

**National Thoroughbred Racing Association
Safety and Integrity Alliance
2010
Code of Standards**

Preamble

The health and safety of our human and equine athletes and the integrity of our sport are horseracing's top priorities. To accomplish these important priorities, the National Thoroughbred Racing Association ("NTRA") has organized the NTRA Safety and Integrity Alliance ("Alliance").

Alliance membership includes racetracks, owners, breeders, horsemen, jockeys, sales companies, veterinarians, racing fans, breed registries and the associations that represent these stakeholders who agree to uphold and support the goals and objectives of the Alliance ("Members"). The Alliance's purpose is to establish standards and practices to promote safety and integrity in horseracing and to secure their implementation. Alliance Members individually and collectively are committed to ensure that the sport of horseracing is pursued in a manner consistent with high ethical standards and compliance with applicable laws and regulations.

This Code of Standards ("Code") is intended to set forth for Alliance Members a common minimum set of standards to be followed by Members in their respective roles in the horseracing industry. Members acknowledge and support the Code and will implement measures and/or abide by measures implemented by other Members, as appropriate, to adhere to the Code. Also, since the Code represents minimum standards, Members are encouraged to not only meet but exceed the standards of the Code.

This Code sets forth standards in the areas of: (1) injury reporting and prevention; (2) a safer racing environment; (3) medication and testing; (4) jockey safety and health; (5) aftercare for retired horses; and (6) wagering security. The Code further sets standards with respect to compliance and enforcement. The measures included in this Code represent the collective consideration and work product of key stakeholder organizations and individuals within the horseracing industry. These standards have been formulated through various task forces, working groups and other industry initiatives over the past several years.

This Code represents the second version of the standards adopted by the Alliance and, over time, as new research and recommendations which merit inclusion become available, the Code may be further amended. The 2009 Code will continue to be in effect with respect to all Racetrack Members that received Alliance accreditation in 2009 and will remain so until the expiration or revocation of the applicable twenty-four (24) month accreditation.

Implementation

Alliance Members will use reasonable efforts available to effect reforms, including House Rules, uniform model rule development through the Association of Racing Commissioners International ("ARCI"), uniform model rule adoption at the state level and legislative advocacy. The Alliance will lead these advocacy efforts with the support and cooperation of its Members. Certain components of the reforms will be implemented once definitive conclusions are reached by the Alliance. Except as expressly provided for in this Code, all references to a specific ARCI model rule shall be deemed to include the specific ARCI model rule that existed as of January 1, 2010 and any subsequent modifications to that model rule that are consistent with this Code.

Notwithstanding anything in this Code to the contrary, the inability of a Member to comply with any provision of this Code due to contrary legislative or regulatory enactment shall not be the basis for denial or revocation of accreditation so long as the Member petitions the legislative or regulatory authority and diligently seeks to amend the contrary provision to bring it into conformity with this Code.

Costs

Alliance Members agree that the costs of implementing the reforms should be the collective responsibility of the industry. Each segment of the industry must contribute to the cost of the reforms and such costs should be borne by the elements of the industry that benefit from the reform and/or cause the reform to be incurred. Specific allocation of costs is not addressed in this Code. Costs required for implementation of the Code will differ by location and thus costs must be addressed at the local level through the normal contractual and/or regulatory process.

Utilizing and Adhering to the Code

The horseracing industry and the Alliance Membership are composed of many different constituencies. However, since much of the organized activity in horseracing takes place at the racetrack, some provisions of the Code are addressed specifically to “Racetrack Members.” Nonetheless, each Member shall strive to adhere to each of the standards in the Code specifically applicable to that Member and to ensure that its employees, contractors and/or agents adhere to those standards.

Abbreviations and Definitions

AAEP: American Association of Equine Practitioners

Accreditation: The process by which individual Members shall be certified to be in compliance with the Code. The stages of accreditation are as follows:

Full Accreditation: Accreditation without condition or limitation.

Provisional Accreditation: Accreditation conditioned upon the future implementation of specifically identified standards according to a specified timetable in order to attain Full Accreditation.

