



RULES AND REGULATIONS

GENERAL RULES

- 1) The NAERIC Advantage® program reserves the right to modify the rules of this program to ensure that the original intent of the program does not become circumvented. Issues not addressed these rules, will be dealt with on a case-by-case basis. Questions should be put in writing and mailed or faxed a minimum of 21 days prior to the next scheduled NAERIC Advantage® Advisory Committee meeting. The Advisory Committee meets on a quarterly basis. The Advisory Committee makes recommendations to the NAERIC Board of Directors. The NAERIC Board of Directors, at their next regularly scheduled board meeting, will make final approval of program rules.
- 2) NAERIC reserves the right to alter the conditions of all or part of the NAERIC Advantage® as it, in its sole discretion, determines to ensure fairness and equality to all participants.
- 3) The NAERIC Board of Directors shall decide all disputes arising out of the application or interpretation of any rules or conditions of the NAERIC Advantage®.
- 4) An entrant is ineligible to participate in the NAERIC Advantage® when prohibited by law because of legal residence, situs of approved event, or any other basis, and all or the prohibited portion of earned points or purse money will not be eligible for matching payouts.
- 5) All correspondence may be based upon postmarked, e-mail or facsimile transmission date.
- 6) Fraudulent practices may serve as a basis to terminate NAERIC and local association memberships.
- 7) Documentation of fraudulent practices will be referred to Pfizer.
- 8) Fraudulent practices may serve as a basis to terminate NAERIC and Local Association memberships.
- 9) Suspension of the right to register horses with NAERIC will be instituted for violation of NAERIC Advantage® rules.
- 10) Ranchers forfeit the right to register horses with NAERIC on the date their contract is terminated or the last shipping date of the contract.
- 11) A listing of all horses registered with NAERIC will appear on NAERIC's web site, www.naeric.org.

HORSE APPROVAL

- 1) January 1 serves as the official birthday of horses.
- 2) Horses foaled prior to 1995 are ineligible.
- 3) Foals of 1995, 1996 and 1997, registered with a breed registry, whose breeder of record (owner of mare at time of service) could be verified as: 1) a member of NAERIC and their local association at the time of nomination, and; 2) a member of NAERIC and their local association in the year the foal was conceived and foaled, were eligible for the program under "grandfather" status. In order to qualify under grandfather status eligibility, registration with NAERIC had to be completed by December 31, 1998.

- 4) Non-registered foals of 1995, 1996 and 1997 were considered on a case-by-case basis under grandfather status until December 31, 1998.
- 5) "Grandfathered" horses registered with a breed registry and owned by a NAERIC member at the time of registration with NAERIC did not need to be electronically identified. "Grandfathered" horses owned by non-NAERIC members were required to be electronically identified.
- 6) A foal, registered with a breed registry, whose owner of the dam at time of service (breeder of record) can be verified as: 1) a current member of NAERIC and their local association, and; 2) a member of NAERIC and their local association in the year the foal was conceived and foaled, is eligible for the program until April 30 of the it's yearling year.
- 7) Member ranchers, applying for registration with NAERIC for non-registered foals, must be the owner of the foal's dam at the time of conception, foaling and application to NAERIC.
- 8) Horses not registered with a breed registry must be electronically identified.
- 9) Each horse must complete all requirements of the NAERIC registration process by deadline dates to be enrolled in the NAERIC Advantage[®]. Required elements are:
 - a) A completed Application for Registration for the current year.
 - b) A copy of the horse's registration papers if the horse is registered with a recognized breed registry.
 - c) The implantation of an approved microchip by the rancher (breeder) if the horse is not registered with a recognized breed registry.
 - d) Payment of fees due including any outstanding fees from previous years.
- 10) As of January 1, 1999, applications for foals of 1999 and later must be made to the Incentive Program prior to:
 - a) Eligibility for payout in any NAERIC-approved event
 - b) Transfer of ownership (Transfer of ownership occurs when the check clears the bank. NAERIC Applications for horses sold must be entered online at www.naeric.org no later than the 1st business day after the sale.)
 - c) Permanently leaving the ranchIn no case will a NAERIC Advantage[®] application be accepted after April 30 of an eligible horse's yearling year. After an application for a horse is submitted to NAERIC, the horse must be paid for. Neither credits nor refunds will be issued.
- 11) Offspring of leased mares will not be eligible for the NAERIC Advantage[®].

EVENT APPROVAL

- 1) Events limiting participation to a certain group, where membership to that group is closed, will not be eligible for payouts.
- 2) Application materials for events to be considered for any year must be submitted electronically via the NAERIC web site 30 prior to the event. All approved events, for any given year, will be posted to www.naeric.org as soon as possible after approval.

RANCH APPROVAL

- 1) Beginning on June 1, 1998, and each successive June 1, only ranchers that are NAERIC and local association members, and have a contract with Pfizer Organics can register horses with NAERIC.
- 2) A contract holder's immediate family, including his/her spouse and children will be eligible to nominate horses if they "materially participate" (according to IRS regulations) in the management of the ranch.

- 3) In the case of partnerships, all parties must meet the eligibility requirements set forth under the Ranch Approval Process in order to nominate horses.

PAYOUTS

- 1) Starting year for NAERIC Advantage[®] approved events was 2006. NAERIC registered horses competing at approved events are eligible for payouts after payout applications are electronically submitted to NAERIC via the NAERIC web site, www.naeric.org and required documentation is received at the NAERIC office.
- 2) In order to qualify for payouts, approved horses and events must meet all eligibility requirements established by the governing body which oversees the event. Payouts will be made in Canadian dollars (CD) if the original purse was in CD. Payouts will be made in United States dollars (USD) if the original purse was in USD.
- 3) Payouts made, to teams of horses, will be prorated based upon the number of approved horses comprising the team. For example, a six-horse hitch that earns a \$1,000 purse and is comprised of three approved horses, will receive a NAERIC Advantage[®] payout in the amount of \$500 (3/6 or 50% of the \$1,000 purse).
- 4) For a NAERIC horse used multiple times in one class at an event, NAERIC will match only the highest payout.
- 5) Payouts will be made according to the details listed for each event on the NAERIC site. No payouts will be made for qualifying rounds, showmanship, bareback riding, lead line and equitation or horsemanship type classes. The NAERIC Advantage[®] Advisory Committee and NAERIC Board of Directors will make final decisions regarding placing payouts, at individual events.
- 6) NAERIC Advantage[®] payouts will be made based upon, but not be limited to, official show results confirming horses' participation, placings and a copy of the purse check from the approved event.
- 7) The NAERIC horse must be identified in the show results with the horse's name as it appears on the breed registry papers and on the NAERIC certificate. A grade horse should be identified in show results with the name as it appears on the NAERIC certificate.
- 8) Payout checks will be issued beginning February 1 of the year following the previous year's approved events.
- 9) Beginning with events of 2017, payout applications must be submitted in the owner's name as it appears on the breed registry papers or the legal lessee's name as it appears on a legal lease agreement although others may exhibit the horse. Papers must be submitted by fax, email, or mail when the NAERIC Advantage payout is submitted via the NAERIC web site. Payout checks will be made payable to the owner of record or the legal registered lessee.