

# FIA DRAG RACING CHAMPIONSHIP ORGANISATION & PROMOTION

## CALL FOR EXPRESSIONS OF INTEREST

The Fédération Internationale de l'Automobile (FIA) is the governing body for world motor sport and the Federation of the world's leading motoring organisations. It is a non-profit making association and brings together 236 national motoring and sporting organisations from 141 countries on five continents. Its member clubs represent millions of motorists and their families.

The FIA is recognised by its members as the sole authority having the sporting power with the right to organise international FIA Championships, including, since 1997, the FIA European Drag Racing Championship (hereinafter the "**Championship**").

The FIA wishes to give new momentum to this Championship, in particular as regards to the promotion and commercial rights administration of the FIA European Drag Racing Championship.

The FIA is now calling for expressions of interest to identify a candidate interested in acting as the official and exclusive agent of the FIA for the organisation and promotion of the Championship under the Key Parameters defined in Appendix A, with a view to concluding a three-year Promotion Agreement (2018, 2019 and 2020 seasons) with an option for the FIA to renew this contract for an additional two-year period (2021 and 2022).

The selection process is open to all candidates capable of conducting such a role for the organisation and the promotion of this Championship.

**Summary timeline of the selection process** (subject to changes depending on the number of candidatures that the FIA receives):

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| <ul style="list-style-type: none"><li>✓ Date of publication of the call for expressions of interest: Friday, 21 July 2017</li><li>✓ Deadline to register a formal expression of interest: Monday, 18 September 2017 before 9:00 a.m. CET (Stage 1)</li><li>✓ Discussion phase between the FIA and the candidates: from Tuesday, 19 September until Friday, 20 October 2017 (Stage 2)</li><li>✓ Date of notification to the selected candidate: End of November 2017 (Stage 3)</li></ul> |
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The selection process will consist of three stages:

### **Stage 1:**

Interested candidates are invited to register a formal expression of interest with the FIA Administration **before 9 a.m. CET on Monday 18 September 2017.**

Interested parties may send their formal expression of interest to the FIA Legal Department ([legal@fia.com](mailto:legal@fia.com)), together with:

- their full contact details;
- a letter introducing their candidacy and whereby the candidate acknowledges and accepts the minimum terms of the promotion agreement listed in Appendix B;
- a complete dossier complying with the requirements stated hereafter.

In the event of voluminous files, the FIA Legal Department will provide access to a secured IT tool for the transfer of documents to any candidate requesting it.

The formal expression of interest must take into account the Key Parameters as provided in Appendix A and the Minimum Terms as provided in Appendix B, and must cover, at the very least, the following points:

- The technical ability and resources of the candidate (including the conditions associated with the financing of the Championship);
- The following financial information including:
  - Comprehensive Company audited accounts for the immediately preceding 3 accounting periods;
  - Satisfactory evidence of its financial standing and creditworthiness including bank credit rating;
  - Any other evidence of the ability of the Candidate to raise and maintain sufficient funding to carry out the organisation and promotion of the Championship;
- A detailed description of its structure and human resources;
- The candidate's experience in:
  - the organisation and the promotion of events, including media production and distribution, sponsorship sales and servicing, stakeholder management, etc.;
  - the provision of services in relation to motor sport;
- The level of contribution offered to the FIA in terms of exploitation of the promotion/commercial rights;
- The vision of the candidate with regard to the organisation and promotion of the Championship and, more precisely, to its marketing positioning, its promotional and commercial strategy, and ultimately its business model;
- The proposal of a three-year business plan (+ possible additional two-year period) for the Championship, including the assessment of the investment required from the various stakeholder groups and respective return on investment opportunities:
  - Manufacturers / competitors
    - Teams running the cars
    - Potential manufacturers and suppliers
  - Sponsors
    - Captive: the key players of the Drag racing business;
    - Non-captive:
      - International companies
      - Technology partners
      - Brands with a particular focus on young audiences
  - Investors
    - Public sector
    - Private sector
  - Venues (circuits, cities, events, countries)
    - Identification of the local organisers and circuit managers. The candidate is required to enclose an undertaking letter from each future stakeholder in relation to each event for which they will provide facilities and/or services (including but not limited to track maintenance).

- Contribution in kind (support for the organisation of the Championship)
- Contribution in cash as communication investment
- Media
  - Identification of international media partners for the Championship
  - Media management strategy
  - TV broadcasting plan + opportunities
  - New media activation
- Public
  - Ways to engage with the fans
  - Definition of the potential of ancillary revenues (ticketing, licensing, gaming, etc.).
  - Any other details considered as relevant for the assessment of such a proposal.

