



17th August 2012.

'2012' RACECOURSE AGREEMENTS

(On-Course Bookmakers Please Note)

With a couple of weeks to go before the deadline for having contracts in place, agreements have been reached with all English and Welsh racecourses. The basic principles of the agreements have also been reached with the Scottish racecourses although the paperwork has been delayed due to the last minute request that these contracts be drawn up subject to Scottish law.

This means that come 1st September, and against all odds, bookmakers will still be betting from pitches and be entitled to sell their assets despite the unintended consequence of the 2005 Gambling Act, the notice of eviction and confiscation of our pitches, and a total reluctance on the part of either Government to legislate on our behalf.

The result is very much at the top end of our expectations and has taken an enormous amount of time and hard work in getting everything done. It seems a long time ago now but back in 2007 the RCA stated very clearly that there was no way we would retain either our businesses or investments, but we have.

Due to the way that the Government drafted the 2005 Act the old rules disappeared. The negotiations have not been a matter of tweaking existing terms, there were no existing terms, the old rules had gone and it was a matter of persuading the racecourses to go back on their very public statements and starting from scratch, negotiate the first ever commercial contracts with bookmakers.

No doubt embarrassed and surprised by our tenacity the opening salvo contained very punitive commercial terms and it has taken many meetings since to get to where we are now.

Initially the requests were for double figure multiples, payment in absence as per the Irish model, short periods of variable tenure dependent upon list positions, write off of all opt in positions, extremely high transfer commissions and a multitude of other demands.

Relationships between the two sides were very strained at the start of the negotiations and not helped by the fact that our side won hands down when both sides appeared before the DCMS select committee. The RCA team had to play "hard ball" in order to save face.

As the talks have developed, relationships between bookmakers and racecourses have improved to the extent that they are arguably the best now that they have been for decades and we can look forward to a period of working together for our mutual benefits.

(continued)



The Federation of Racecourse Bookmakers Limited

Association of
Racecourse Bookmakers

National Association
of Bookmakers

Rails Bookmakers
Association



In order so as not to experience difficulties post 1/9 it is important that licences are signed and returned as soon as possible. The exact commercial terms of each licence are contained within and these are the terms and rules that we will all have to work with for many years to come. There are no more negotiations. Everyone who takes the trouble to read their licences, which is very much advised, or seeks independent legal advice, will now be in possession of the full facts. These terms are not just for the next few months, they are for 40+ years.

For those who are still not sure –

**ALL CONTRACTS ARE FOR A MINIMUM OF 40 YEARS.
ALL CONTRACTS INCLUDE DISPUTE RESOLUTION.
ALL CONTRACTS PROVIDE FOR NEW AREAS BEING FILLED FROM EXISTING LISTS.**

The other commercial terms are specific to each contract, but in general terms –

Betting Badge Multiples

Most days will remain as now at x5, weekends and evenings will be x6 and at some of the bigger courses some days will be x7 or x8.

Annual Fees

Most contracts include for the payment of an annual fee per position within the numbers and only if used for those outside the numbers.

Sales Commissions

Most contracts allow for the payment of 9.6% (including VAT) to the racecourse. This will replace the lump sum fees currently paid to AGT.

Wi Fi

Ascot are to make a charge of between £5 and £10 per day for those that wish to use their Wi Fi system, but contrary to earlier proposals, bookmakers will not have to contribute to the capital cost of any upgrade to their Wi Fi system.

Data Rights

After protracted negotiations we eventually reached agreement that entitles the FRB to continue to sell our data to third parties.

Each licence tells you everything that you need to know, read through them carefully and/or take legal advice.

It is your decision whether to sign or not. The recommendation is to sign but you are at liberty to do nothing and/or contact the racecourses/racecourse groups directly.

***Federation of Racecourse Bookmakers Ltd.
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