FORM OF SAFE — MILESTONE-TRANCHED

DRAFT v0.2 — FOR DISCUSSION ONLY. This document is a working draft published for transparency with the rest of the data room. It has not been reviewed by counsel, the issuing entity has not yet been formed, and nothing in it is an offer to sell or a solicitation of an offer to buy securities. Any investment would be made solely pursuant to definitive documentation following legal review and verification of investor accreditation.

How to read this draft. This is a Y Combinator–style post-money SAFE, customized into a milestone-tranched master instrument that implements the recommended pricing scenario from the Season Economics Workbook (v0.3, “Cap Table Scenarios”): five tranches priced as the championship proves out, with capital released only against delivered seasons — the same “tranches released against delivery” rule published throughout this data room. Each funded tranche converts on its own valuation cap, so the program prices each season of proof rather than the whole $100M at day-one risk. Any tranche may instead close as a priced preferred financing (Section 1.4) — the expected path for the later, larger tranches.

SIMPLE AGREEMENT FOR FUTURE EQUITY

(POST-MONEY VALUATION CAP · MILESTONE-TRANCHED PROGRAM)

THIS CERTIFIES THAT in exchange for the payment by **[INVESTOR NAME]** (the “**Investor**”) of the Purchase Amount (as defined below, funded in tranches as set forth in **Schedule A**), on or about [DATE], **GT Global Championship, Inc.**, a Delaware corporation to be formed (the “**Company**”), issues to the Investor the right to certain shares of the Company’s Capital Stock, subject to the terms described below.

The “**Post-Money Valuation Cap**” applicable to each Tranche is set forth in Schedule A. Where this instrument is silent, the terms of the standard Y Combinator Post-Money SAFE (Valuation Cap, No Discount) govern by incorporation.

1. Purchase Amount; Tranches

1.1 Program. The aggregate “**Purchase Amount**” is up to **US $100,000,000**, funded in five tranches (“**Tranches**”) per Schedule A. Only amounts actually funded constitute the Purchase Amount for conversion purposes.

1.2 Tranche funding. The Investor shall fund each Tranche within thirty (30) days after the Company delivers a **Milestone Certificate** (Schedule B) certifying satisfaction of the Milestone Conditions for that Tranche, accompanied by the supporting materials described in Schedule B. Tranche 1 is due at signing, subject only to the Closing Conditions in Section 1.5.

1.3 Separate conversion economics. Each funded Tranche shall be treated for all conversion, repurchase, and payout purposes as if it were a separate SAFE with a Purchase Amount equal to the amount funded under that Tranche and a Post-Money Valuation Cap equal to that Tranche’s cap in Schedule A.

1.4 Failure to fund; priced-round substitution. (a) If the Investor fails to fund a Tranche when due, the Company’s obligations with respect to that and all subsequent Tranches terminate, all previously funded Tranches remain outstanding on their terms, and the Company may offer the unfunded capacity to any party. (b) Any Tranche may instead be consummated as a priced preferred-stock financing on mutually agreed terms; in that event this instrument terminates as to that and subsequent Tranches, and previously funded Tranches convert in that financing as an Equity Financing under Section 2.

1.5 Closing Conditions (Tranche 1). (i) Certificate of incorporation and good standing of the Company; (ii) assignment to the Company of the championship intellectual property (marks, domains, media library, national-rights architecture); (iii) accredited-investor verification of the Investor reasonably satisfactory to Company counsel; (iv) this instrument duly executed.

2. Events

2.1 Equity Financing. If there is an Equity Financing before the termination of this Safe, on the initial closing of such Equity Financing, this Safe (as to each funded Tranche) will automatically convert into the number of shares of Safe Preferred Stock equal to the funded amount of such Tranche divided by that Tranche's **Conversion Price** — the price per share equal to the Tranche's Post-Money Valuation Cap divided by the Company Capitalization (defined per the standard YC post-money SAFE, including all converting securities, the Unissued Option Pool, and shares issuable on conversion of all Safes, measured immediately prior to the Equity Financing).

2.2 Liquidity Event. If there is a Liquidity Event before termination, the Investor will, at its option, either (i) receive a cash payment equal to the funded Purchase Amount, or (ii) receive shares of Common Stock per the standard conversion mechanics, per Tranche, at the applicable Tranche cap. Unfunded Tranches terminate on a Liquidity Event.

2.3 Dissolution Event. If there is a Dissolution Event before termination, the Investor is entitled to receive the funded Purchase Amount, due and payable immediately prior to the consummation of the Dissolution Event, pari passu with other Safes and senior to Common Stock, per the standard liquidation priority.

2.4 Termination. This Safe terminates (per Tranche) upon conversion or payout under Sections 2.1–2.3, and in its entirety upon the earlier of full conversion or payout of all funded Tranches and written agreement of the parties.

3. Definitions

Terms not defined herein carry the meanings in the standard YC Post-Money SAFE: "Capital Stock", "Company Capitalization", "Converting Securities", "Dissolution Event", "Equity Financing", "Liquidity Event", "Safe Preferred Stock", "Unissued Option Pool". "**Season**" means a championship year of nine scheduled race weekends. "**Milestone Conditions**" means, per Tranche, the conditions in Schedule B.

4. Company Representations

Standard YC representations (due organization, authorization, no conflicts, no consents beyond securities filings), plus:

4.1 The Company has delivered to the Investor the Season Economics Workbook and the data-room materials at gtglobalchamp.com/data-room, and such materials are the Company's good-faith planning estimates; **they are aspirational projections, not guarantees**, and as of the date hereof only Road Atlanta is a confirmed venue.

