

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

CONDITIONS OF SALE FOR ONLINE AUCTIONS OF BOOKMAKERS' LIST POSITIONS

Online Auctions are conducted on behalf of Administration of Gambling on Tracks Limited (AGT) and are subject to the following conditions of sale: -

1. DEFINITIONS

In these conditions of sale the following expressions shall have the following meanings: -

- 1.1.1 "Auctioneers" means AGT acting for itself or through its agents via its website. The Auctioneers act as agent for the Vendor and any sale will result in a contract made directly between the Vendor and the Purchaser.
- 1.1.2 "Licensed Operator" means a Licensed Operator as approved by the Gambling Commission, who has registered with AGT for an Identification Card and who has registered a user name and password for access to the AGT website.
- 1.1.3 "List Position" means a Licensed Operator's position relative to other Licensed Operators on the bookmakers' list maintained by AGT for a particular betting ring at a racecourse, entitling him to select, in numerical order commencing at number one, a designated pitch at which to stand his joint.
- 1.1.4 "Lot" means the List Position or List Positions offered for Online Auction. Where a Lot comprises more than one List Position, the List Positions will be sold as one Lot.
- 1.1.5 "Purchaser" means the Licensed Operator who makes the highest bid accepted by the Auctioneers.
- 1.1.6 "Sale Proceeds" means the Winning Bid of the Lot received by the Auctioneers in cleared funds, less the Transfer Administration fee.
- 1.1.7 "Total Amount Due" means the Winning Bid amount payable to AGT for the relevant Lot sold, together with the Transfer Registration Fee and any interest due, plus Value Added Tax where applicable.
- 1.1.8 "Transfer Administration Fee" means five percent (5%) of the Winning Bid plus Value Added Tax payable to AGT.
- 1.1.9 "Transfer Registration Fee" means the fee payable by the Purchaser for the registration by AGT of each List Position in any Lot, in accordance with the scale of charges laid out on section 9.2 of these Conditions of Sale.
- 1.1.10 "Transfer Window" means the period during which the relevant racecourse has approved the transfer of List Positions.
- 1.1.11 "Vendor" means the Licensed Operator entering the List Position(s) in the Online Auction.

1.1.12 "Winning Bid" means the highest bid that is placed and successfully executed prior to the end of the Online Auction, measured in pounds sterling and inclusive of Value Added Tax. It excludes any Transfer Registration Fee.

1.2 In these Conditions of Sale: -

1.2.1 The expression "person" shall include a body corporate and words importing gender include both genders.

1.2.2 Expressions in the singular shall include the plural and vice versa where applicable.

2. QUALIFYING LIST POSITIONS FOR SALE

2.1 Online Auctions are restricted to List Positions as detailed on the bookmakers' lists published by AGT at 30 June 2009, as amended by properly registered subsequent transfers. The sale of any Lots which are offered in error will be declared null and void.

2.2 List Positions sold at Online Auction must be within a current Transfer Window (i.e. during a Transfer Window which is open on the time and date of the advertised end of the Online Auction) agreed by the relevant racecourse. Please refer to the AGT website for an up to date list of current Transfer Windows.

3. EXCLUSION OF LIABILITY

3.1 Save as set out expressly in these conditions of sale, the Auctioneers give no guarantee or warranties to the Vendor or the Purchaser and any implied warranties or conditions are excluded (save in so far as such obligations cannot be excluded by statute).

3.2 Any representations, written or oral and including those in any report or commentary in relation to a List Position are those of the Vendor, may be revised prior to the commencement of the Online Auction. No employee of the Auctioneers, nor any agent or director shall be liable for any errors or omissions in any such representations.

3.3 Where there is a dispute outstanding in respect of the status of any List Position on a bookmakers' list, it is the responsibility of the Purchaser to satisfy himself whether the outcome of any dispute may affect the List Position or any other List Position on the relevant bookmakers' list.

3.4 All List Positions are bought and sold on the basis that Purchasers and Vendors are aware of, understand and have taken into account the possible impact of the Gambling Act 2005 on the status of List Positions. Attention is also drawn specifically to the announcement made by the Racecourse Association (RCA) on 14 March 2007, which stated that racecourses would not recognise List Positions after 31 August 2012. All other representations regarding the status of List Positions are hereby excluded.

