FILLIES AND MARES BREEDING CREDIT SCHEME

TERMS AND CONDITIONS (PART 2) – VERSION 4

Effective Date: **1 September 2026**

Overview of the Scheme

Harness Racing New Zealand (HRNZ) established the Fillies and Mares Breeding Credit Scheme (FMBCS) to support the transition of fillies and mares from racing into breeding.

The FMBCS was amended with effect from 1 August 2024. Credits earned under earlier versions of the FMBCS were retained and remain subject to the applicable terms and conditions, as subsequently amended.

Pause of the FMBCS from 1 September 2026

The FMBCS is paused from 1 September 2026.

A filly or mare winning an eligible race in New Zealand up to and including 31 August 2026 will earn a breeding credit in accordance with the terms of the FMBCS.

From 1 September 2026, while the FMBCS remains paused, a race win will not earn a new breeding credit.

The pause does not affect the value of credits validly earned before 1 September 2026. Those credits remain available to be claimed in full in accordance with these terms and conditions.

Final date for claiming existing credits

All FMBCS credits must be claimed no later than 28 February 2028.

The existing expiry rule also continues to apply. A credit expires at the end of the fifth breeding season following the end of the racing season in which the filly or mare last earned an FMBCS credit.

Accordingly, a credit will expire on the earlier of:

1. the expiry date determined under the five-breeding-season rule; or
2. 28 February 2028.

Any FMBCS credit remaining unclaimed after its applicable expiry date will lapse automatically, with no payment or compensation.

For the avoidance of doubt, 28 February 2028 is an absolute final date for claims under the FMBCS and will not be extended through the exercise of any discretion under these terms and conditions.

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Overview of the Scheme – Cont

Key Features

1. An eligible filly or mare earned a $750 plus GST (if applicable) credit for each eligible race won in New Zealand from 1 August 2024 up to and including 31 August 2026.
2. From 1 September 2026, no further credits accrue while the FMBCS remains paused.
3. The maximum credit accumulated under the FMBCS is $6,000, equivalent to eight eligible wins, inclusive of credits earned under previous versions of the FMBCS. Where a filly or mare had already accumulated credits exceeding $6,000 under an earlier version of the FMBCS, those existing credits are retained but no additional credits could be earned under the 2024 FMBCS.
4. FMBCS credits attach to the eligible filly or mare, rather than to an individual breeder or owner. Subject to these terms, if the horse is sold or leased within New Zealand, its available FMBCS credit balance transfers with the horse.
5. FMBCS credits may be used to reimburse eligible direct breeding costs, including:
   - service fees;
   - semen costs;
   - semen shipment costs;
   - working fees; and
   - veterinary breeding packages and veterinary breeding costs.

Mare transport, grazing and other indirect costs are not eligible.

6. Credits do not have to be used in a single breeding season and may be split across more than one breeding season, subject always to the applicable expiry date.
7. The filly or mare must be located and served or inseminated in New Zealand for an FMBCS credit to be redeemed.
8. Credits expire in accordance with these terms, including upon the applicable expiry date, permanent export, death or where the mare is determined to be incapable of reproduction.
9. HRNZ will pay an eligible credit following receipt and approval of the prescribed FMBCS Claim Form and all required supporting documentation.
10. The Rules of Harness Racing New Zealand apply to the FMBCS.

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TERMS

General Terms

- The filly or mare must have raced in New Zealand to have been eligible to earn an FMBCS credit.
- An eligible race win in New Zealand up to and including 31 August 2026 earned an FMBCS credit in accordance with the version of the scheme applying at the time of the win.
- A race win occurring on or after 1 September 2026 does not earn an FMBCS credit while the scheme remains paused.
- An FMBCS credit is attached to the filly or mare that earned it and cannot otherwise be separately assigned or transferred.
- If the filly or mare is sold within New Zealand, any available FMBCS credit balance transfers with the horse to its new owner.
- If the filly or mare is leased, the benefit of any available FMBCS credit transfers with the filly or mare to the lessee unless the relevant lease agreement expressly provides otherwise, including where the arrangement is a racing-only lease.
- If a filly or mare is permanently exported from New Zealand, all remaining FMBCS credits expire with no payment or compensation.
- Temporary export for racing does not of itself extinguish an FMBCS credit, provided the filly or mare subsequently returns to New Zealand and otherwise satisfies all requirements for redemption before the applicable expiry date.
- A filly or mare must be located and served or inseminated in New Zealand for costs to qualify for reimbursement under the FMBCS.