### **Stage 2:**

If required, and at its own discretion, the FIA will contact for discussion the entities that have sent a valid formal expression of interest within the deadline stated in Stage 1, i.e. whose expression of interest meets the requirements stated in this document.

The discussion phase will start on Tuesday, 19 September until Friday, 20 October 2017

### **Stage 3:**

According to the results of the various exchanges and discussions with the candidates, the FIA shall select the candidate which, in the FIA's sole opinion, best serves the interests of the Championship and the interests of motor sport in general.

The FIA will not be required to give reasons for the acceptance or refusal of any particular proposal.

The selected candidate shall be informed of its selection by the end of November 2017 (except if rescheduled by the FIA) and will be required to sign a three-year promotion agreement with the FIA, which will be subject to the Minimum Terms (attached hereto as Appendix B).

For the avoidance of doubt, the selection by the FIA of a candidate does not impose any obligations on the FIA, or entitle the selected candidate to any contract.

### **Miscellaneous**

The FIA reserves the right, at its sole discretion, to interrupt or make changes to this selection process at any time.

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. The FIA shall be under no obligation to accept any expression of interest submitted.

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 Championship, the FIA may, inter alia, elect not to appoint any of the candidates.

## **Drafting of the Promotion Agreement**

The FIA will be prepared to negotiate minor details and wording changes. However, the core terms as described in Appendix B are, in principle, not for negotiation.

By submitting a proposal, each candidate acknowledges and accepts that the Promotion Agreement for which it is bidding will contain clauses reflecting these Minimum Terms.

Each candidate is required to submit with its proposal a list of any essential changes (i.e. changes which, if not made, would prevent it from entering into the promotion agreement) and any significant additional points the candidate would wish to see added, provided always that such additional points do not compromise the core terms in any way.

The fact that a term has not been identified as a core term and may be open for discussion does not imply any obligation on the part of the FIA to accept any change.

## **Appendix A KEY PARAMETERS**

### **1. THE OBJECTIVES**

In line with its positioning, the main objectives of the FIA European Drag Racing Championship could be defined as follows:

- Re-energise the Championship and strengthen the relationship between the stakeholders;
- Establish a clear framework as regards to the organisation and promotion of the Championship.

**All proposals should notably take into account the following:**

### **2. THE SPORTING ASPECTS**

The Sporting Regulations of the FIA European Drag Racing Championship will be defined by the FIA will apply, taking into account the following key elements:

As regards to the 2018 season, the Championship will cover the following categories:

- FIA European Drag Racing Championship Pro Modified;
- FIA European Drag Racing Championship Pro Stock;
- FIA European Drag Racing Championship Top Fuel;
- FIA European Drag Racing Championship Top Methanol Dragster and Top Methanol Funny Cars.

However, the FIA reserves the right to create new categories.

#### **Titles:**

- An FIA European Drag Racing Championship winner's title for Drivers will be awarded per category (i.e. 4 respective winners);
- An attractive prize money amount for each winner shall be proposed by the promoter.
- For the entire Championship: a minimum of five events during the season with a maximum of two events per country.

#### **Format**

The format of the Championship and of each event will have to be specified by the promoter and approved by the FIA.

#### **Quality of competitions and Championship standards:**

- Appropriate time schedule to be allocated to the Championship events (premium slots).
- Consistency and balance of the calendar including:
  - Negotiation of the circuit contracts;
  - Payment of the calendar fees to the FIA.
- Negotiation with the series support.
- Number of cars on the grid: minimum commitment of 8 (eight) per category.

#### **Place:**

Preference should be given to permanent tracks.

#### **Compliance with laws and fight against doping:**

The Competitor shall comply with all applicable laws of the territory of the events and with all anti-doping regulations, in particular the World Anti-Doping Code issued by the World Anti-Doping Agency.

### 3. THE TECHNICAL ASPECTS

#### The cars

- In general terms, the cars competing in the Championship shall correspond to the characteristics specified in the FIA Technical Regulations and in the SFI Specifications dedicated to Dragsters available on the FIA website at: <http://www.fia.com/regulation/category/101> .
- The cars competing in the Championship shall comply with all the characteristics of the car categories:
  - o FIA European Drag Racing Championship Pro Modified;
  - o FIA European Drag Racing Championship Pro Stock;
  - o FIA European Drag Racing Championship Top Fuel;
  - o FIA European Drag Racing Championship Top Methanol Dragster and Top Methanol Funny Cars.

