

THE THOROUGHBRED BREEDERS' ASSOCIATION
105th ANNUAL GENERAL MEETING
HELD IN THE ECLIPSE PAVILLION AT SANDOWN PARK RACECOURSE
ON WEDNESDAY 14th SEPTEMBER 2022

The 105th Annual General Meeting of the Thoroughbred Breeders' Association (the "**Company**") was convened at 10.00 am. Attended by 45 and a panel of 11, comprised of Chief Executive, Ms Claire Sheppard; Board Members Mr Tom Blain, Mr Colin Bryce, Mr Sam Bullard, Mr Simon Cox, Dr Bryan Mayoh, Mr Philip Newton (Deputy Chairman), Mr Matthew Prior, Miss Kate Sigsworth, Mrs Anita Wigan; and headed by TBA Chairman Mr Julian Richmond-Watson. Apologies had been received from Trustees Mr James Crowhurst (MRCVS) and Mr Ted Voute.

The Chairman recorded with great sadness, the news of the recent death of Her Majesty Queen Elizabeth II, who had always been a great advocate for the sport of horseracing. The Queen became Patron of the TBA in 1954 and over the ensuing 68 years, actively demonstrated her love for the breeding and racing of thoroughbred racehorses. Gratitude was expressed to the Queen for all of her support and encouragement of the TBA, and the thoughts of the TBA Board and Executive team were with the Royal Family at this time.

A two-minute silence in remembrance and reflection of Her Majesty The Queen then followed.

The Chief Executive welcomed everyone to the 105th Annual General Meeting of the Thoroughbred Breeders' Association, announced that a quorum was present and declared the meeting open. Apologies for absence had been received and were available on request.

An advance Notice of Meeting had been circulated in line with the Articles of Association and the format for this meeting would follow that agenda order. The Chief Executive explained that following the formal business of the meeting including the Chairman's Address, there would be four presentations and an opportunity for any questions and answers.

With the consent of all the Members present the Notice convening the meeting was taken as read. 62 proxy voting forms had been received prior to the meeting and all had been allocated to the Chairman. Three agenda items (One, Four and Five) required a Member vote.

The Chief Executive confirmed that there were two vacancies on the Board due to the conclusion of the Terms of Office of Dr Bryan Mayoh and Mrs Anita Wigan. Dr Bryan Mayoh had concluded his second Term of Office and was confirmed to be standing down following the AGM. Both trustees were thanked for all of their hard work on behalf of the Association, as elected members of the TBA. The Trustees also recorded their gratitude to Dr Bryan Mayoh, for his substantial contribution to the work of the TBA over the last eight years, including his vital role in the formation and delivery of the Great British Bonus (GBB) Scheme.

As the number of members nominated equaled the number of Board vacancies, it was noted that there had been no requirement for an election this year. The two new trustees would be announced under Item 3 of the agenda.

The following items were covered:

1. To approve the Minutes of the 2021 AGM

The Chief Executive asked for the approval, by way of a show of hands, for the Minutes of the previous Annual General Meeting held on Wednesday 14th July 2021, copies of which had been circulated in advance of the meeting and had been made available via the TBA website.

The motion was carried unanimously.

2. To consider any matters arising from the 2021 AGM

There were no matters arising.

3. To announce and confirm the names of the Members who had been properly nominated in compliance with the election process and were, therefore, appointed as elected directors.

The number of members nominated (two) equalled the number of vacancies available and therefore there had been no requirement for a member vote to be carried out this year.

Miss Jessica Westwood and Mrs Anita Wigan (the latter due to commence a second Term of Office) were announced as elected directors of the TBA, with their Terms of Office due to formally commence as of the date of this meeting.

The Chief Executive thanked Miss Jessica Westwood and Mrs Anita Wigan for standing and looked forward to working with them both over the next four years.

4. To receive, discuss and adopt the Report of the Board and Accounts for the year ended 31st December 2021.

Copies of the Report and Accounts had been uploaded to the members area of the TBA website and had also been circulated in advance to those attending the meeting.

The Chief Executive stated that the auditors, Price Bailey had reported a clean audit for the year and Mr Martin Clapson and Mrs Janice Clapson from Price Bailey were in attendance and available for questions.

The Chief Executive advised that in 2021 the Board had agreed to fully distribute any incoming resources to delivering the association's core strategic objectives. The Association's total income amounted to £1.76 million (up from £1.55 million in 2020). After total expenditure of £1.4 million, there was a net surplus of £344k. This level of surplus reflected the sale of the TBA's interests in the Owner Breeder magazine, which had not been budgeted for.

