such voting papers shall include details of each candidate's involvement in thoroughbred horseracing together with such other information as may be determined by the NATIONAL BOARD from time to time. Each MEMBER shall be entitled to vote for as many candidates as there are vacancies to be filled.*

15.5.5 *Duly completed voting papers must reach the NHA within twenty days of the date on which the voting papers were sent to Members. The auditors of the NHA shall scrutinise and count all valid voting papers received from Members and then report in writing to the MANAGING DIRECTOR the names of the persons elected, who shall assume office at the close of the next ANNUAL GENERAL MEETING.*

15.5.6 *In determining the list of eligible nominees for election to the NATIONAL BOARD, the NOMINATIONS COMMITTEE shall have regard to the following:*

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15.5.6.1 *the qualifying and disqualifying criteria for DIRECTORS imposed in terms of this Constitution;*

15.5.6.2 *the skills, expertise and qualifications required by the NATIONAL BOARD to perform its functions effectively and efficiently; and*

15.5.6.3 *the demographics of SOUTH AFRICA.*

15.6 *ROTATION OF DIRECTORS AND VACANCIES*

15.6.1 *Subject to the transitional provisions set out in clause 15.7 below, any person elected as a DIRECTOR pursuant to clause 15.1.7 shall assume office at the close of the first ANNUAL GENERAL MEETING following his election. At least one third of the DIRECTORS elected pursuant to clause 15.1.7 shall retire from office at each ANNUAL GENERAL MEETING.*

15.6.2 *Subject to clause 15.4, a retiring DIRECTOR referred to in clause 15.6.1 shall be deemed to be duly nominated for election unless he has notified the NHA in writing that he is not prepared to stand for re-election.*

15.6.3 *A DIRECTOR shall be deemed to have vacated his office if:*

15.6.3.1 *he becomes ineligible to hold office for any reason;*

15.6.3.2 *he resigns or dies;*

15.6.3.3 *in the case of the MANAGING DIRECTOR, he ceases to hold office as such; or*

15.6.3.4 *if he fails to attend three consecutive meetings of the NATIONAL BOARD without leave of absence having been granted by the NATIONAL BOARD and unless the NATIONAL BOARD decides otherwise.*

15.6.4 *Should a vacancy arise on the NATIONAL BOARD as a result of a DIRECTOR elected in terms of clause 15.1.7 ceasing to be a DIRECTOR for any reason whatsoever, the NATIONAL BOARD shall be entitled to elect a person who satisfies the requirements for such election to fill such vacancy and serve as a DIRECTOR on a temporary basis until the earlier of the vacancy being filled by an election of MEMBERS or the conclusion of the next ANNUAL GENERAL MEETING.*

15.7 *TRANSITIONAL PROVISIONS*

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To ensure continuity and to provide for the implementation of this amended Constitution, the following transitional provisions will apply with regards to the reconstitution of the NATIONAL BOARD in accordance with clause 15.1:

15.7.1. All of the DIRECTORS, other than those who are INDEPENDENT PERSONS, appointed by the NOMINATIONS COMMITTEE immediately prior to the adoption of the amendments to the Constitution will be deemed to have resigned on the 20th day following the conclusion of the SPECIAL GENERAL MEETING called to pass the necessary resolutions to amend the Constitution as herein provided.

15.7.2 The parties entitled to appoint DIRECTORS in terms of clauses 15.1.1 to 15.1.6 above shall do so by way of written notice to the MANAGING DIRECTOR within 20 days of the conclusion of the SPECIAL GENERAL MEETING referred to in clause 15.7.1 above. The appointments in terms of this clause 15.7.2 shall take effect upon the date of resignation of the prior DIRECTORS in terms of clause 15.7.1.

15.7.3 The first meeting of the NATIONAL BOARD shall be held within 15 days of the commencement of the terms of office of the DIRECTORS appointed in terms of clause 15.7.2, at which meeting the NATIONAL BOARD shall cause the new NOMINATIONS COMMITTEE to be established in accordance with clause 14.1.

15.7.4 The DIRECTORS remaining on the NATIONAL BOARD following the resignations in terms of clause 15.7.1 will be deemed to have resigned at the close of the next ANNUAL GENERAL MEETING following the SPECIAL GENERAL MEETING concerned and shall be replaced with the DIRECTORS elected in accordance with the provisions of clause 15.1.7.

15.8 OBSERVERS

The NATIONAL BOARD shall be entitled to co-opt, on an annual basis, one MEMBER approved for that purpose by the NOMINATIONS COMMITTEE, who is resident in Zimbabwe and who shall be entitled to attend meetings of the NATIONAL BOARD as an observer.

15.8.1 Such MEMBER shall be entitled to participate in any debate but not entitled to vote.

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15.8.2 *In deciding which MEMBER to co-opt, the DIRECTORS shall be entitled to follow such procedure as they in their sole discretion may determine, but shall endeavour to take cognisance, as far as is reasonably practicable, of the wishes of the MEMBERS who are ordinarily resident in Zimbabwe.*

15.9 *RETIREMENT*

A DIRECTOR shall retire as a DIRECTOR at the close of the first ANNUAL GENERAL MEETING following his 75th birthday.

