

Conditions on Publication and Use of GRV RaceFields

Applicable from 1 February 2015

Introduction

Pursuant to section 2.5.19B of the *Gambling Regulation Act 2003* (VIC) (“**Act**”), a wagering service provider (“**WSP**”), unless exempted under section 2.5.19B(2) of the Act, must not publish, use or otherwise make available a Victorian greyhound race field (“**Race Fields**”) in the course of business unless it has obtained approval from Greyhound Racing Victoria (“**GRV**”) and complies with the conditions to which the approval is subject.

Pursuant to section 2.5.19D of the Act, this document sets out conditions applicable to any wagering service provider granted approval by GRV (“**Approved Entity**”) to use and publish Race Fields.

Fee Conditions

The Fee payable by the Approved Entity to GRV from 1 February 2015 until further notice is calculated as follows:

- 1.5% of the proportion of Eligible Turnover of the Approved Entity which relates to Parimutuel Betting; PLUS
- 2.0% of the proportion of Eligible Turnover of the Approved Entity which relates to Non-parimutuel Betting.

For the purposes of the above calculation:

- the proportion of Eligible Turnover of the Approved Entity in relation to **Parimutuel Betting** is equal to Eligible Turnover multiplied by the percentage of Total Turnover from Parimutuel Betting as against the Total Turnover
- the proportion of Eligible Turnover of the Approved Entity in relation to **Non-parimutuel Betting** is equal to Eligible Turnover multiplied by the percentage of Total Turnover from Non-Parimutuel Betting as against the Total Turnover

Fees will be payable so long as an approval is in force. An approval continues in force until it expires or is revoked by GRV.

Payment of Fee

The Fee is payable monthly in arrears and is to have added to it the 10% GST.

The monthly Fee (plus 10% GST) must be paid by the Approved Entity to GRV within 10 days of the end of each month by direct deposit as follows:

Account name: Greyhound Racing Victoria

BSB: 333-030

Account Number: 551052982

unless otherwise specified by GRV in writing. Please specify the Approved Entity’s name in the narration so that GRV may reconcile the payments made.

At the time of remitting the above Fee each month, the Approved Entity must also provide to GRV details of the Fee and all relevant information used by the Approved Entity to calculate the Fee, in accordance with GRV's template spreadsheet document, via email as follows: To: racefieldsadmin@grv.org.au

GRV will provide the Approved Entity with a tax invoice within 5 business days of receipt of the Fee unless a recipient created tax invoice is provided by the Approved Entity with payment.

Definitions

In these Conditions:

- (a) “**Approved WSP**” means a Victorian Licensed WSP, or a wagering service provider who holds an approval under section 2.5.19D of the Act.
- (b) “**Bets Back**” means the total of all amounts paid or contracted to be paid by the Approved Entity to another Approved WSP for Betting Transactions during the relevant month provided that:
- a. a Bet Back may only be subtracted from Bets Taken for the purposes of calculating Total Turnover where:
 - i. such Bet Back is genuinely placed by the Approved Entity for the purpose of reducing its risk on the layer's side of a Betting Transaction relating to a contingency on a GRV greyhound race;
 - ii. such Bet Back is in relation to the same contingency that the Approved Entity has already accepted on the layer's side of the Betting Transaction as a Bet Taken;
 - b. for the avoidance of doubt, a Bet Back on a particular contingency cannot exceed the corresponding amount of the Bet Taken on that contingency.
- (c) “**Betting Exchange**” means a facility, electronic or otherwise, that provides a mechanism through which:
- a. offers to enter into betting contracts are regularly made and accepted; or
 - b. offers or invitations to enter into betting contracts are regularly made that are intended to result, or may reasonably be expected to result, directly or indirectly, in the acceptance of the offer or invitations;
- but does not include a facility that provides a mechanism through which a betting contract is able to be made with a bookmaker or a totalisator.
- (d) “**Bets Taken**” means the total of all amounts paid or contracted to be paid to the Approved Entity for Betting Transactions during the relevant month provided that:
- a. where a Betting Transaction involves two or more events, and at least one of those events is not a GRV greyhound race (which for example may include, without limitation, interstate greyhound races, thoroughbred or harness races in or outside Victoria, or other racing, sporting or other contingencies offered by the Approved Entity, whether such contingencies occur in or outside Australia), the amount to be included in respect of the bets taken on that Betting Transaction for the purpose of these Conditions shall be calculated by dividing the total amount of

the bet by the total number of events the bet involves multiplied by the number of GRV greyhound races the bet involves;

