



FEDERATION INTERNATIONALE DE L'AUTOMOBILE

CIK-FIA CHAMPIONSHIPS PROMOTION

APPOINTMENT OF A PROMOTER

INVITATION TO TENDER

1. Introduction

- a. The Fédération Internationale de l'Automobile (the "FIA") is the governing body for world motor sport and the federation of the world's leading motoring organisations.
- b. It is a non-profit making association and brings together 237 national motoring and sporting organisations from 142 countries on five continents. Its member clubs represent millions of motorists and their families.
- c. The FIA is the sole body governing international motor sport and is recognised by its members as the sole authority having the sporting power with the right to organise international FIA championships, including the following eight (8) multi-round championships and the CIK-FIA International KZ2 Super Cup, (referred to in this document as the "Championships", each a "Championship", and as more fully described in, and subject to the terms of, the CIK-FIA International Karting Regulations):
 - i. The CIK-FIA World Championship (OK class);
 - ii. The CIK-FIA World KZ Championship;
 - iii. The CIK-FIA World Junior Championship;
 - iv. The CIK-FIA International KZ2 Super Cup;
 - v. The CIK-FIA European Championship (OK class);
 - vi. The CIK-FIA European KZ Championship;
 - vii. The CIK-FIA European KZ2 Championship; and
 - viii. The CIK-FIA European Junior Championship.
- d. The Commission Internationale de Karting ("CIK-FIA") is the FIA sporting commission responsible for the development, promotion co-ordination and regulation of Karting-related activities around the world.
- e. As part of its mandate from its members in relation to international motor sport, the FIA is seeking the promotion of Championships 1.c. i-iv throughout the world and Championships 1.c.v-viii in Europe, for the period commencing on 1 January 2018 and expiring on 31 December 2020 or such other period as the FIA may agree (the "Term").

2. Call for Tenders from qualified Candidates

- a. Capitalised terms used in this Invitation To Tender ("ITT") have the meanings given to them herein.

- b. The ITT sets out:
 - i. the applicable procedures and other requirements of those recipients of the ITT that submit a response to the FIA (a “Tender”) (each, a “Candidate”);
 - ii. the required format of Tenders; and
 - iii. the legal provisions applicable to this ITT and each Tender made in response to it.
- c. The FIA is now calling for Tenders from Candidates seeking to contract to be the FIA’s Promoter of the Championships with a view to concluding a Promoter Agreement to exploit the applicable commercial rights, provide services, and organise the Championships during the Term in accordance with the terms of the ITT in locations to be approved by the FIA.
- d. The FIA thanks you for your interest and looks forward to receiving your Tender.

3. Eligibility of Candidates

- a. To be eligible to have its Tender considered in this process, each Candidate will be required to satisfy the FIA that it possesses the resources, ability and experience to exploit the relevant commercial rights and perform the relevant services.

4. Evaluation of Candidates and Tenders

- a. Candidates acknowledge that the FIA’s assessment of its Tender will be based on its evaluation of the totality of the circumstances, including:
 - i. the Candidate's specific proposals for the exploitation of the commercial rights;
 - ii. the Candidate's specific proposals for the provision of services;
 - iii. the Candidate’s record in related and relevant activities; and
 - iv. such other factors as the FIA may consider.
- b. The FIA has no obligation to accept the Tender with the highest monetary value or the Tender with the most favourable financial terms or indeed to make a selection and accept any Tender made. All approvals (and any acceptance of a Tender by the FIA) will be in the FIA’s sole discretion and will be non-appealable. The FIA will not be required to provide, publicly or privately, any explanation for its decisions.

5. Form of Tender

- a. Candidates must review and comply with the required form of response set out in Schedule 1.

6. Clarification from Candidates

- a. The FIA reserves the right to ask questions and request supplemental information from any of the Candidates through any means it considers appropriate.

7. Clarifications from the FIA

- a. Following the issuance of the ITT, the FIA will, where possible, provide any clarification reasonably requested in relation to the contents of the ITT. All queries should be submitted to cik@fia.com with a copy to legal@fia.com and marketing@fia.com .
- b. Queries will not be accepted if received by the FIA on or after 14 August 2017.