The TBA Trustees were aiming to reduce reserve levels, with funds already committed to two new veterinary research projects starting in 2022/2023 and increased investment in industry training and educational activity, including development of the TB-Ed online learning platform.

The Chief Executive explained that the TBA had made successful efforts to diversify sources of income, by obtaining charitable and industry funding for a number of key strategic projects. The Chief Executive acknowledged the great value of this grant funding support from the Racing Foundation and the Horserace Betting Levy Board (HBLB).

The voluntary Sales Levy remained the main source of income to the TBA. On behalf of the Board of Trustees, the Chief Executive thanked Tattersalls and Goffs (UK) for their on-going assistance with collecting this essential funding; and all breeders and vendors who had supported the work of the association by contributing to the Levy.

Other sources of income were derived from Membership and Associate subscription fees and from the voluntary Foal Levy collected by Weatherbys.

The Chief Executive asked that the Report of the Board and Statement of Accounts for the year ended 31st December 2021 be formally adopted. This was proposed by Mr Colin Bryce, seconded by Dr Bryan Mayoh and carried by Member vote.

5. To agree the Subscription Rate for 2023

The Chief Executive explained that the Subscription Rates needed to be ratified at each Annual General Meeting.

In January 2021, a new Associate subscription level had been introduced aimed at appealing to those new to breeding, students and enthusiasts in addition to the full membership offering. A promotional campaign aimed at growing this subscription was due to commence shortly.

The introduction of GBB has assisted with retaining full membership numbers, due to the discount applied to TBA members on Stage One (Foal) registration fees, however it had become evident that a proportion of breeders only joined the TBA when they had a filly foal to nominate.

The TBA was facing increasing costs due to the cost of living crisis, including a 50% increase in its energy tariff. The Trustees therefore proposed the following changes to the subscription rates from 1st January 2023:

- Full membership of £155 for all payment types, up 3% on 2022, less than the rate of inflation
- An initial joining fee of £45 in the first year of membership
- Associate subscription of £60 (unchanged from 2022)

The Chief Executive asked Members to vote with a show of hands, for the approval of the Subscription Rates for 2022. This motion was carried unanimously.

6. To re-elect the Auditors

The Chief Executive suggested that Price Bailey were re-appointed as the Association's auditors for 2022/2023, at a fee to be agreed by the Board. This action was proposed by Mr Simon Cox and seconded by Mrs Anita Wigan. This motion was carried.

The Chief Executive took the opportunity to thank Price Bailey for their work.

7. To receive questions on the official element of the meeting

One question had been submitted in advance of the AGM by Christopher Liesack as follows:

Could the TBA please give an update on their position in relation to artificial breeding techniques and advise if the use of artificial insemination in thoroughbreds has recently been reviewed by the Board?

Mr James Crowhurst (MRCVS), TBA Trustee and Veterinary Advisor, was unable to attend the meeting, but his response was read out by the Chairman, Mr Julian Richmond-Watson:

The TBA Trustees have recently invested time in educating themselves further on artificial breeding techniques and the possible advantages and disadvantages they could bring about for

the industry. This has included a presentation to the Board from John Spencer, TBA representative on the BHA Veterinary Committee; and a scheduled visit to Stallion AI Services in Shropshire.

The many and complex attributes associated with thoroughbred racing and breeding, to produce athletes of the highest quality and ability, make adoption of advanced breeding practices including genomic testing, more challenging in thoroughbreds than with other breeds of horse, or indeed other animal species. It is believed that the genetic requirements for speed, soundness and athleticism are multi-factorial involving broad genetic input, unlike some performance indicators in agricultural animals, such as milk yield.

Recent and enormous progress in artificial breeding techniques would necessitate huge change and require the formulation of new legislation to safeguard the thoroughbred breeding industry, as there would be the potential to greatly increase the number of foals sired by popular stallions and the possibility of genetic engineering, such as sexed semen; the grading and manipulation of sperm, ova and embryos; the ability to produce offspring from mares and stallions, even geldings, of very low fertility; and the option of cloning. At present, methods of legally controlling these techniques have not been implemented worldwide.

Whilst the level of inbreeding in thoroughbreds is being researched and benchmarked in various different racing jurisdictions, the International thoroughbred community is united in maintaining the status quo. During the International Thoroughbred Breeders' Federation (ITBF) Conference in June, a presentation was given by TBA Veterinary Advisor James Crowhurst, and artificial breeding techniques were discussed following which a vote was taken, with the unanimous decision to uphold the current restrictions across all thoroughbred studbooks at this time.