For example:

1. *if a 'doubles bet' requires the selection of the winner of a GRV greyhound race and the winner of a thoroughbred race, then ½ of the amount of the wager on the "backers" side of the wagering transaction would be included as Bets Taken even if the thoroughbred race was held first and irrespective of the outcome of the thoroughbred race;*
 2. *if a 'doubles bet' requires the selection of the winner of two GRV greyhound races, then the whole amount of the wager on the 'backers' side of the wagering transaction would be included as Bets Taken;*
 3. *if a bet was placed on the combined outcome of a GRV greyhound race, an AFL match and a harness race, then ⅓ of the amount of the wager on the 'backers' side of the wagering transaction would be included as Bets Taken; and*
 4. *by contrast, if a bet was placed on the outcome of a GRV greyhound race and the 'layer' directed that any winnings on that bet be applied in a wager on another event (e.g. an 'All-up' bet) so that each was a separate wagering transaction, then the entire amount of the wager on the 'backers' side of the first wagering transaction would be included as Bets Taken and the second transaction would be assessed as an independent wagering transaction.*
- b. for the avoidance of doubt, Bets Taken includes amounts paid or contracted to be paid to the Approved Entity whether or not:
 - i. paid or contracted to be paid by other Approved WSPs; and
 - ii. regardless of whether or not those amounts are ultimately received by the Approved Entity;
 - c. Bets Taken includes any Free Bets;
 - d. for the avoidance of doubt, deductions cannot be made from Bets Taken to account for any amounts the Approved Entity receives or pays in connection with, or by way of economic equivalence to, commissions or rebates in relation to those Bets Taken;
 - e. the following amounts are excluded from Bets Taken:
 - i. jackpots transferred from other pools;
 - ii. the amount of any Seeding by the Approved Entity; and
 - iii. amounts refunded to customers in respect of any cancelled events or voided bets;
 - f. Bets Taken may be adjusted to reflect any adjustment to the face value of a Betting Transaction to correct any operator or system errors.

- (e) **“Betting Transaction”** means:
- (i) other than in relation to betting transactions conducted through a Betting Exchange, a contract between an Approved Entity and a customer, by which a bet or wager is placed with and accepted by the Approved Entity in relation to a GRV greyhound race (or a contingency related to a GRV greyhound race); or
 - (ii) in relation to betting transactions conducted through a Betting Exchange, a contract between a customer of the Betting Exchange on the “backers” side and another person on the “lay side” (which may be the Approved Entity or another customer of the Betting Exchange) by which a bet or wager is placed in relation to a GRV greyhound race (or a contingency related to a GRV greyhound race).
- (f) **“Eligible Turnover”** in a month means:
- (i) zero dollars, if Total Turnover is less than or equal to the Threshold Amount; or
 - (ii) the dollar difference between Total Turnover and the Threshold Amount (i.e. Total Turnover – Threshold Amount), if Total Turnover is greater than the Threshold Amount.
- (g) **“Fee”** means the monthly fee payable by an Approved Entity in respect of an approval to publish, use or otherwise make available Race Fields.
- (h) **“Free Bets”** means the amount of any Betting Transaction where the customer does not make or agree to make a financial contribution at the time the Betting Transaction is made. For the avoidance of doubt, bad and doubtful debts arising from the non-payment of Betting Transactions by a customer do not constitute Free Bets.
- (i) **“GRV greyhound race”** means a greyhound race in Victoria.
- (j) **“Net Customer Winnings”** means, in relation to a customer of a Betting Exchange, the net amount payable to the customer from all Betting Transactions on a GRV greyhound race contracted by the customer before any fees or charges are deducted by the Betting Exchange, provided that if, in relation to a particular GRV greyhound race, the “Net Customer Winnings” is a negative number, it will be deemed to be zero.
- (k) **“Non-parimutuel Betting”** means all bets accepted or transacted which are **not** included in parimutuel pools with an Approved WSP licensed to conduct totalisator betting, and for the avoidance of doubt, includes fixed odds betting, exchange bets, and any bets which are settled by reference to a dividend declared by one or more totalisator.
- (l) **“Parimutuel Betting”** means bets which are placed in parimutuel pools with an Approved WSP licensed to conduct totalisator betting.
- (m) **“Seeding”** means an amount allocated by the Approved Entity to a wagering pool for a specified bet type on a GRV greyhound race during the relevant month which does not have any associated Betting Transactions and does not relate to a jackpot.
- (n) **“Threshold Amount”** means \$250,000 per month (which equates to \$3 million per annum).