4.2 The Company is the owner or exclusive licensee of the championship marks and the national-rights architecture described in the data room, and no country license has been granted except as disclosed on Schedule C.

5. Company Covenants (while any Tranche is outstanding)

5.1 Use of proceeds. Proceeds of each Tranche shall be applied substantially per the Use of Funds plan (data room; workbook v0.3): circuit and operations costs, the prize program, the media program, and reserve — consistent with the published five-year drawdown for that Season.

5.2 Purse escrow. No later than sixty (60) days before the first race weekend of each Season, the Company shall fund a segregated escrow account with the full Season prize fund (currently $3,750,000: $250,000 per round, the $1,000,000 champion's fund, and the $500,000 Nations Champion's Fund), disbursable only as prize payments.

5.3 No founder liquidity. No proceeds of any Tranche shall be used to repurchase, redeem, or otherwise provide liquidity for shares held by founders or management, and no founder salary shall exceed the amount in the operating budget approved with the applicable Milestone Certificate.

5.4 Information rights. Quarterly unaudited financials within 45 days; annual financials within 120 days; prompt notice of any event making a Milestone Condition unachievable; the Milestone Certificate package per Schedule B.

5.5 Board observer. For so long as the Investor's aggregate funded amount is at least $12,000,000, the Investor may designate one non-voting observer to the Company's board of directors, subject to customary confidentiality and conflict carve-outs.

5.6 Rights retention. The Company shall not sell or exclusively license, in perpetuity, the championship's country marks, team identities, or media rights architecture other than term licenses consistent with the national-partners program, without the Investor's consent (not to be unreasonably withheld).

6. Investor Rights

6.1 Pro rata. The Investor shall have the right to purchase its pro-rata share of Standard Preferred Stock in the Equity Financing (pro rata measured on conversion of all funded Tranches), on the same terms as other purchasers.

6.2 MFN. If, before the Equity Financing, the Company issues any Safe or convertible instrument with terms more favorable than this instrument (judged per Tranche), the Company will provide notice and, at the Investor's election, amend this instrument to reflect such terms.

7. Investor Representations

Standard: accredited investor under Rule 501 of Regulation D; purchase for the Investor's own account and not for distribution; ability to bear the economic risk; understanding that the securities are unregistered and illiquid; acknowledgment of the aspirational-stage disclosures in Section 4.1.

8. Miscellaneous

Standard YC provisions: no voting or dividend rights prior to conversion; intended equity tax treatment; amendment by written consent of the Company and holders of a majority of funded amounts under the program; assignment restricted to Investor affiliates; notices; severability; governing law: Delaware; counterparts and electronic signature.

SCHEDULE A — TRANCHES AND VALUATION CAPS

TRANCHE	SEASON	AMOUNT	POST-MONEY VALUATION CAP	IMPLIED NEW-MONEY %
T1	2027 — Launch	**$12,000,000**	**$42,000,000**	**28.6%**
T2	2028 — Amplify	**$16,000,000**	**$96,000,000**	**16.7%**
T3	2029 — Full program	**$20,000,000**	**$170,000,000**	**11.8%**
T4	2030 — Expand	**$24,000,000**	**$274,000,000**	**8.8%**
T5	2031 — Franchise	**$28,000,000**	**$428,000,000**	**6.5%**
Total	**Five seasons**	**$100,000,000**	**—**	**~55% aggregate if all five fund at cap**

Caps implement the workbook's recommended tranched scenario and are a negotiation surface, not fixed terms; an employee option pool is not yet modeled and would be created before papering.

Schedule A-2 — Lead-Investor Variant (Fixed-Percentage Program)

For a lead or anchor investor committing the full program, the parties may instead paper this instrument as a **fixed-percentage program** (workbook v0.4, Scenario D): the Investor receives a fixed equity percentage per funded Tranche — indicatively 8.0% / 6.5% / 5.5% / 4.5% / 3.5% for the five Tranches (28.0% aggregate for the full $100,000,000) — in lieu of per-Tranche valuation caps, with all Milestone Conditions, covenants, and closing conditions unchanged. Under this variant: (i) the founder holds a minimum 60% ownership floor throughout the program; (ii) a follow-on reserve of authorized-unissued shares absorbs syndication before any pro-rata dilution of the investor pool; (iii) any early return of lead capital is at the Investor's election and is funded exclusively from over-subscription above the $100,000,000 program target — base program capital is never used, preserving the use-of-proceeds and no-founder-liquidity covenants; and (iv) where the Investor is a strategic or related party, an independent valuation is obtained at definitive documentation.

SCHEDULE B — MILESTONE CONDITIONS

- **T1 (signing):** Closing Conditions in Section 1.5 only.

- **T2:** 2027 Season delivered — all nine rounds run as exclusive weekends; at least [12] full-season GT3 entries completed the Season; the full prize fund paid from escrow (payment records); season documentary and media library delivered.
- **T3:** 2028 Season delivered per T2 standards, plus the world feed live for all rounds and at least [2] national programs (any tier) on the grid for the full Season.
- **T4:** 2029 Season delivered; paid-media program executed per plan; at least [6] nations scored in the Nations Trophy.
- **T5:** 2030 Season delivered; at least [8] nations (the Country-Class gate); franchise and identity program terms approved by the board.
- **Certificate package:** officer's certificate; race-by-race results; escrow disbursement records; entry list; media deliverables log; updated workbook actuals against plan.
- **Cure:** if a Season falls short in part (e.g., eight of nine rounds run), the parties negotiate in good faith a reduced or delayed Tranche; force majeure (weather cancellations rescheduled within the Season) does not constitute failure.

SCHEDULE C — DISCLOSED LICENSES

None as of the date hereof.