8. Language

All Tenders and associated documentation shall be in the English language. Any documentation not in the English language must be accompanied by an English language translation and the English language version shall prevail.

9. FIA discretion

- a. The FIA may, in its sole discretion at any stage:
 - i. accept or reject Tenders;
 - ii. request revised or amended Tenders;
 - iii. pursue negotiations, on an exclusive or non-exclusive basis (in the FIA's sole discretion), with one or more Candidates selected in the FIA's sole discretion;
 - iv. withdraw from any negotiations in respect of any Tender;
 - v. modify the meaning of or conditions that apply to the exercise of the commercial rights or services;
 - vi. open one or more additional rounds of selection;
 - vii. reject any or all Tenders; and/or
 - viii. alter any selection process or commence an entirely new selection process at such time in the future as it may determine.

10. Miscellaneous

- a. Nothing in this selection process or any communication made by the FIA or its representatives or employees shall constitute a contract between the FIA and any prospective Candidate.
- b. The FIA shall be under no obligation to accept any Tender or other submission submitted.
- c. Furthermore, if, at the sole discretion of the FIA, the FIA considers that no Candidate meets the FIA's criteria for the appointment as Promoter of the Championships, the FIA may, inter alia, elect not to appoint any of the Candidates.
- d. By submitting its Tender to the FIA, each and every Candidate consents to and agrees to be bound by the conditions set forth herein as well as the Mandatory Terms set forth at Schedule 2 below.
- e. By submitting any Tender or otherwise participating in this process, each Candidate accepts that this ITT, any Tender, the associated processes and activities and the interpretation and execution thereof shall be subject to the laws of Switzerland and that any dispute arising therefrom shall be subject to the exclusive jurisdiction of the Courts of Geneva, Switzerland.

11. Timetable

- a. **Stage 1:**
 - i. Each Candidate must submit its Tender in accordance with the requirements set out at Schedule 1 and in this ITT by no later than 17:00 (Central European Time) on 21 August 2017 to in both of the following manners:
 1. in 2 originals by sealed envelope to The CIK-FIA, Chemin de Blandonnet 2, 1215 Geneva 15, Switzerland; and
 2. a PDF copy of such Tender by email to cik@fia.com with a copy to legal@fia.com and marketing@fia.com
- b. **Stage 2:**
 - i. The FIA envisages responding to Candidates that have submitted Tenders during the third quarter of 2017.

12. Appointment of the Promoter:

- a. According to the results of exchanges and discussions with Candidates, the FIA shall pre-select the Candidate that, in its sole opinion, best serves the interests of the Championships and of motor sport in general.
- b. The FIA will not be required to give reasons for the acceptance or refusal of any particular proposal.
- c. The preferred Candidate shall be informed of its pre-selection and will be required to sign a Promoter Agreement with the FIA. Entry into force of such Promoter Agreement will be subject to final decision on the selection and approval of the terms thereof by the FIA World Motor Sport Council and the FIA Senate.
- d. For the avoidance of doubt, the pre-selection and the selection by the FIA of (a) Candidate(s) does not impose any obligations on the FIA, or entitle the selected Candidate(s) to any right to enter into any agreement with the FIA.

13. The FIA’s Objectives for the Championships:

- a. The FIA seeks to facilitate the continued development of the Championships.
- b. The FIA seeks to facilitate the development of an FIA brand for the Championships with corresponding intellectual property protection.
- c. The FIA seeks to facilitate ease of and increased participation in Championships.
- d. The FIA requires at least the minimum number of Championships with the corresponding minimum number of entries, where the Championships, and all their constituent rounds are held over at least the minimum number of Events on at least the minimum number of circuits in each year of the Term (the “Annual Minimum Commitment”) as set out in the following table:

Championship	Minimum Championships held in each year of the Term	Min Number of Entries	Min number of circuits over which all Championship rounds will be held	Minimum number of Territories in which Events shall be held
The CIK-FIA World Championship (OK class);	1	250	7	5
The CIK-FIA World KZ Championship;	1			
The CIK-FIA World Junior Championship;	1			
The CIK-FIA International KZ2 Super Cup;	1			
The CIK-FIA European Championship (OK class);	1	250		
The CIK-FIA European KZ Championship;	1			
The CIK-FIA European KZ2 Championship; and	1			
The CIK-FIA European Junior Championship.	1			

- e. (In this ITT, “Event” shall mean an FIA sanctioned event at which at least one round of at least one or more Championships may take place).