- (o) **“Total Turnover”** means:
- (i) where the Approved WSP operates a Betting Exchange, the aggregate of the Net Customer Winnings in the relevant month; and
 - (ii) for all other Approved WSPs, the total of Bets Taken less Bets Back in the relevant month.
- (p) **“Victorian Licensed WSP”** means the persons referred to in sections 2.5.19B(2)(a), (b) and (c) of the Act.

Other Conditions

1. The Approved Entity must, unless the Approved Entity’s monthly Total Turnover is less than \$250,000, supply daily electronic data files to GRV in the format and by the methods as set out in the policy document entitled *“Guide for Wagering Service Providers supplying wagering data reports to Greyhound Racing Victoria”* (**Guide**) as amended by GRV from time to time. The Approved Entity is required to comply with this revised process **by not later than 1 July 2015**.
2. The Approved Entity must pay GRV the monthly fee calculated in accordance with the letter by which GRV granted approval to the Approved Entity to publish and use Race Fields for the period commencing 1 February 2015 and the above Conditions, subject to variations to which GRV has notified it that such approval is subject.
3. GRV will make available to the Approved Entity a template spreadsheet document to be used and completed by the Approved Entity for the purposes of sending GRV the information required via email. This spreadsheet can be obtained by emailing racefieldsadmin@grv.org.au
4. Each month, the Approved Entity must certify on the template that the information it provides to GRV is true and correct.
5. If the Approved Entity fails to pay any amount payable pursuant to these conditions, interest is payable on such outstanding amount, accrued daily, until the date such amount (and accrued interest) has been paid in full to GRV. The interest rate to be applied is the interest rate for the time being fixed under section 2 of the *Penalty Interest Rates Act* 1983 (Vic).
6. The Approved Entity must maintain full and accurate records and accounts in relation to all wagering, banking and financial records and accounts in order for GRV to review and verify the Approved Entity's compliance with these conditions.
7. The Approved Entity must provide GRV with full access to relevant records referred to as part of its information requirements at times and locations reasonably requested by GRV in writing, and GRV may take copies of all such accounts and records. The Approved Entity is not permitted to impose any conditions on the disclosure or use by GRV of any such accounts, records and information.
8. GRV may appoint, at GRV's cost and on notice which GRV considers reasonable, an independent auditor at any time to review the Approved Entity's wagering records and financial information relating to greyhound racing in Victoria, and any other information relating to the Approved Entity's compliance with these conditions, on written notice to the Approved Entity. The Approved Entity must provide the auditor with access to:

- all relevant accounts, records, statements and documents within its power, possession or control;
- the Approved entity's premises; and
- the Approved Entity's staff who are able to provide the relevant information and answer any queries the auditors may have,

as may be required by the auditor for the purposes of conducting an audit, and the auditor may take such copies and records of all such information it accesses.

