



KEENELAND SEPTEMBER BONUS PROGRAM FREQUENTLY ASKED QUESTIONS

How does the Keeneland September Bonus Program work?

SELLER BONUS

Sellers receive cash rewards for yearlings that were sold at the Keeneland September Yearling Sale based on the following:

- Win a Grade/Group 1 = Receive \$10,000*
- Win a Grade/Group 2 = Receive \$7,500 •
- Win a Grade/Group 3 = Receive \$5,000

**Book 1 graduates who win a Grade/Group 1 will receive the Book 1 Bonus in lieu of the Seller Bonus. Book 1 graduates may receive the Seller Bonus for a Grade/Group 2 or Grade/Group 3 win.*

BOOK 1 BONUS

A horse sold in Book 1 at the September Sale will earn 1 bonus in the event of their first Grade/Group 1 win worldwide. If a Grade 1 win occurs at Keeneland, the graduate will earn two bonus rewards. Additional rewards are earned for a maximum of two Keeneland Grade 1 wins, resulting in up to four total bonus rewards or \$500,000 per horse per year.

What horses are eligible?

The Keeneland September Bonus Program applies to graduates of the 2017 September Sale onward.

Which graded/group stakes races are included in the program?

A graded/group stakes win in the following IFHA part 1 countries at age two or three qualifies for the Keeneland September Bonus Program: United States, Canada, Argentina, Australia, Brazil, Chile, France, Germany, Great Britain, Hong Kong, Ireland, Italy, Japan, New Zealand, Peru, South Africa, and United Arab Emirates. The Toyota Blue Grass (G2) at Keeneland is also eligible for the Book 1 Bonus.

Who are the bonuses paid to?

SELLER BONUS

Payouts are distributed to the owner of the horse at the time of sale.

BOOK 1 BONUS

In the event of a Grade 1 win at Keeneland, the seller will receive 40% of the rewards payout and the owner will receive 60%. In the event of a non-Keeneland Grade 1 win, the seller will receive 60% of the rewards payout and the owner will receive 40%.

A "seller" is designated as the owner of record at the time of sale at the September Sale. An "owner" is the horse's racing ownership entity at the time of the win.

If bonuses are capped at \$500,000 per horse for the Book 1 Bonus, how will this be distributed?

Preference is given in chronological order based on the first Grade 1 win, following in chronological order until the \$500,000 threshold is reached.

Do I earn a bonus for each graded stakes win?

SELLER BONUS

Yes, you may earn rewards for multiple graded/group stakes wins, up to the \$10,000 maximum payout per horse.

BOOK 1 BONUS

A bonus is awarded for the first worldwide Grade/Group 1 win in a calendar year. Bonus rewards can be earned for additional Grade 1 wins at Keeneland or a win in the Toyota Blue Grass (G2), up to four total bonus rewards lifetime or a \$500,000 payout per horse each year.

If my horse wins more than one Grade/Group 1, will I continue to accumulate the Book 1 Bonus?

A horse will earn 1 bonus on the first Grade/Group 1 win worldwide. Subsequent bonus rewards may be earned only in the event that the win occurs at Keeneland (up to four total bonus rewards).

If my horse wins a graded stakes race at two and three, will I earn rewards in two calendar years?

SELLER BONUS

It is possible to earn rewards over the course of two years for multiple graded/group stakes wins, with a maximum lifetime payout of \$10,000 per horse.

BOOK 1 BONUS

There are two scenarios in which this would be possible. The first would happen should you win a Grade 1 or the Toyota Blue Grass (G2) at Keeneland. For example, if your first Grade 1 win occurs at Del Mar at two, and your

second at Keeneland as a three-year-old, you would earn a total of three bonus rewards over the course of the horse's campaign. This is also possible should you win a Keeneland Grade 1 at two and three, resulting in four Book 1 Bonuses. The second scenario in which this would occur would be if a Book 1 graduate wins a Grade/Group 1 in one year and another graded/group stakes race during the other year. Payouts would occur through both the Book 1 Bonus and Seller Bonus.

What is the maximum amount of bonus money paid?

SELLER BONUS

A horse is eligible for up to \$10,000 in bonus rewards lifetime as a result of graded stakes wins during its two- and three-year-old seasons.

BOOK 1 BONUS

A horse is eligible for up to \$500,000 in rewards each calendar year during its two- and three-year-old seasons, divided at the designated percentage between the seller and current owner.

Does the Book 1 Bonus pool amount apply to the year of racing or year of sale?

The pool amount applies to the year in which the horse is racing. Rewards run on an annual calendar basis, from January through December.

When will the Keeneland September Bonus Program be paid?




Rewards will be paid out to recipients the following September in a celebration directly before the September Yearling Sale.

Do bonuses apply to RNAs?

Rewards only apply to those horses who sold at the Keeneland September Sale from 2017 onward. This includes private sales that Keeneland managed. RNAs are not included.

KEENELAND SEPTEMBER SALE BONUS PROGRAM

The following provides example payouts of the Keeneland September Sale Bonus Program for various scenarios.

	1 KEENELAND SOLD	2 2-YEAR-OLD CAMPAIGN	3 3-YEAR-OLD CAMPAIGN	\$ SEPTMBER BONUS PAYOUTS												
 HORSE A	Sold in Book 1	<u>WORLDWIDE GRADE 1 WIN</u> BOOK 1 BONUS	<u>GRADE 2 WIN</u> \$7,500 Seller Bonus Value	<table border="0"> <tr> <td><u>SELLER</u></td> <td><u>OWNER</u></td> </tr> <tr> <td>60 %</td> <td>40%</td> </tr> <tr> <td>Book 1 Bonus* Payout</td> <td>Book 1 Bonus* Payout</td> </tr> <tr> <td colspan="2" style="text-align: center;">+</td> </tr> <tr> <td colspan="2" style="text-align: center;">\$7,500</td> </tr> <tr> <td colspan="2" style="text-align: center;">Seller Bonus Payout</td> </tr> </table> <p><small>*Book 1 Bonus Pool to be divided among G1 winners from Book 1 for racing in 2018. Book 1 Bonus pool \$750,000 in 2018 and \$1.5 million in 2019.</small></p>	<u>SELLER</u>	<u>OWNER</u>	60 %	40%	Book 1 Bonus* Payout	Book 1 Bonus* Payout	+		\$7,500		Seller Bonus Payout	
<u>SELLER</u>	<u>OWNER</u>															
60 %	40%															
Book 1 Bonus* Payout	Book 1 Bonus* Payout															
+																
\$7,500																
Seller Bonus Payout																
 HORSE B	Sold in Book 2		<u>GRADE 1 WIN</u> \$10,000 Seller Bonus Value	<u>SELLER</u> \$10,000 Seller Bonus Payout												
 HORSE C	Sold in Book 3	<u>GRADE 3 WIN</u> \$5,000 Seller Bonus Value	<u>GRADE 2 WIN</u> \$7,500 Seller Bonus Value	<u>SELLER</u> \$10,000* Seller Bonus Payout												

*Maximum Seller Bonus payout \$10,000 per horse.