No further questions were received on the official elements of the meeting

8. To receive the Chairman's Address

The Chairman explained that the achievements of the TBA over the past year were documented within the association's Annual Report, which had been e-mailed to all members. It was identified that the focus for the Executive team over the next twelve months, would be concentrated on the issues that were considered to be of most importance to breeders and which had been aligned with the organisation's core strategic objectives.

The Chairman observed that the British racing and breeding industry was currently at a crossroads and action was required urgently to combat the gradual decline of the thoroughbred sector; which most notably for breeding, had precipitated a contraction in the number of breeders and the continued gradual reduction in the annual foal crop. It would be crucial for the British Pattern programme to be optimised in order to retain its preeminent position globally, which would generate increased interest in the sport from the general public; ensure the competitiveness of the fixture list, thereby underpinning the value of the thoroughbreds raced in Britain; and drive commercial demand for horses with the GB suffix, which would continue to attract overseas investors.

Two important elements were identified as being essential for the future of British Racing. Firstly, work on the governance structure of the sport, which had been ongoing for over a year and when completed, would allow the British Horseracing Authority to more effectively manage and administer the sport. All of racing's stakeholders had now reached high level agreement on how this should be taken forward, but verbal agreements now need to be enshrined within written agreements, with the necessary

amendments to Articles of Association, which would empower the BHA Board to make difficult decisions in the best long-term interests of the industry.

Secondly, the creation of a comprehensive strategy for horseracing, with short, medium and long term goals to build on the great positives in the sport, which would enhance the desirability of racing as an elite spectator sport and social activity, which would increase participation and engagement from the general public, which is so valuable in respect of maintenance of the social license to operate.

The thoroughbred horse is a beautiful animal and the breed's great athleticism, unpredictability and ability to surprise, are racing's unique selling points. The industry needs to more effectively communicate and market the sense of excitement and reward that even the smallest involvement with thoroughbreds can generate; whether as a punter, spectator, breeder or owner, there are winners and celebrations at every level of the sport and it is this dream that we must capture and promote. Central to the strategy for racing is an understanding from all participants of the exciting range of opportunities already available within racing.

New owners and breeders must be encouraged at every level, whether wealthy overseas investors or small syndicate members. But the sport must also ensure that there can be some reasonable expectation of a proportionate return on investment and that participants might be rewarded with experiences commensurate with their dreams and ambitions. Every professional sport and its followers are built around the prestige and excitement of the elite tiers and its stars, which then filters down to every other level of engagement – racing is no different.

Once the governance structure and strategy for the sport are finalised, more resources can be channeled to the industry's efforts around people, including employment, education and diversity and inclusion; promoting the high standards of equine welfare across the sector; increasing community engagement; and optimising carbon efficiency across land assets for a more environmentally sustainable industry.

Finally, the Chairman expressed his gratitude to the Chief Executive and Executive team based at Stanstead House, for all of their hard work during the year and also thanked Dr Bryan Mayoh, departing Trustee, for his enormous contribution to the TBA over the last eight years, in particular his assistance with the Great British Bonus scheme and initiatives in support of National Hunt breeding and racing.

9. To transact any other business which may properly be transacted at an Annual General Meeting

No additional business items were raised.

Four presentations were then given:

- **Great British Bonus (GBB) Scheme update** – delivered by TBA Deputy Chairman, Mr Philip Newton
- **Thoroughbred Industry Brexit Steering Group Strategy** – delivered by TBA Chief Executive, Ms Claire Sheppard
- **Education, Recruitment and Retention** – delivered by TBA Trustee and TBA Education and Employment Committee Chair, Mr Sam Bullard
- **Bad luck or something I can change; minimising genetic causes of early pregnancy loss** – delivered by Dr Mandi De Mestre, Head Equine Pregnancy Laboratory Reader Reproductive Immunology, Royal Veterinary College, University of London.

