



2027 THEOREM RANCH INCENTIVE OFFICIAL RULES

Theorem Ranch Texas, LLC, a Texas limited liability company, and **Theorem Ranch, LLC**, a Texas limited liability company (collectively, “**TR**”) are establishing an incentive program (the “**Theorem Ranch Incentive**” or “**Incentive Program**”) to reward breeders who purchase breedings to the following stallions, each owned by TR or an Affiliate of TR, regardless of where the stallion stands, is shown or is collected: Stevie Rey Von, SEVS Judgement Day, Pepinstep and Outta Yur League (each a “**TR Stallion**”). TR may add stallions to this list by written notice. “**Affiliate**” means any entity under common ownership or control with TR, including Theorem Performance Horses LLC.

ELIGIBILITY TO PARTICIPATE IN INCENTIVE PROGRAM. A horse owner is eligible to compete for payments from the 2027 Incentive Program if the following two conditions are met:

- a. The horse owner has purchased one or more breedings to a TR Stallion for the 2027 breeding season for one or more mares owned by that owner. Rebreed contracts, breeding contracts purchased from a third party, and complimentary breedings do not qualify unless TR agrees otherwise in writing. Fresh, frozen and ICSI breedings qualify. A breeding sold on behalf of TR or an Affiliate by a stallion station, breeding office or agent designated by TR is not a breeding contract purchased from a third party.

AND

- b. The horse owner enters a horse sired by a TR Stallion into a Qualified Competition during calendar year 2027 (the “**Competing Horse**”).

If the horse owner meets these two conditions, the Competing Horse is eligible to compete for payments in the Incentive Program. Each purchased TR Stallion breeding allows one horse sired by a TR Stallion to be a Competing Horse in a Qualified Competition. One purchased breeding covers one Competing Horse in one Qualified Competition; a second horse, or the same horse in a second Qualified Competition, requires a second breeding. The Competing Horse need not be sired by the TR Stallion named in the breeding contract. A “**Qualified Competition**” is (1) the NCHA Open Futurity, (2) the NRCHA Snaffle Bit Futurity (Open), (3) the NRHA Futurity (Level 4 Open), (4) the 4 & Under Heading at the 2027 Gold Buckle Futurities World Finals, (5) the 4 & Under Heeling at the 2027 Gold Buckle Futurities World Finals, and (6) the 4 & Under Breakaway at the 2027 Gold Buckle Futurities World Finals, each held in 2027. The 4 & Under Heading and the 4 & Under Heeling are separate Qualified Competitions, and the full payment schedule below applies to each independently; the heading and heeling payments are not divided between them.

PAYMENTS FROM INCENTIVE PROGRAM. If the Competing Horse places in the top five overall, against the entire field, in the finals of a Qualified Competition, TR shall disburse the following payments from the Incentive Program, with the owner of the Competing Horse receiving 2/3 of the total payment specified below to be split with the trainer/rider pursuant to their own agreement and the breeder of record on the Competing Horse’s AQHA registration papers receiving 1/3 of the total payment specified below:

NCHA Open	1 st place:	2 nd place:	3 rd place:	4 th place:	5 th place:
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Futurity	\$500,000	\$150,000	\$120,000	\$100,000	\$75,000
NRCHA Snaffle Bit Futurity (Open)	1 st place: \$350,000	2 nd place: \$75,000	3 rd place: \$50,000	4 th place: \$35,000	5 th place: \$25,000
NRHA Futurity (Level 4 Open)	1 st place: \$350,000	2 nd place: \$75,000	3 rd place: \$50,000	4 th place: \$35,000	5 th place: \$25,000
Gold Buckle Futurities World Finals 4 & Under Heading	1 st place: \$125,000	2 nd place: \$40,000	3 rd place: \$25,000	4 th place: \$20,000	5 th place: \$15,000
Gold Buckle Futurities World Finals 4 & Under Heeling	1 st place: \$125,000	2 nd place: \$40,000	3 rd place: \$25,000	4 th place: \$20,000	5 th place: \$15,000
Gold Buckle Futurities World Finals 4 & Under Breakaway	1 st place: \$125,000	2 nd place: \$40,000	3 rd place: \$25,000	4 th place: \$20,000	5 th place: \$15,000

Payments under this section are contingent performance payments. They are earned only if a Competing Horse places in the top five overall in the finals of a Qualified Competition. TR does not guarantee that any payment under this section will be made in any year, and no unearned amount carries over or is paid to any other party.

If a Competing Horse ties with one or more horses for a top five place in a Qualified Competition, the Incentive Program payment amounts for the tied placing and the next lower placing(s) that would have been occupied shall be combined and divided equally among the tied horses; however, only Competing Horses shall receive their share of the Incentive Program payment. A placing below 5th shall be valued at zero. All payments from the Incentive Program shall be in addition to any other prize money offered by the Qualified Competition. If a Competing Horse is disqualified from the Qualified Competition, no Incentive Program payment is earned, and any Incentive Program payment already made prior to the disqualification determination must be refunded by the Competing Horse owner to the Incentive Program.

RIATA CHAMPIONSHIPS GUARANTEED PAYMENT. In addition to the payments above, TR shall pay a total of \$100,000 (the “**Riata Guaranteed Payment**”) to the three Riata Eligible Horses with the highest earnings at the 2027 Riata Championships, as reported in the official results of the 2027 Riata

Championships. Earnings in every class held as part of the 2027 Riata Championships count, including the Rope Horse Rewards ropings. A **“Riata Eligible Horse”** is a horse that (a) is sired by a TR Stallion; (b) holds a current Riata nomination; (c) is owned, or ridden at the 2027 Riata Championships, by a person who has purchased a 2027 TR Stallion breeding that meets the requirements of condition (a) of the eligibility section above, applied to that person; and (d) is registered with TR as provided below. The Riata Guaranteed Payment shall be paid \$50,000 to the Riata Eligible Horse with the highest earnings, \$30,000 to the second highest and \$20,000 to the third highest, in each case with the owner receiving 2/3, to be split with the trainer/rider pursuant to their own agreement, and the breeder of record on the horse’s AQHA registration papers receiving 1/3. Ties in earnings shall be handled in the same manner as ties in a Qualified Competition. Unlike the payments above, the Riata Guaranteed Payment will be paid in full for 2027. If fewer than three Riata Eligible Horses earn money at the 2027 Riata Championships, the unawarded portion shall be paid as ground money, divided equally among the Riata Eligible Horses that competed at the 2027 Riata Championships.

REGISTRATION OF COMPETING HORSE IN INCENTIVE PROGRAM. Prior to entering a Qualified Competition, the owner of the Competing Horse is required to register the Competing Horse in the Incentive Program by submitting the online registration form available at theoremranch.com to TR at least thirty (30) days prior to the start date of the Qualified Competition. Upon TR’s acceptance of the registration, the Competing Horse will be eligible for the Incentive Program payments as set forth above. If the Competing Horse is not registered with TR at least thirty (30) days prior to the start date of the Qualified Competition, the Competing Horse is not eligible for the Incentive Program payments. The same registration requirement applies to each Riata Eligible Horse, measured from the start date of the 2027 Riata Championships, and that registration may be submitted by the owner or by the rider who purchased the qualifying 2027 TR Stallion breeding.