Probationary Accreditation: Full or Provisional Accreditation subject to revocation in absence of curing specifically identified deficiencies in a specified timeframe.

ARCI: Association of Racing Commissioners International.

Association Veterinarian: A veterinarian employed by the racetrack association.

Horse Handlers: Trainers, jockeys, exercise riders, veterinarians, grooms, outriders, pony people and anyone else who comes into direct contact with a horse within Racetrack Member's racetrack enclosure.

House Rules: Rules promulgated by racetracks concerning activities on racetrack grounds, including, without limitation, any interim measure consistent with the Code adopted by a Racetrack Member in advance of the promulgation of regulations and or legislation in racing jurisdictions.

InCompass Solutions: Technology solutions company that provides centralized software applications and systems that serve North American racetracks and simulcast outlets. Its central database also serves as a platform for several industry safety initiatives, including the Jockey Health Information Systems.

Non-Race Day: Any day or period of time not part of a Race Day

Non-Race Period: Any day or period of time not part of a Race Period

Official Veterinarian: A licensed veterinarian employed by the state regulatory body who is qualified to objectively and competently perform the regulatory duties as detailed by the Model Rule **ARCI-006-070**. Some duties of the Official Veterinarian, as indicated by an asterisk (*) in the Model Rule **ARCI-006-070** may be performed by an Association Veterinarian as long as the Association Veterinarian has no employment history or business relationship that could constitute a conflict of interest or impede in the performance of official duties.

Phase II: Refers to the implementation of certain standards set forth in the Code upon the commencement of live racing at a Racetrack Member's track, no sooner than calendar year 2011.

Post-Mortem Veterinary Examinations: Examinations conducted following the fatality of a horse substantially in conformity with the recommended protocols of the AAEP including, but not limited to the identification of drugs, shoes and any pre-existing conditions; however, such examinations shall not require full veterinary necropsies.

Race Day: The period of time twenty-four hours prior to post time of a race in which a horse is entered to run through the release of a horse from post-race testing

Race Period: The period of time from the entry of a horse in a race through release of the horse from post-race testing

Racing Participants: People who engage in and derive income directly from horseracing activities at Racetrack Member facilities. This includes, but is not limited to racehorse owners, trainers, jockeys and breeders.

RMTC: Racing Medication and Testing Consortium.

Wagering Incident: Any incident that might reasonably affect the public's confidence in Member's wagering pools including, but not limited to suspicious wagering patterns, totalisator and data communications malfunctions, substantial late ticket cancelations, and failures to stop betting after the official start of a race.

Code of Standards

1. Injury and Fatality Reporting and Prevention. Timely and accurate reporting of injuries and fatalities is critical to the creation and maintenance of a national database concerning horse injuries and fatalities. This national database will be invaluable to the epidemiological study of the causes of horse injuries and fatalities as well as the determination of precautions necessary to lessen the incidence and severity of horse injuries. The individual participation in the database will be kept confidential but nationwide statistics will be made available publicly from time to time for the purpose of promoting public confidence in the injury reporting process. Injury prevention must also be accomplished by thorough pre- and post-race exams conducted by qualified Regulatory or Association Veterinarians with the authority to keep horses from running in any race until that horse is determined to be medically fit to run. In furtherance of these important objectives, each Alliance Member shall be required to do the following:

A. Reporting of Injuries and Fatalities

Member shall participate in The Jockey Club's Equine Injury Database ("EID"). Upon adoption of this Code, Member shall immediately commence reporting injuries sustained and fatalities suffered at a Racetrack Members' racetrack(s) during any Race Period. EID data collection and reporting of all injuries sustained and fatalities suffered at a Racetrack Members' racetrack(s) during a Non-Race Period will be required in Phase II of the Code.