#### The Track

The promoter shall provide the track layout and the course of the cars and submit a public and competition safety plan in accordance with FIA Construction and Safety Guidelines for drag racing events.

### 4. THE PROMOTER'S STAFF

The promoter may provide the following staff:

- Championship Manager (mandatory)
- Communication Manager (mandatory)
- Paddock Coordinator (mandatory)
- Competitor Coordinator (optional)
- Marketing Coordinator (optional)
- Hospitality Manager (optional)

### 5. THE MARKETING PLATFORM

The candidates shall make a specific proposal in respect to each of the following bullet points:

- *Educational dimension:*
  - With a view to delivering “intelligent entertainment”, there should be a strong educational dimension attached to the project. The competition should provide the opportunity to engage with the widest possible audience on key messages about how to become a professional driver (how to purchase a car, how to drive, costs, how to get involved, etc.).
  - It should also offer the opportunity to promote key road safety messages.
- *Production and provision of marketing tools:*
  - Competition Pack: flags, podiums, paddock signs, etc.
  - Paddock Pack: postcards, posters, structure for autograph sessions, etc.
  - Team Pack: official championship stickers (on cars, trucks, structures, etc.), flags, drivers' presentation boards, etc.
  - Promoter's staff Pack: clothing, etc.
  - Information on competition implementation of the FIA Brand Identity Guidelines and any other instructions as regards to the FIA European Drag Racing Championship logos and designations.

- *Motorhome/Office/Hospitality:*
  - Exclusive FIA European Drag Racing Championship stickers.
  - Entertainment area for drivers and team staff (games, music, sofas, open bar, etc.).
  - Headquarters for promoter/FIA representatives.
  - Catering: for FIA staff, drivers, teams, etc.
  
- *Interaction with the public*
  - This should also be regarded as a key component of the project. People, and especially young audiences, are interacting with each other in a new way via social media. To allow the public to interact with the competitions, the promoter should include driver blogs, live statistics on car performances, live gaming, autograph sessions, co-driving experiences, etc.
  - Entertainment in paddock/motorhome to create the Championship's spirit.
  
- *Management of a consistent advertising/visibility programme:*
  - Integration of Championship and race presentation in all competition communication supports (programme, websites, etc.).
  - Advertising campaigns.
  
- *Prize Giving Ceremony:*
  - Official ceremony shall be organised by the promoter at its own costs;
  - Entertainment in paddock/motorhome to liven up the Championship;
  - Any other suggestions to enhance the entertainment/visibility dimension of the Championship/competitions will be reviewed with great attention.
  
- *Benefits for the FIA:*
  - One premium space in the paddock (minimum size 12x6 m garage) for FIA promotional purposes (all structures and staffing to be provided by the FIA at the FIA's own cost).
  - 10 VIP hospitality packages per Event of the Championship.

Any other suggestions to enhance the entertainment/visibility dimension of the Championship/competition will be studied with great attention.

## **6. PARTNERSHIPS**

The candidates are invited to provide all relevant details on their potential financial and technical partners, including their identity, the duration of the agreements, the incomes envisaged, etc.

## **7. MEDIA / COMMUNICATION MANAGEMENT TASK FORCE**

The candidate shall make a specific proposal regarding each of the following bullet points:

- *Press/new media officer:*
  - Specific newsletter to be created and managed.
  - Press releases:
    - on race weekends (from first collective practice until Sunday evening);
    - before the race (one week before);
    - after race weekend.
  - Social network management: possibilities related to social media (Twitter, Facebook, etc.) should be fully exploited.

- Implementation of the new Championship website (fiaedrc.com) and regular updates (including pictures, results and team information) in compliance with FIA requirements and graphical charter.
  - Information on the management of the Championship shall be provided (on a specific website or the official FIA website).
  - 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);
  - Provide access to all footage and data concerning the Championship;
  - Dedicated FIA section on the Championship website (content to be supplied by FIA and subject to the promoter's approval, not to be unreasonably withheld);
  - Inclusion of the Championship results in FIA resources (website, presentations, etc.) in a collective manner with other motor sport categories.
- *PR:*
    - Identification and mobilisation of a pool of journalists to cover the main media aspects of the events.
    - Management of their presence on races (direct) and production of relevant and consistent coverage on the internet, in the press and on TV (TBD) with race reports and additional coverage (magazines, etc.).