14. Capabilities of the Promoter

- a. The FIA anticipates that the Promoter will hold some or all of the following capabilities:
 - i. Knowledge and experience of organising, promoting and commercially exploiting the Championships and/or comparable competitions;
 - ii. A capacity to make the Championships attractive to enter;
 - iii. The resources to ensure the organisation and promotion of the Annual Minimum Commitment directly and/or via third parties;
 - iv. The capacity to assist the FIA in its organisation and promotion of any additional CIK-FIA Karting championship, cup or trophy;
 - v. Further requirements of the role of Promoter are set out in the Mandatory Terms at Schedule 2.

SCHEDULE 1

DETAILS OF CANDIDATE AND TENDER

Each Candidate must submit its Tender in the format set out below.

[TO BE REPRODUCED ON CANDIDATE’S HEADED NOTEPAPER]

Please find below the response of *[Note to Candidates: insert here full corporate name of Candidate]* to the Invitation To Tender (“ITT”) issued by the FIA in respect of the Championships, during the Term. Unless otherwise defined below (or unless the context otherwise admits), capitalised terms used in this Tender have the meanings ascribed to them in the ITT.

(a) Corporate Information

1	Full Corporate Name of Candidate	
2	Address and telephone number of registered office and principal place of business, if different	Address: Tel: Website:
3	Company registration number and legal status	Reg. No. Legal Status:
4	Contact details of primary contact person	Name: Address: Tel: e-mail:
5	Type of Business Activity	
6	Composition of Board of Directors	
7	Corporate structure chart showing the ultimate holding company and all group companies (including ownership structure of all group companies and shareholdings in ultimate holding company)	

(b) Financial Information

[Note to Candidates for this paragraph (b) of their response:

each Candidate to attach the information referred to below.]

1	Comprehensive Company audited accounts for the immediately preceding 3 accounting periods.	See attached
2	Satisfactory evidence of its financial standing and creditworthiness including bank credit rating	See attached

3	Satisfactory evidence of its ability to meet the proposed payment obligations	See attached
4	Other evidence of the ability of the Candidate to raise and maintain sufficient funding to develop and promote the Championships;	See attached

The Tender shall include information on:

(c) Track Record

[Note to Candidates for this paragraph (c) of their response:

Each Candidate should provide here (or by way of an attachment) a list of:

- *principal activities confirming its capacity to exploit the commercial rights and provide the services in relation to the Championships;*
- *The organisational ability and applicable resources of the Candidate;*
- *The Candidate's experience and human resources;*
- *The Candidate's experience in the promotion of events including media production and distribution, sponsorship sales and servicing, stakeholder management and all other applicable areas referred to in its strategic plan;]*

(d) Proposed Strategic Plan

[Note to Candidates for this paragraph (d) of their response:

Each Candidate should provide here (or by way of an attachment):

- *An outline of a multi-year strategic and business plan for development and promotion of the Championships during the Term, including the investment the Candidate is ready to commit in order to develop the Championships together with projected return on investment and detailed cost and revenue projections;*
- *An outline of its envisaged role as Promoter;*
- *An outline of the territories and locations in which the Candidate proposes to organise Championships;*
- *Any other details which the Candidate wishes to communicate to the FIA in order to facilitate the assessment of its Tender.*

(e) Proposed Financial Commitment

[Note to Candidates for this paragraph (e) of their response:

Each Candidate should set out its proposed commercial structure and the level of remuneration proposed by the Candidate to the FIA to be derived from the exploitation of the commercial rights, including a Prize Giving Ceremony and a Championships website together with details of proposed payment security in the form of a bank and/or corporate guarantee. Such commercial structure and level of remuneration may include revenue sharing models, opportunities to benefit from options to acquire a shareholding in the Promoter's structure and/or financial/equity propositions;]

(f) Media Rights Distribution Plan

[Note to Candidates for this paragraph (f) of their response:

Each Candidate must provide here (or by way of an attachment) in respect of media rights, details of relevant proposed live, non-live, traditional, digital and social media distribution service(s) and its strategy to grow the audience of the Championships in each territory in which any Championship is proposed to take place.]