3.5 The Purchaser and Vendor both acknowledge and agree that entry of on-course bookmakers to any racecourse is subject to the Special Conditions E in force from time to time which are available at every badge box and are displayed on the AGT website. In particular, any List Position transferred will

be subject to the provisions of the Special Conditions E in the section headed 'Positions within Existing Betting Rings'.

- 3.6 All List Positions are bought and sold on the basis that Purchasers and Vendors are aware of, understand and have taken into account the possible impact of the Special Conditions E on the status of List Positions and other operating requirements.
- 3.7 Both the Purchaser and Vendor agree that they have no recourse against the RCA, individual racecourses or AGT in respect of any loss or damage arising in connection with the transactions that take place as a result of this Online Auction.
- 3.8 A List Position transfer shall not be effective on any bookmakers' list until the transfer has been duly registered by AGT (i.e. all documentation has been processed by the AGT office and all fees have cleared). All monies must be paid to AGT directly unless AGT gives its written permission to the contrary. No liability can be accepted by AGT for any loss sustained as a result of direct payments made between bookmakers.
- 3.9 Only Licensed Operators may bid for Lots. All other bidders are hereby excluded unless permitted under the provisions of clause 6.4 of these conditions of sale. All bids by persons who are not Licensed Operators will be disregarded and AGT shall not be liable in any way for such bids.

4. CONDUCT OF SALE

- 4.1 The Vendor may, prior to the Online Auction, notify the Auctioneers in writing of any reserve price for the relevant Lot. No Lot will be sold at less than the reserve price.
- 4.2 The Auctioneers may withdraw a Lot from the Online Auction without any liability if they reasonably believe that there is any dispute as to the relevant List Position.
- 4.3 The person who makes the Winning Bid shall be the Purchaser, provided always that the highest bid exceeds or matches any reserve price.
- 4.4 The Auctioneers will commence and advance the bidding in levels as pre-determined on the AGT website, having regard to the value of the Lot in the Online Auction, and of competing bids.
- 4.5 The Auctioneers have absolute discretion at any time during the course of the Online Auction without giving any reason to: -
 - 4.5.1 withdraw any Lot;
 - 4.5.2 re-offer a Lot for sale if the Auctioneers reasonably believe that there is an error or dispute; and/or
 - 4.5.3 take such other action as they reasonably think fit in the circumstances.
- 4.6 During the Online Auction, current highest bidders and Winning Bidders will remain anonymous and will only be identified by their chosen username.

4.7 The Auctioneers reserve the right to publicise the results of the Online Auction. In particular, the Auctioneers are obliged to inform the relevant racecourse and the Racecourse Association of the details of the sale.

5. VENDORS

5.1 By submitting a List Position for Online Auction using the prescribed entry form, Vendors signify unconditionally that they accept and will abide by these conditions of sale.

5.2 Each Lot submitted will attract an advance entry fee of £10 plus Value Added Tax. The entry fee is not refundable under any circumstances.

5.3 All Lots are submitted with immediate permission to trade, subject to receipt in cleared funds of the Total Amount Due and the provisions of these conditions of sale.

5.4 No Lot (or part of a Lot) may be withdrawn from the Online Auction by the Vendor once the sale has commenced on the AGT website.

5.5 AGT will make payment to the Vendor once cleared funds of the Total Amount Due are received from the Purchaser.

5.6 If cleared funds of the Total Amount Due have not been received within 14 days of the Online Auction, AGT will not make any payment to the Vendor and will invoke one or more of the provisions of Clause 10 of these conditions of sale.

5.7 A Vendor may not bid for any Lot offered by him at the Online Auction. If a Vendor is found to have bid for a Lot offered by him, including via third parties, the Auctioneers shall have the right to expel the Vendor from future Online Auctions and to disable his log-in details. At the Auctioneers' discretion, members of partnerships who wish to bid on Lots owned by the partnership may be excluded from this clause on written application.

5.8 The Auctioneers will endeavour to advise Vendors of the following events, using automated emails: -

- Your List Position has been listed for Online Auction;
- Your List Position has been sold; and
- Your List Position has not been sold.