Specific Terms

- The value of an FMBCS credit earned for an eligible race win from 1 August 2024 up to and including 31 August 2026 is $750 plus GST, if applicable.
- No FMBCS credit will be earned from a race win occurring on or after 1 September 2026 while the scheme remains paused.
- Credits are calculated and recorded by HRNZ and held against the relevant filly or mare.
- A claim against an FMBCS credit may only be made once the mare has finished racing.
- All claims are by way of reimbursement. HRNZ will pay an approved credit to the eligible applicant following completion of the prescribed FMBCS Claim Form, preferably online, and receipt of all required supporting documentation.
- The credits do not have to be used within a single breeding season and may be split across breeding seasons.
- Notwithstanding any other provision of these terms and conditions, all FMBCS credits must be claimed by 28 February 2028.
- The ordinary expiry date for a credit is the end of the fifth breeding season following the end of the racing season in which the filly or mare last earned an FMBCS credit.

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Specific Terms – cont

- Where the ordinary expiry date falls after 28 February 2028, the credit will instead expire on 28 February 2028.
- Where the ordinary expiry date falls before 28 February 2028, that earlier expiry date continues to apply.
- Once an applicable expiry date has passed, the credit lapses automatically and no payment or compensation will be made.
- The mare must be located and served or inseminated in New Zealand to be eligible to redeem an FMBCS credit.
- In the event of a dead heat in an eligible race occurring on or before 31 August 2026, the applicable credit will be paid in full to each eligible dead-heating filly or mare.
- Eligible direct breeding costs include the service fee, semen, semen shipment, working fees and veterinary breeding packages and veterinary breeding costs. Mare transport, grazing and other indirect costs cannot be claimed.
- Should the filly or mare die, or be determined to be incapable of reproduction, any remaining FMBCS credits expire without payment or compensation.
- A credit may be used as part-payment where eligible breeding costs exceed the value of the credit available.
- A credit may be split across multiple eligible claims and breeding seasons, provided each claim is made before the applicable expiry date.
- The Head of Racing & Wagering is authorised to exercise discretion where special circumstances or hardship can be established, provided that such discretion cannot extend the expiry of any FMBCS credit beyond 28 February 2028.
- For the avoidance of doubt, an FMBCS credit may be claimed where the eligible service costs have been paid and a 42-day positive pregnancy test has been confirmed.
- Where frozen semen is used, the credit may be claimed following payment of the eligible service fee and production of a viable live foal, or when payment of the service fee is made if that occurs earlier and the applicable requirements of HRNZ are otherwise satisfied.
- A claim must be supported by evidence satisfactory to HRNZ, including proof of payment for the eligible breeding costs and details identifying the relevant mare and stallion.
- Should a horse be subsequently disqualified from an eligible race in which an FMBCS credit was earned, the credit will transfer to the eligible horse promoted to the relevant placing. HRNZ may reverse or amend any credit previously recorded or paid as necessary to give effect to the amended result.
- HRNZ may review the FMBCS periodically and retains discretion to amend, replace, recommence or terminate the scheme.
- The pause applying from 1 September 2026 does not cancel or reduce credits validly earned before that date.

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Commercial Terms

1. The FMBCS is paid by HRNZ in return for the claimant providing the information and satisfying the eligibility criteria and other requirements set out in these terms and conditions.
2. FMBCS payments are made in New Zealand dollars plus GST, if applicable.
3. Claimants are responsible for accounting for and returning GST, where applicable, in respect of any FMBCS payment received.
4. HRNZ will ordinarily pay an approved FMBCS claim on the 20th of the month following approval of the application, provided all requested information has been supplied and all eligibility criteria have been satisfied.
5. Claimants must confirm or provide their bank account details to HRNZ before payment can be made. Failure to provide the required information within 12 months of an approved claim, and in all cases before the applicable expiry date, may result in the claim lapsing.
6. Credits relating to separate fillies or mares cannot be aggregated to increase the credit balance available in respect of another filly or mare.
7. Claimants may be randomly audited by HRNZ to ensure compliance with the FMBCS terms and conditions. Failure to fully comply with an audit or provide information reasonably requested by HRNZ may result in a claim being declined or recovery of an amount previously paid.
8. Claimants must advise HRNZ whether they are GST registered and, if so, provide their GST registration number. Claimants must notify HRNZ if that information changes.
9. If a claimant is GST registered, HRNZ will issue a buyer-created tax invoice (BCTI) or buyer-created taxable supply information (BCTSI), as applicable, within the required period following payment.
10. If a claimant is not GST registered, HRNZ will issue remittance advice following payment.
11. HRNZ may issue a credit note or supply correction information where an FMBCS payment is subsequently repaid or adjusted.
12. Claimants agree not to issue tax invoices or taxable supply information to HRNZ in respect of payments made under the FMBCS where HRNZ issues buyer-created taxable supply information.
13. Claimants must retain copies of documentation issued by HRNZ in respect of an FMBCS payment as required by law.
14. Participation in the FMBCS does not preclude participation in any other eligible HRNZ or industry scheme.
15. No claim may be made, approved or paid in respect of an FMBCS credit after its applicable expiry date. In all circumstances, no FMBCS credit may be claimed after 28 February 2028.