B. Pre-Race Veterinary Examinations

Pre-race veterinary examinations shall be performed by Official Veterinarians on all horses entered at Racetrack Members' racetrack(s). Regulators shall be petitioned to adopt a mandatory protocol for pre-race veterinary examinations of horses substantially similar, in form and substance, to the RCI model rule identified as **ARCI-011-030(A)**. In addition, so long as such model rule has not been adopted in any racing jurisdiction, Racetrack Members in such jurisdictions shall adopt a House Rule substantially similar, in form and substance, to **ARCI-011-030(A)** and make provision for an Official Veterinarian to perform such pre-race examinations, record the examination information, preferably in an electronic database such as that available from InCompass Solutions, and promptly submit the recorded information to the racing commission and/or the stewards

C. Post-Race Veterinary Examinations

Post-race examinations shall be performed by Official Veterinarians on all horses at the conclusion of every race run at Racetrack Members' racetrack(s) to determine if horses are injured or return lame or unsound. To the extent the regulatory authorities do not so regulate post-race veterinary examinations, Members shall advocate the adoption of a mandatory protocol for post-race veterinary examinations. In addition, so long as such a rule has not been adopted in a racing jurisdiction, Racetrack Members shall adopt a House Rule and make provision for an Official Veterinarian to perform such post-race examinations, record the

examination information, and promptly submit the recorded information to the racing commission and/or the stewards.

D. Post-Mortem Veterinary Examinations

To facilitate accurate and complete reporting as part of EID, Post-Mortem Veterinary Examinations shall be performed on all horses that die or are euthanized during a Race Day at Racetrack Members' racetrack(s). In Phase II, Post-Mortem Veterinary Examinations shall be performed on all horses that suffer catastrophic injury during a Race Day and during a Non-Race Day.

To the extent the regulatory authorities do not adopt a mandatory protocol for Post-Mortem Veterinary Examinations consistent with this provision of the Code, Members shall advocate the adoption of protocols for Post-Mortem Veterinary Examinations as detailed in the AAEP *Guidelines for Necropsy of Racehorses*. In addition, so long as such protocols have not been adopted in any racing jurisdiction, Racetrack Members in such jurisdictions shall adopt a House Rule and provide appropriate veterinary personnel to perform such Post-Mortem Veterinary Examinations, record the examination information, and promptly submit the recorded information to the EID.

E. Veterinarians' List

Racetrack Members shall maintain a Veterinarians' List under guidelines established by the RCI Model Rule **ARCI-011-030(B), Veterinarians' List**, which states that the Official Veterinarian shall maintain the Veterinarians' List of all horses which are determined to be unfit to compete in a race due to illness, physical distress, unsoundness, infirmity, non-permitted medication or any other medical condition. Members must adhere to ARCI model rules, which outline the removal of a horse from the Veterinarians' List as follows: A horse may be removed from the Veterinarians' List when, in the opinion of the Official Veterinarian, (1) the condition which caused the horse to be placed on the Veterinarians' List is resolved and (2) the horse's status is returned to that of racing soundness.

Further, Members shall advocate Official Veterinarian participation in InCompass Solutions' Veterinarians' List Module. Members participating in the Veterinarians' List module shall share Veterinarians List with other jurisdictions participating in the module.

2. Safety Equipment and Safer Racing Environment. The horseracing industry as a whole must collectively invest in an infrastructure that is needed to make a safer racing environment. Alliance Members shall adopt the following safety measures:

A. Shoes and Hoof Care

Regulators shall be petitioned to adopt rules pertaining to the elimination of toe grabs greater than 4mm and other traction devices on front horse shoes in Thoroughbred racing. So long as such rules have not been adopted in a racing jurisdiction, Members in such jurisdictions shall adopt and/or adhere to a House Rule pertaining to the elimination of toe grabs greater than 4mm and other traction devices on front horse shoes in Thoroughbred racing.

B. Riding Crop

Regulators shall be petitioned to adopt the ARCI Model Rule ***ARCI-010-035(E)(7)***, pertaining to the use of crops and the ARCI Model Rule ***ARCI-010-035(A)(1)(a-b)***, pertaining to the specifications of crops to be utilized. So long as such rules have not been adopted in a racing jurisdiction, Members in such jurisdictions shall adopt and/or adhere to House Rules consistent with the ARCI Model Rule ***ARCI-010-035(E)(7)***, relating to the use of crops and the ARCI Model Rule ***ARCI-010-035(A)(1)(a-b)***, pertaining to the specifications of crops to be utilized.