(g) Designated Service(s) Details

[Note to Candidates for this paragraph (g) of their response:

Each Candidate must provide here (or by way of an attachment) details of any further services which it envisages providing and which are not mentioned elsewhere in its Tender.]

(h) Mandatory Terms

[Note to Candidates for this paragraph (h) of their response:

To the extent that a Candidate has any issues, comments or enquiries about the terms and conditions set out in the Mandatory Terms, they must set them out here (or by way of an attachment) giving full details of the same and its proposed solutions to the same.

(k) Warranty

We hereby represent and warrant to the FIA that:

- (i) the information contained in this Tender is not false or otherwise misleading; and
- (iii) if, following submission of this Tender, there is any change in circumstances which may render such information false or otherwise misleading or otherwise adversely affect such information, we will promptly notify the FIA in writing setting out the relevant details in full.

SUBMITTED BY [insert name of Candidate] acting by its authorised representative(s) and with the acceptance of all stated terms and conditions of the ITT.

Signature

Name

Title

Date

SCHEDULE 2

MANDATORY TERMS

The following points are the Mandatory Terms of the Promoter Agreement to be concluded between the FIA and the selected party/ies:

1. Term

- The Promoter will be appointed for a period of 3 years on an exclusive basis.
- The FIA may terminate the Promoter Agreement in case the Promoter does not meet a defined set of KPIs over a certain period, including without limitation the Championships requirements as listed under 3 below, media coverage, level of revenues, etc.
- The FIA reserves the right to impose an early termination penalty.

2. Grant of rights and reserved rights

- The Promoter will be granted an exclusive licence to exploit and the duty to commercialise certain rights in and to the Championships, including media rights and the exploitation of intellectual property rights, including without limitation trademarks, domain names and rights in audio-visual material (“IPR”).
- All IPR in connection with the Championships shall be registered in the name of, and/or shall vest in, the FIA.
- Any commercial rights related to betting and alcohol shall be excluded from the grant of rights.
- The FIA reserves to itself the following rights during each season of the Term and provided that the Promoter, using its best efforts, has secured the applicable rights and services:
 - For each broadcast of a Championship, the FIA logo will be inserted in the graphics and in the opening and closing sequences and all break bumpers together with the watermark;
 - Dedicated FIA section on the Championship website (content to be supplied by the FIA and subject to the Promoter's approval, not to be unreasonably withheld);
 - Inclusion of Championship Official Marks in FIA Corporate Social Responsibility (“CSR”) programmes in a collective manner with other motorsport categories;
 - Provision of a minimum of 15 minutes of edited footage per Event for FIA exploitation on digital media managed by FIA (including FIA websites);
 - Provision of a minimum of 3 minutes of edited footage covering all classes of the Championship for FIA annual gala in accordance with FIA’s reasonable instructions;
 - Inclusion of Championship results in FIA resources (website, presentations, etc.) in a collective manner with other motorsport categories;
 - One space in the paddock at each Event (minimum size 12x6m) for FIA promotional purposes (all structures and staffing to be provided by the FIA at the FIA's own cost);
 - One page in the official programme of each Event (provision of the FIA’s content to be provided by the FIA at the FIA's cost); and
 - 10 VIP hospitality packages per Event (including access to VIP hospitality), if applicable.
- The Promoter will be responsible for positioning and maintaining the core values, prestige and perennality of the Championships and will use its best endeavours to enhance the value, image and level of coverage on all media of the Championships.
- The Promoter shall comply at all times with the FIA Brand guidelines, including without limitation the Championships logo guidelines and the Action for Road safety Guidelines.

3. Minimum commitments

- The Promoter will comply with the Annual Minimum Commitment.
- The Championships shall take place on CIK-FIA homologated circuits.

4. Regulatory aspects, entries

- The FIA will retain sole control over the calendar of the Championships and all regulatory, sporting, entrance, disciplinary, safety and technical aspects of the Championships.
- The FIA shall retain the exclusive right to appoint third parties to provide equipment and consumables, from a single source, as required by regulations on the Competitors of any Championship in order to meet certain minimum objective safety, cost reduction or fairness standards in any of the sporting and technical categories including without limitation overalls, tyres, fuel, oil, chassis manufacturers and engine suppliers.
- The FIA shall determine the level of calendar and entry fees applicable for each Championship and shall be entitled to collect of such fees.
- The Promoter shall manage and pay the costs of transportation of FIA equipment to each Event.
- In principle, the Promoter shall pay the insurance, travel and per diem costs of all Championship scrutineering staff, officials, stewards, race directors, time keepers and delegates.