10. Questions and Answers

a) *What can members expect next from the Environmental Sustainability Working Group?*

Answered by the TBA's Board Champion for Environmental Sustainability, Mr Simon Cox:

“Obviously, this is a critically important area for the whole horseracing industry, including us as breeders. Following the completion of environmental impact assessments of two stud farms by ADAS, the findings were collated and re-purposed as an introductory level e-booklet, which is available for you all to access via the website. The industry audit was then performed, which Mrs Claire Sheppard was able to support via the Steering Group. A detailed report was produced in June 2022, by a consultancy company called White Griffin, with 120 pages outlining challenges and opportunities for the sector, with some very specific recommendations as to how the racing and breeding industry should respond. One of the team members here at the TBA, Mrs Victoria Murrell, has taken those recommendations and broken them down into potential deliverables that could be actioned in support of breeders. These recommendations will go to the Environmental Sustainability Working Group for discussion, which meets next week. The Working Group will then try and prioritise and sequence those activities and hope to give you all some additional insight as to what those workstreams could look like. We are also working closely with the Racing Foundation. Rob Hezel is the Chief Executive of that Foundation, and he is very committed to environmentally sustainable management in racing and on stud farms. On behalf of the Racing Foundation, Rob is providing funding and has commissioned a template framework to allow the industry as a whole take a collective approach, which we would like to support. We will continue to meet with Rob every month to try and make sure the industry can get access to centralised resources and expertise, and to hopefully ensure that all stakeholders in racing make a concerted effort together to initiate a real difference in approach to the enhanced environmental management of racing and breeding establishments. Over the course of the next twelve months, breeders can expect further bespoke guidance and support from the TBA, but hopefully all produced in alignment with a clear industry strategy.”

b) *GBB has been an outstanding success for breeders, as Mr Philip Newton outlined in his presentation earlier, but is there any prospect of the incentive scheme being expanded to also include bonuses for colts and geldings?*

Answered by Deputy Chairman, Mr Philip Newton: “What is absolutely clear, is that intervention initiative schemes work and GBB has now proven that it can influence behaviours. Progress against KPIs will continue to be monitored for evidence of further goals being reached, as the scheme embeds as a tool for incentivising the purchasing and racing of eligible fillies and mares in Britain. GBB was the result of a lot of collaborative planning and forecasting, and it took a great deal of effort in the formative stages to communicate the benefits of the scheme and to establish it amongst all industry participants. The association's third Economic Impact Study is currently underway and the performance and potential scope of GBB will be assessed as part of that research. The outcomes will hopefully shape evidence-based recommendations for the development of GBB going forwards. During the course of 2023, this will be high on the TBA's agenda and a proposal will be shaped for consultation with other stakeholders towards the end of next year.”

Dr Bryan Mayoh, outgoing Trustee and Chair of the TBA's National Hunt Committee added: “As Philip has said, GBB has changed behaviours, so we now have to examine how and where further change is required, to safeguard the versatility of the British thoroughbred across all divisions of the racing programme. As all breeders are aware, there are two distinct areas of the industry, namely Flat and National Hunt racing and their specific requirements may differ

slightly. As Chair of the TBA's National Hunt Committee, I believe that one of the key areas for future support within jump racing is colts and geldings. If there is an evidence base for extending GBB from the EIS, then I would hope for National Hunt it would be directed to supporting British-bred colts and geldings, given the massive competition they face from abroad; as approximately five times as many horses from Ireland and France win GBB races open to geldings, colts and fillies, than British-bred horses. Bonuses would potentially still be more numeric and of a higher value for fillies and mares, than colts and geldings, to retain the financial incentive. The Flat Committee will clearly take their own decisions as to whether they want to strengthen the case for fillies and mares on the flat, or extend the scheme to colts and geldings, but that is a separate discussion that Philip, as Chairman of the TBA's Flat Committee, will be having."

- c) *I have a two-year-old that I bred, she won first time out this year in April and as far as I can see she never ran in another GBB race even though she raced a further seven times. I would like to know exactly how you choose the races that are GBB qualified races?*

Answered by Deputy Chairman, Mr Philip Newton: "They are all Maiden, Novice and Conditions races."

Dr Bryan Mayoh added: "The TBA Flat Committee may wish to discuss a broadening of race eligibility criteria."

Mr Philip Newton added: "In my experience, some trainers have been later adopters and advocates of GBB. Further educational and promotional materials could be produced to ensure they are all better informed of the advantages of the scheme."

- d) *Was there any reason why GBB, which I think is an amazing scheme, doesn't cover veteran races?*

Answered by outgoing Trustee, Dr Bryan Mayoh: "The only veterans that would run in the races would be mares and by that age the TBA would be hoping that those who are proven on the racecourse and/or have strong pedigrees are commencing their breeding careers."

The Chief Executive thanked all attendees for their continued support of the TBA and all the Trustees for their valuable direction and the vital work that they do on behalf of the association.

The Chief Executive expressed her gratitude to the Executive Team for their work, enthusiasm and commitment to the TBA and to the team at Sandown Park Racecourse for allowing the TBA to hold the AGM as part of Breeders' Day.

The Chairman closed the meeting at 12.02 pm.