C. Safety Helmet and Safety Vest

Regulators shall be petitioned to adopt the ARCI Model Rule ***ARCI-008-010(Z)(1-2)***, pertaining to the wearing of Safety Helmets and Safety Vests. So long as such rule has not been adopted in a racing jurisdiction, Members in such jurisdictions shall adopt and/or adhere to a House Rule consistent with the ARCI Model Rule ***ARCI-008-010(Z)(1-2)***, pertaining to the wearing of Safety Helmets and Safety Vests.

ARCI 008-010(Z)(1)

Any licensee mounted on a horse or stable pony on association grounds must wear a properly secured safety helmet at all times. The licensee is responsible for providing sufficient evidence of his/her helmet meeting one of the following minimum safety standards: American Society for Testing and Materials (ASTM 1163); UK Standards (EN-1384 and PAS-015); or, Australia/New Zealand Standard (AS/NZ 3838).

ARCI 008-010(Z)(2)

Any person mounted on a horse or stable pony on the association racing surface, all assistant starters and anyone handling a horse in a starting gate must wear a safety vest at all times. The safety vest must comply with one of the following minimum standards: (a) British Equestrian Trade Association (BETA):2000 Level 1; (b) Euro Norm (EN) 13158:2000 Level 1; (c) American Society for Testing and Materials (ASTM) F2681-08; (d) Shoe and Allied Trade Research Association (SATRA) Jockey Vest Document M6 Issue 3; or, (e) Australian Racing Board (ARB) Standard 1.1998.

D. Safety Equipment

1. Padded Starting Gate

Regulators shall be petitioned to adopt the ARCI Model Rule **ARCI-007-020(F)(1)**, pertaining to padded starting gates. So long as such rule has not been adopted in any racing jurisdiction, Racetrack Members in such jurisdictions shall adopt a House Rule consistent with the ARCI Model Rule **ARCI-007-020(F)(1)**, relating to padded starting gates.

2. Equine Ambulance

Regulators shall be petitioned to adopt the ARCI Model Rule **ARCI-007-020(I)(1-6)**, pertaining to the provision of a horse ambulance. So long as such rule has not been adopted in any racing jurisdiction, Racetrack Members in such jurisdictions shall adopt a House Rule consistent with the ARCI Model Rule **ARCI-007-020(I)(1-6)**, pertaining to the provision of a horse ambulance.

E. Substance Abuse and Addiction

Regulators shall be petitioned to adopt the ARCI Model Rule **ARCI-008-010(H)** pertaining to substance abuse and addiction and testing of licensees.

F. Safety Research

Members shall participate in and/or fund industry safety research in areas including but not limited to racetrack surface studies, epidemiological studies, and other studies which are designed to promote a safer racing environment for humans and horses.

G. Safety Training and Continuing Education

Racetrack Members shall provide periodic training to all racetrack employees having direct contact with the horse, including assistant starters concerning safe practices to be followed in the conduct of their jobs. All Members shall provide periodic training to their employees having direct contact with the horse concerning safe practices to be followed in the conduct of their jobs, e.g. Groom Elite Program, Groom Development Program, Racing Officials Accreditation Program, and the NTRA Track Superintendent Field Days.

Regulators shall be petitioned to adopt the RCI Model Rule **ARCI 008-020(4)** requiring at least four (4) hours annual Continuing Education for trainers, beginning no later than January 31, 2012.

Further, Racetrack Members shall adhere to the RCI Model Rule **ARCI 006-015(A)** requiring accreditation of all stewards employed by the racetrack and, where necessary, shall petition regulators to adhere to RCI Model Rule **ARCI 006-015(A)** requiring accreditation of all stewards employed by regulatory bodies.

Upon application for accreditation, Racetrack Member shall submit its Training and Continuing Education Plan.

H. Catastrophic Injury Planning and Procedures

Racetrack Members shall plan for and have protocols in place for instances of catastrophic injury to horses during racing and training at Racetrack Members' racetrack(s) and training facilities. Such planning shall include, but not be limited to appropriate means of communication to the public, either through the AAEP On-Call Program or AAEP trained spokespersons. Further, racetrack shall have an operable on-track warning system and operating protocols in place for incidents occurring during training hours designed to sufficiently alert and provide notice to personnel on the racetrack.