9. If an audit conducted and reveals any discrepancy in the amounts payable by the Approved Entity to GRV and the amounts actually paid by the Approved Entity ('**Discrepancy Amount**'):
 - if the Approved Entity is the benefiting party, the Approved Entity must pay to GRV the Discrepancy Amount within 10 days of receiving written notice from GRV to pay the Discrepancy Amount; or
 - if GRV is the benefiting party, GRV will provide the approved Entity with a credit for the Discrepancy Amount which may be subtracted from any future payments required to be made by the Approved Entity to GRV; and
10. The Approved Entity must not on-sell or permit any other person (including any related company of the Approved Entity) to publish or use, or in any way access, any part of the Race Fields information.
11. An Approved Entity must immediately notify GRV in writing if any one or more of the following occur:
 - there is a change in control of the Approved Entity (where control has the meaning set out in section 50AA of the *Corporations Act 2001* (Cth));
 - the Approved Entity is subject to any form of bankruptcy or insolvency event, including (without limitation) if a trustee in bankruptcy, voluntary or involuntary administrator, liquidator or receiver is appointed or any similar official is appointed to, or takes possession or control of, all or any of the Approved Entity's assets or undertaking or any step is taken to effect any of the foregoing;
 - a criminal prosecution is commenced or disciplinary action is taken under any laws or rules of racing or betting, or a formal investigation or inquiry is made, against the Approved Entity, its employees or any person able to control the Approved Entity;
 - the Approved Entity's wagering licence, permit, approval or authority (whether in Victoria or otherwise) is varied, cancelled or expires;
 - the Approved Entity is aware of wagering activities which may be in breach of any laws or rules of racing or betting (or the Approved Entity is aware of facts which would otherwise cause a reasonable person in the position of the Approved Entity to be suspicious of those wagering activities);
 - any information or facts set out in the Approved Entity's original application to use and publish Race Fields has changed; or

- the Approved Entity breaches any of these conditions.
12. The Approved Entity must:
- not take any action or make any statement which may adversely impact upon the reputation of GRV or the integrity of greyhound racing in Victoria;
 - co-operate with any inquiry or investigation conducted by GRV or its nominee relating to the integrity of greyhound racing in Victoria, including by providing any information that is requested by GRV;
 - subject to applicable privacy laws, permit GRV or its nominee to monitor any wagering activities, transactions and accounts relating to greyhound races in Victoria on request by GRV (GRV will consult with the Approved Entity if it raises reasonable concerns about such monitoring) and
 - implement appropriate procedures, systems and controls to identify suspect wagering transactions or any other conduct by its customers which may adversely impact the integrity of greyhound racing in Victoria.
13. Nothing in these conditions or any prior approval is a representation by GRV that an Approved Entity will receive approval to use and publish Race Fields in the future.
14. The rights granted by GRV to the Approved Entity under the approval to use and publish Race Fields and these conditions must not be transferred, assigned or in any way sub-licensed by the Approved Entity to any other person (including a related company of the Approved Entity).
15. The granting of the approval to use and publish Race Fields and these conditions does not:
- confer on the Approved Entity any right, title or interest to any intellectual property rights in the Race Fields or any GRV greyhound racing data; or
 - constitute an approval, licence or authorisation by GRV for the Approved Entity to use or publish GRV greyhound race form or any other information relating to greyhound racing in Victoria (other than Race Fields).
16. The approval granted to the Approved Entity to use and publish Race Fields, and these conditions, do not require GRV to supply or procure the supply of the Race Field information to the Approved Entity. Except to the extent GRV may do so directly in a data supply agreement with the Approved Entity, GRV does not make any representations, or provide any warranties under the approval or these conditions as to the accuracy of any Race Field information used by the Approved Entity or that the Race Field information is free of any errors.
17. GRV may cancel the Approved Entity's approval to use and publish Race Fields at any time on written notice to the Approved Entity without any liability whatsoever.
18. GRV may vary this document, or impose further conditions at any time on written notice to an Approved Entity and, in doing so, may take account of the individual circumstances of an Approved Entity. The variation of these conditions at any time does not prejudice any rights which have accrued in favour of GRV prior to such variation.

19. A single or partial exercise or waiver by GRV of a right relating to these conditions does not prevent any other exercise of that right or the exercise of any other right. GRV is not liable for any loss, cost or expense of the Approved Entity (or any other person) caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right. A right in favour of GRV relating to these conditions may only be waived in writing signed by GRV.
20. This document is governed by and is to be construed in accordance with the laws applicable in Victoria.
21. Unless specified elsewhere in these conditions, any communications or notices required to be given in relation to the Approved Entity's approval to use and publish Race Fields or in relation to these conditions must be either:
 - sent by pre-paid ordinary mail or email marked attention to:

Stuart Laing
General Manager Wagering
Greyhound Racing Victoria
46-50 Chetwynd Street
West Melbourne, Victoria, 3003
racefieldsadmin@grv.org.au or slaing@grv.org.au
 - sent by facsimile to:

Attention: Stuart Laing
General Manager Wagering
Greyhound Racing Victoria
Fax: 03 8329 1000