5.9 The Auctioneers accept no responsibility, however, for the provision, accuracy or timeliness of such information.

5.10 Vendors must take all reasonable steps to avoid disclosing (whether deliberately or accidentally) their username and password to anyone else. All Lots entered where the Vendor's username and password have been entered correctly will be regarded as valid, whether or not authorised by the Vendor, and the Auctioneers shall not be liable for any claims in the event that the Vendor disclose their username or password to anyone else.

6. PURCHASERS

- 6.1 By bidding for a List Position in an Online Auction, Purchasers signify unconditionally that they accept and will abide by these conditions of sale. Bids are binding and may not be retracted, so bidders should take special care to ensure that bids are submitted appropriately. An 'are you sure?' prompt is included in the bidding process for this purpose.
- 6.2 It is the Purchaser's responsibility to undertake all investigations, enquiries and searches to satisfy himself that the List Positions offered in any Lot are as described and, in the event of any outstanding dispute affecting a List Position comprising all or part of any Lot, or in the event of any dispute affecting the bookmakers' list on which any List Position in which a prospective Purchaser is interested remains outstanding. Any prospective Purchaser must rely on his own judgement, enquiries and searches as to the effect of any outstanding dispute upon any List Position(s) contained in any Lot in which he is interested. The Purchaser will be deemed to have knowledge of all matters which he could reasonably have been expected to find out given his knowledge as a Licensed Operator and the exercise of due diligence.
- 6.3 Each List Position, in each Lot, will attract a Transfer Registration Fee of £50 plus Value Added Tax.
- 6.4 Any person who bids at the Online Auction is deemed to do so as principal and will be held personally and solely liable for that bid unless it has been previously agreed in writing that the bidder does so on behalf of an identified third party acceptable to the Auctioneers. In the circumstances so agreed, both the bidding agent and the third party will be jointly and severally liable for all obligations arising from the bid and the third party shall be bound by the conditions of sale by the bidding of his agent in the same way as if he were bidding personally.
- 6.5 Where non-compliant, malicious or otherwise inappropriate Winning Bids are received and subsequently disqualified under the provisions of clause 3.9 or any other clause in these conditions of sale, AGT reserves the right to offer the Lot to the next highest bidder, who is a Licensed Operator, provided that their bid equals or exceeds the reserve price.
- 6.6 The Auctioneers reserve the right, at their absolute discretion, to refuse to allow any person to participate in Online Auctions.
- 6.7 Purchasers should note that the racecourse determines the Bookmaker Number for each Betting Ring at each meeting. Bookmaker Numbers may increase or decrease at the racecourse's discretion. Racecourses are entitled to open new betting areas in accordance with their premises licence conditions.
- 6.8 The Auctioneers will make every attempt to advise bidders of the following events, using automated emails: -
- You are currently the highest bidder;
 - You've been outbid;
 - You won the List Position: and

- You didn't win the List Position.
- 6.9 The Auctioneers accept no responsibility, however, for the provision, accuracy or timeliness of such information.
- 6.10 Purchasers must take all reasonable steps to avoid disclosing (whether deliberately or accidentally) their username and password to anyone else. All Lots entered where the Purchaser's username and password have been entered correctly will be regarded as valid, whether or not authorised by the Purchaser, and the Auctioneers shall not be liable for any claims in the event that the Purchaser disclose their username or password to anyone else.

7. PAYMENT

- 7.1 Immediately after the end of the relevant Online Auction, during office hours, the Purchaser shall pay AGT by debit/credit card, electronically or by cheque drawn on the Purchaser's account at a United Kingdom bank or building society, in pounds sterling, the Total Amount Due. Payment will not be deemed to have been made until AGT has been notified by its bank that it is in receipt of cleared funds. No cash will be accepted unless expressly agreed in advance by AGT staff.

8. TRANSFER OF LIST POSITIONS

- 8.1 Title to the Lot sold will not pass to the Purchaser until the receipt of cleared funds and the transfer of the relevant List Positions have been recorded by AGT.
- 8.2 Subsequent to the registration of the List Position transfer, AGT will confirm the transfer to the Purchaser and Vendor in writing.