I. Infectious Disease Management

Racetrack members shall plan for and have protocols in place for instances of infectious disease outbreak within their enclosures. Such protocols shall be based on guidelines recommended by AAEP's *Guidelines for the Management of Outbreak of Infectious Disease*.

J. Fire Safety Planning and Procedures

Racetrack members shall plan for and have protocols in place for instances of fire within their enclosures. Such protocols shall be based on the RCI Model Rule **ARCI-007-025(B), Fire Prevention**.

3. Medication and Testing: Without proper pre- and post-race testing and security procedures, horse health and safety can be compromised. The Alliance believes that the regulation of drugs and therapeutic medications be consistent on a nationwide basis to better facilitate the training and racing of horses in multiple states. Members shall therefore insist on the implementation of consistent rules and penalties regarding medication and testing as follows:

A. Uniform Medication Rules and Penalties

Members shall insist that local regulatory authorities regulate drugs and therapeutic medications consistent with ARCI Model Rules, **ARCI-011-010, ARCI-011-015, and ARCI 011-020** based on RMTC recommendations. Further, Members shall insist that local regulatory authorities adopt uniform minimum penalties consistent with ARCI Model Rules, **ARCI-011-020(B)**, based on RMTC recommendation. To the extent the regulatory authorities do not so regulate drugs and therapeutic medications, the Members shall advocate the adoption of such rules and penalties by the regulatory authority.

B. Alkalinizing Substances

Racetrack Member shall prohibit and test for the use of alkalinizing substances in the racing of Thoroughbreds, consistent with RMTC recommendations that establish uniform threshold levels, pre-race sampling protocols, and effective testing procedures to detect prohibited levels of carbon dioxide in Thoroughbred race horses. To the extent the regulatory authorities do not so regulate alkalinizing substances, the Members shall advocate the adoption of such rules by the regulatory authority. Upon application for accreditation, Racetrack Member shall submit its plan for prohibiting and testing for alkalinizing substances.

C. Exogenous Anabolic Steroids

Racetrack Member shall prohibit the use of exogenous anabolic steroids in training and in competition in a manner consistent with the ARCI model rule **ARCI-011-020(J)**, based on RMTC recommendations. To the extent the regulatory authorities do not so regulate exogenous steroids, Members shall advocate the adoption of such rules by the regulatory authority.

D. Shock Wave Therapy

Member shall ensure that Extracorporeal Shock Wave Therapy be utilized in a manner consistent with the RCI Model Rule **ARCI-011-015(5)**. To the extent the regulatory authorities do not so regulate Extracorporeal Shock Wave Therapy, Member shall advocate the adoption of such rules by the regulatory authority.

E. Out of Competition Testing

Members shall insist that local regulatory authorities institute out of competition testing for blood and/or gene doping agents in a manner consistent with the ARCI model rule **ARCI-011-022**, based on RMTC recommendations. To the extent the regulatory authorities do not so

regulate out of competition testing, Members shall advocate the adoption of such rules by the regulatory authority.

F. Frozen Sample Testing

Members shall support and promote the participation by state racing commissions in a program for the frozen storage and retrospective super testing of suspect horse racing plasma and/or urine samples.

G. Laboratory Quality Assurance

Members shall support and promote the participation by its official testing laboratory in an external Alliance approved Quality Assurance Program. Programs that qualify include, but are not limited to: the Testing Integrity Program, Interstate Drug Testing Alliance, Racing Medication and Testing Consortium and Association of Official Racing Chemists.

H. Security Assessment and Training

1. Racetrack Members shall participate in a security assessment performed by an Alliance approved qualified security assessment organization.

A security assessment should include, but not be limited to:

- a. A physical review of the facility's perimeter
- b. Backstretch accessibility review
- c. Licensee authentication review
- d. Review of security personnel procedures (including but not limited to: hiring, training and supervision of backstretch security personnel; and review of general security practices
- e. Security Department integration/liaison with outside law enforcement or industry security regulatory resources

2. Racetrack Member may be subject to random on-site inspection and assessment of medication and drug testing standards and protocols as established by RMTC, to include, at a minimum, examination of test barn and chain of custody procedures.