15.10 *MEETINGS AND PROCEEDINGS*

15.10.1 *A quorum for meetings of the NATIONAL BOARD shall be seven DIRECTORS.*

15.10.2 *The NATIONAL BOARD shall, at least four times per year but may meet more regularly should this be necessary, meet for the regular dispatch of business and may adjourn or otherwise regulate its meetings as it deems fit. The NATIONAL BOARD may act notwithstanding any vacancy provided that the number of DIRECTORS does not fall below the number required for a quorum.*

15.10.3 *A resolution in writing signed by a majority of the DIRECTORS for the time being shall be as valid and effective as if it had been passed at a meeting of the NATIONAL BOARD.*

15.10.4 *The DIRECTORS shall annually elect one of their members who is an INDEPENDENT PERSON as chairperson of the NHA and the NATIONAL BOARD. The Chairperson shall hold office from the date of his election until the close of the next ANNUAL GENERAL MEETING and he shall, subject any restrictions imposed by this Constitution, be eligible for re-election.*

15.10.5 *Notwithstanding anything to the contrary contained in this Constitution, a DIRECTOR shall be entitled to hold office as Chairperson for a period not exceeding three years in aggregate whereafter he shall not be eligible to hold such office until a further period of three years has expired.*

15.10.6 *In the event of a deadlock on a matter to be decided by the NATIONAL BOARD, the Chairperson shall have a casting vote in addition to his deliberative vote.*

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15.10.7 Save for the MANAGING DIRECTOR, the DIRECTORS will be remunerated by the NHA on the basis of a fixed fee per NATIONAL BOARD meeting attended, up to a maximum of six meetings per year. No additional remuneration will be payable in respect of services rendered by any DIRECTOR in relation to any sub-committees of the NATIONAL BOARD, notwithstanding that DIRECTORS may be required to serve on such sub-committees."

Explanatory Note:

Clause 15.1 of the Constitution currently states as follows:

"15.1 Subject to the transitional provisions set out in clause 15.6 below, there shall be a maximum of twelve NATIONAL BOARD DIRECTORS, ten of whom shall be appointed by the NOMINATIONS COMMITTEE in the manner set out below:

15.1.1 Seven persons who are MEMBERS in good standing but are neither TRAINERS, ASSISTANT TRAINERS, STABLE EMPLOYEES, JOCKEYS nor APPRENTICE JOCKEYS (excluded positions); and

15.1.2 Three independent persons who for a period of at least 3 years prior to their appointment, did not hold any excluded positions, were not licenced or employed by the NHA in any capacity, did not breed horses and/or did not hold any office or interest in any thoroughbred business."

In terms of clause 14.2 of the Constitution, the Nominations Committee is comprised of persons who previously served as chairpersons of the NATIONAL BOARD for a period of not less than 12 consecutive months.

The effect of the foregoing is that racing stakeholders, being the Members, have been and are deprived of the critical ability to hold the National Board of Directors to account for the manner in which the NHA is being run.

The NHA's rules govern all aspects of the thoroughbred horseracing industry. In terms of clause 16.2.1 the power to make and amend these rules is entrusted to the National Board of Directors without limitation. It is therefore vitally important that all stakeholders in racing are represented on the National Board of Directors to ensure that the industry and the sport of thoroughbred horseracing is administered and regulated in the best interests of all stakeholders and not just a few.

In view of the foregoing, the amendments proposed to the Constitution above seek to provide each of the stakeholders with a seat on the National Board of Directors whilst at the same time requiring a degree of independence (in the form of the independent director(s) to be elected by

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Members and the requirement that the chairperson be independent) and, in so doing, enable Members to hold the National Board of Directors to account through the removal and election of new directors should it be dissatisfied with the previous Directors.

2.2 *The Deletion of any Reference to the Office of the RACING CONTROL EXECUTIVE*
Special Resolution Number 2:

“THAT the Constitution be and is hereby amended in terms of clause 26.1 by:

- (a) the deletion of “, RACING CONTROL EXECUTIVE” in clauses 18.3.3 and 19.2;
- (b) the deletion of “neither the MANAGING DIRECTOR nor the RACING CONTROL EXECUTIVE” in clause 18.7 and the replacement thereof with “the MANAGING DIRECTOR”; and
- (c) the deletion of clause 29.1.26 (the definition of RACING CONTROL EXECUTIVE) in its entirety.

Explanatory note:

Given the dire financial position that the thoroughbred horseracing industry finds itself, it is necessary to streamline the costs of racing in order to ensure the ongoing sustainability of the sport. The budget of the NHA has over the past years expanded substantially beyond what the industry can afford.

Previously, the functions of the Racing Control Executive were assumed by the Managing Director. The current state of the industry does not justify the costs of maintaining both offices and separating these functions.

In the circumstances, it is submitted that the position of the Racing Control Executive is no longer economically feasible nor necessary for the proper administration of the sport and that these should be reassumed by the Managing Director. Accordingly, the above amendments to the Constitution seek to remove the reference to the Racing Control Executive in the Constitution.

Signed by the following MEMBERS:

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Signature Page to the written requisition of a Special General Meeting of the members of the NHA in terms of clause 13 of the NHA's Constitution to consider the amendment of the Constitution to change the manner of election and the composition of the National Board of Directors and the deletion of the reference to the Racing Control Executive