9. FEES

- 9.1 The Vendor will pay in advance the entry fee (£10 plus Value Added Tax) and the Transfer Administration Fee (5% of the Winning Bid plus Value Added Tax) to AGT. AGT is authorised to deduct the Transfer Administration Fee from the Total Amount Due received from the Purchaser.
- 9.2 The Purchaser shall pay the Transfer Registration Fee of £50 plus Value Added Tax for each List Position purchased in any Lot.
- 9.3 The Online Auction entry fee is not refundable under any circumstances.

10. REMEDIES FOR FAILURE TO COMPLETE THE TRANSFER OF THE LIST POSITION

If the Purchaser fails to pay the Total Amount Due on any Lot in accordance with these Conditions of Sale or is not a Licensed Operator, the Auctioneers may, at their sole discretion and without prejudice to any other rights which the Auctioneers and the Vendor may have, be entitled both on their own behalf, and as agent, for the Vendor to exercise any one or more of the following rights or remedies: -

- 10.1 commence proceedings for damages of breach of contract;

- 10.2 cancel the sale of the Lot or re-offer it for Online Auction;
- 10.3 reject at any future Online Auction any bids made by or on behalf of any Purchaser who has failed to complete the purchase of any List Position at any previous Online Auction;
- 10.4 charge the Purchaser interest at the rate of four percent (4%) per annum above the base lending rate quoted by HSBC from time to time on the Total Amount Due to the extent that it remains unpaid more than 14 days after the end date of the Online Auction.

11. WITHDRAWAL OF LOTS

- 11.1 The Auctioneers reserve the right to withdraw a Lot or any List Position forming part of a Lot from the sale without any liability to the Vendor where the Auctioneers reasonably believe that there is any doubt as to the entitlement to any List Position or;
 - 11.1.1 it is established that any of the Vendor's representations in offering any List Position for sale is inaccurate in any way; or
 - 11.1.2 the Vendor is in breach of any of the provisions of the Conditions of Sale in any respect; or
 - 11.1.3 the Online Auction at which it was proposed to sell the Lot is materially affected by technical issues for any reason (for instance, but not exhaustively, the online host/server being down for a significant period of the Online Auction or at the time when the Lot is due to end); or
 - 11.1.4 the Auctioneers become aware of any matters which would result in the List Position being offered for sale as a whole or part of any Lot being subject to change as a result of an appeal made by the Vendor or by any other Licensed Operator on the relevant bookmakers' list.

12. VALUE ADDED TAX

- 12.1 Where these Conditions of Sale refer to an obligation to make any payment by a Purchaser or a Vendor, the Purchaser or Vendor (as applicable) shall be liable to pay any Value Added Tax required by law. Where the Conditions of Sale give the Auctioneers a right to receive payment from a Purchaser or a Vendor, such rights should include the right to receive any Value Added Tax due.

13. WHOLE AGREEMENT

- 13.1 These Conditions of Sale form the whole agreement between the Auctioneers, the Purchaser and the Vendor and no variation shall be valid or binding unless specifically agreed in writing by or on behalf of the Auctioneers.

14. DISPUTES

- 14.1 Any dispute arising out of the sale of any Lot made in accordance with these Conditions of Sale shall be a dispute between the Vendor and the Purchaser.

15. GOVERNING LAW

15.1 These Conditions of Sale and any amendments shall be governed by and construed in accordance with English Law. The courts of England shall have exclusive jurisdiction over any disputes arising from these conditions of sale or any Online Auction or other transaction conducted pursuant to these conditions of sale.

16. NOTICES

16.1 Any notices required to be served pursuant to these Conditions of Sale to the Auctioneers must be made in writing and sent by first class post, by facsimile or by e-mail to the offices of AGT.

16.2 Any notices required to be given by the Auctioneers to a Purchaser or a Vendor pursuant to these Conditions of Sale shall be sent to the address given on the confirmation of entry or the Memorandum of Purchase Form by first class post, e-mail or facsimile.

16.3 Any notice given in accordance with this Condition shall be deemed to be received on the second day after posting or, where the notice is sent by hand or by facsimile, on the day of transmission. E-mailed notices shall be deemed to have been received immediately.

17. AMENDMENTS TO THESE CONDITIONS OF SALE

17.1 Nothing in these Conditions of Sale shall limit or restrict AGT's ability to make minor changes and to issue supplementary terms, which shall have immediate effect in relation to all subsequent Online Auctions.