Racetrack Members shall be required to submit a plan to the Alliance for implementing recommendations made as a result of the security assessment or assessment of medication and drug testing standards and protocols.

3. Racetrack Members shall require all security staff to periodically participate in a security training program conducted in conformity with training protocols to be provided by the Alliance.

4. Safety and Health of Jockeys: The health and safety of human athletes is one of the top priorities of the Alliance. Members must take affirmative steps to assure the public and participants that all human athletes are competing at top form with the benefit of the best medical care readily available. Consequently, Members are required as follows:

A. Jockey Weights

Members shall adhere to the RCI Model Rule **ARCI-010-035(C)(7)(a-b)** regarding the equipment included when weighing jockeys.

B. Jockey Scale of Weights

Racetrack Member shall petition its regulatory body to adopt the ARCI Model Rule, **ARCI-010-020(D)**, pertaining to the jockey scale of weights.

C. Jockey Health Information

Members, through cooperative effort with The Jockey's Guild, shall advocate participation by members of their jockey colony in the InCompass Solutions' Jockey Health Information System, which allows confidential access to a rider's detailed medical records by authorized medical personnel.

D. Jockey Qualifications

Regulators shall be petitioned to adopt the ARCI Model Rule, **ARCI-008-030(A)(3)**, pertaining to the qualifications for licensing jockeys.

E. Ambulance Support

Racetrack Member shall adhere to the RCI Model Rule **ARCI-007-020 (A)(6), (8) and (9)** regarding a properly equipped and staffed ambulance on the racetrack during training and racing hours.

F. Insurance

In racing states where workers compensation benefits are not afforded jockeys by statute or regulation, Racetrack Members shall maintain a minimum standard of \$1,000,000, per incident, worth of accident medical expense coverage for all jockey participants.

G. Jockey Disability Support

Racetrack Members, through cooperative efforts with the Jockey's Guild, shall advocate for participation by all Racing Participants in funding jockey disability support programs such as the Permanently Disabled Jockeys Fund.

5. Aftercare and Transition of Retired Racehorses: As advocates for the thoroughbred racehorse, the Alliance and the horseracing industry as a whole share in the responsibility for providing care and/or retraining of racehorses after they can no longer compete on the racetrack

Racetrack Members shall affiliate with recognized placement/adoption program(s) that meet AAEP criteria. Member Tracks shall help facilitate the transfer of horses to its affiliated recognized placement/adoption program(s) by doing such things as: Providing owners and trainers with contact information for recognized placement/adoption program(s); promoting placement/adoption program(s); cooperating with state funded programs; providing stalls and/or staff to help facilitate the transfer of horses to affiliated recognized placement/adoption facilities; or other means intended to assist with the placement of horses in transition. Racetrack Members shall participate in and facilitate a funding strategy that shares the costs of funding among racing participants through mutually agreed upon methods.

6. Wagering Security

A high degree of wagering security is vital to ensure public confidence in pari-mutuel wagering. Accordingly, Racetrack Members shall adopt uniform protocols relating to Wagering Incidents.