5. Kart requirements, Championships and rules

- Karts entering the Championships shall comply with existing CIK-FIA regulations and framework requirements.

6. Calendar

- The calendar of the Championships will at a minimum comply with the Annual Minimum Commitment.
- The Promoter and the FIA shall consider and agree calendar issues during prior to signature of the Promoter Agreement.
- The FIA requires that no Championship shall be included in the Calendar until the applicable organiser has entered into a standard agreement with the Promoter, approved by the FIA.

7. Organisers

- The Promoter will enter into a standard form agreement with each applicable Organiser, in compliance with a template provided to the Promoter by the FIA, which sets out the main terms of the relationship between the Promoter and the Organisers and which is in accordance with a number of principles as set out in the draft contract. In the event that the Promoter and any applicable Organiser have failed to sign such an agreement reasonably prior to the proposed Event, the FIA shall retain “step-in rights” enabling it to conclude the applicable agreement or select an organiser that will agree the applicable terms;
- The Organisers will have reserved certain rights in relation to the organisation and domestic commercialisation of the Championships taking place in their respective territories, including sponsorship rights, signage rights, hospitality rights, sponsor conflict resolution rights and a minimum proportion of air time for their local sponsors, which shall be described in the applicable draft contract;
- A separate organisation agreement will be signed between the FIA and the Organisers which shall list the services to be provided to the FIA at no cost in order to enable the FIA to exercise its missions.

8. Broadcast

- The Promoter will, at its own cost, use its reasonable endeavours to ensure Live Web-TV (Live Streaming) of all races at each Championship;
- The Promoter will use its best endeavours to ensure a fair broadcasting exposure to all competitors and Championships.

9. Passes

- All passes will be produced by and at the cost of the Promoter under the supervision of the FIA.
- The Promoter will supply the FIA with quantities of passes notified to the Promoter by the FIA in appropriate categories for FIA Officials, guests, stewards, permanent delegates, staff, industry and trade delegates, the media (including major newspapers, news agencies, magazines and motoring periodicals), and suppliers to the FIA.
- All other passes will be distributed by the Promoter pursuant to the instructions of the FIA.
- The FIA will supply all passes reasonably required for distribution to major newspapers, news agencies, magazines and motoring periodicals.

10. Timing

- All timing equipment for use in the Championships - provided either by an Organiser or by the Promoter according to the applicable rules of the FIA - shall be subject to the prior approval of the FIA, which shall have final authority over its operation.

11. Race Control

- The Promoter shall propose a race control solution for the FIA's approval.

12. Financial terms

- Each Candidate is invited to make a financial offer to the FIA in consideration of the grant of rights.
- All payments to the FIA shall be denominated in Euros.

13. General

- The Promoter shall exploit the Rights under the Promoter Agreement as a separate, dedicated legal entity.
- The Promoter shall comply with all applicable laws in its performance of the Promoter Agreement.
- Any assignment or change of control over the Promoter entity will be subject to the FIA's consent and may trigger termination of the Promoter Agreement.
- The FIA shall have a reasonable right to approve the designation (and replacement) of the Promoter's CEO.
- The Promoter Agreement shall be written in the English language and subject to the laws of Switzerland.
- The selected Candidate will be invited to enter into a Promoter Agreement with the FIA Switzerland. The Mandatory Terms are not for negotiation. By submitting a Tender, each Candidate acknowledges and accepts that the Promoter Agreement for which it is bidding will contain clauses reflecting in full these Mandatory Terms without reservation, exception or qualification. Each Candidate should indicate any additional terms that it wishes to include in the Promoter Agreement provided always that such additional points do not compromise in any way the Mandatory Terms. The fact that a term has not been identified as a Mandatory Term and may be open for discussion does not imply any obligation on the part of the FIA to accept any change that may be proposed to the Promoter Agreement.