A. Wagering Incident Prevention Protocols:

1. Member shall adhere to the ARCI Model Rule **ARCI 004-014(A)(2)(d)** regarding stop wagering devices and the chain of command for responsibility for stop wagering;
2. Member shall add language to its simulcast sales contracts that stipulates that the Member has the right to request and receive transactional data (tickets sold, cashed, canceled, and time verifications), including Inter-Tote System Protocol ("ITSP") logs from each guest site and each guest site's respective totalisator provider;
3. Member's totalisator provider shall either (a) provide proof that the totalisator provider meets the standards set forth in the Statement on Auditing Standard 70 ("SAS 70") concerning in-place internal controls; or (b) provide proof that the totalisator provider's equipment has been tested, reviewed and reported on favorably by a mutually agreed upon equipment certification provider;
4. To minimize pool transfer delays, the practice of cancel delays shall be discontinued, unless cancel delays are allowed by statute or regulation, in which case Member shall advocate for adoption of regulatory action disallowing the practice of cancel delays;
5. To minimize pool transfer delays, the practice of double hops shall be discontinued, unless double hops are allowed by statute or regulation, in which case Member shall advocate for adoption of regulatory action disallowing the practice of double hops;
6. Member shall have protocols in place which mandate exclusion of any guest's wagering pool when the Racetrack Member cannot verify that all wagers in the guest's wagering pool were received prior to the official start of the race;
7. Member shall have protocols in place and shall publicize its policies to its wagering customers when, as a guest, it is excluded from a host's wagering pool;
8. Timing systems associated with the video broadcast and recording and with totalisator record keeping shall be synchronized with atomic time in a Hours, Minutes, and Seconds format (HH:MM:SS). Time stamps shall be placed on final totalisator transactions to assist in the validation of the official time of pool closing. Member shall record the date and time (in hours, minutes, and seconds) of the official start time of every race;

9. Member shall conduct regular compliance checks with its totalisator and audio-visual provider to confirm compliance with time stamp protocols required in Subsection 6.A.6. above;
10. Member shall require its totalisator provider to operate using the most current version of ITSP, as adopted by the 2020 Committee of the Thoroughbred Racing Associations of North America.

B. Wagering Incident Investigation Protocols

Member shall adopt the following protocols relating to any Wagering Incident:

1. Member shall promptly conduct a thorough investigation of any and all suspected Wagering Incidents. If, after conducting its investigation, a Member reasonably suspects that a Wagering Incident may have occurred, Member shall immediately inform its jurisdictional regulatory authority of the occurrence of a suspected Wagering Incident;
2. After notifying the appropriate regulatory authority of the occurrence of a suspected Wagering Incident, Member shall promptly provide transactional data and video of the race to the regulatory authority and/or to other investigatory entities where reasonably requested;
3. Public Communication regarding Wagering Incidents which the Member has determined may potentially impact wagering security shall be coordinated with the regulatory authority investigating the potential Wagering Incident. Prompt and detailed public notification is encouraged in all circumstances except those when an ongoing investigation may be compromised;
4. Member shall implement a Wagering Incident reporting mechanism that is easily accessible to the wagering public and employees who might have knowledge of the occurrence of a Wagering Incident.

C. Wagering Pool Due Diligence

Member shall adopt protocols for the performance of a due diligence investigation of any wagering entity authorized to accept simulcast signals and accept wagers on horse races conducted by Member or to transmit wagering information into wagering pools of the Member unless such authorized entity is licensed to conduct pari-mutuel wagering by another recognized pari-mutuel wagering commission or equivalent regulatory authority.

III. Adherence and Enforcement

A. Compliance Program

Members shall implement an effective compliance program to ensure adherence to this Code. The Alliance shall develop a guidance document for use by Members to assist them in their program development. Implementation of an effective compliance program consistent with Alliance guidance shall be required for accreditation.

B. Condition for Accreditation

Members shall adhere to this Code including any house rule promulgated and implemented pursuant to this Code as a condition for maintaining Alliance accreditation.

Members shall be subject to periodic audit and/or review at Member's expense (but such expense to be agreed to by the Alliance and Member in advance) by the Alliance (or its designee) for purposes of certifying the Member's accreditation status under the Alliance.

C. Enforcement

Members satisfying substantially all conditions for certification shall receive full accreditation for a period of twenty-four (24) months, provided Member continues to adhere to Alliance standards during that time period. Members satisfying substantially all conditions for certification except for specifically identified standards may receive provisional accreditation for a period of twenty-four (24) months provided Member satisfies unmet conditions in a specified timeframe and further adheres to all other Alliance standards during that time period. Should a full or provisionally accredited Member be found to be in breach of Alliance standards, such Member may be entitled to a probationary accreditation subject to curing the deficiency or deficiencies in a specified time frame. Any Member who has been found to have materially breached this Code may have its accreditation revoked by the Alliance after notice of and reasonable opportunity to cure such breach. Further, the Alliance may publish on its website the names and accreditation status of all Members.