## **8. TV PRODUCTION AND BROADCASTING**

The candidate shall make a specific proposal regarding each of the following bullet points:

- *Live TV broadcast in a minimum of 10 territories;*
- *Production of live and non-live coverage;*
- *Management of additional footage;*
- *Broadcasting management:*
  - Contracts with TV channels: national and/or PAN deals.
  - Create appropriate products such as live TV/magazines/highlights/web.tv.
  - Content and pricing system must be validated with the FIA.
- *Distribution.*

## **9. BUSINESS MODEL**

- Exhaustive 3-year business model to be proposed, as a basis to support the financial sustainability of the Championship.

## **10. MEETING FOR REVIEW**

It is agreed that if the promoter does not meet two or more of the annual KPIs in any year of the Championship, the parties shall arrange a review meeting whereby the promoter shall convey to the Committee how such failures shall be remedied for the following year.



## **Appendix B**

### **MINIMUM TERMS**

The following points are the “core terms” of the promotion agreement to be concluded between the FIA and the selected candidate:

#### **Term**

- The promoter will be appointed for a period of three years on an exclusive basis (the “Initial Term”), with an option for the FIA to extend the Promotion Agreement for an additional two years.
- In the event that the FIA considers that the KPIs have not been met and/or the Promoter has not exercised its right of protected first negotiation, this Agreement shall automatically end at the expiration of the Initial Term.

#### **Granting of rights**

- The promoter will be granted, on an exclusive basis, a limited, revocable and non-transferable licence for the above-mentioned term and for the territory of the Championship to use and exploit certain intellectual property rights on and in relation to the Championship, including but not limited to the trade marks, domain names, social media accounts on third-party websites, mobile phone applications as well as the media rights and audio-visual material relating to the Championship (hereinafter the “IPR”).
- All IPR in connection with the Championship shall be registered in the name of the FIA, and shall be vested in the FIA.
- Any goodwill derived from the use by the promoter of the Championship trademarks shall accrue to the FIA.
- The parties shall discuss in good faith all decisions in relation to the Championship trade marks (including, without limitation, protection, filing, registration and extension of the preexisting protection (if any), oppositions and administrative procedures, pre-litigation and litigation, evidence of use, etc.) which shall be at the promoter’s expense.
- The promoter shall not apply for, or obtain, registration of any trademark, domain name, social account media or any other right in any country which consists of, or comprises, or is confusingly similar to the Championship trademarks and/or official title without the express prior written consent of the FIA.
- The promoter shall not do, or omit to do, or permit to be done, any act that will or may weaken, damage or be detrimental to the Championship trademarks or the reputation or goodwill associated with the Championship or the FIA.
- The promoter shall be responsible for the image and identity of the Championship and undertakes to do its utmost to maintain and enhance the reputation, prestige and credibility of the Championship and to increase as much as possible the media exposure and broadcasting of the Championship.
- Betting activities shall be excluded from the granting of rights to the promoter.

## Regulatory aspects and entries

- The FIA will retain sole control over all regulatory aspects (including sporting, disciplinary, safety and technical aspects) of the Championship. It will have sole control over the Calendar and all rules and regulations, which it may change without notice.

The FIA shall appoint (hereinafter referred to as “FIA Officials”):

- international stewards;
  - a race director;
  - a technical delegate.
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- The promoter shall bear a regulatory fee of €10,000 for each event to cover travel and transportation costs (i.e. hotel, flights, food, air freight).
  - The promoter shall ensure that the local organiser of the Championship will appoint, for each event:
    - a national Steward
    - a clerk of the course
    - an assistant to the clerk of the course
    - a secretary of the meeting
    - a timekeeper
    - a safety delegate
    - a national chief medical officer
    - a permanent starter
    - a national chief Scrutineer
    - a medical car driver
    - a medical delegate
    - judge(s) of fact for crossing of centre line & false starts
    - security Steward
  - The FIA will have sole control over who may enter the Championship.
  - It shall be the right of the promoter to offer a sufficiently attractive package to ensure that Competitors wish to conclude agreements with the promoter on a voluntary basis. Competitors will be allowed to enter the Championship regardless of whether they have concluded agreements with the promoter.
  - Technical and other equipment used by the FIA Officials during a competition will be provided by the FIA at the promoter’s costs.
  - Transportation of technical and other equipment during the season will be managed by the promoter at its own costs.

## Calendar

- The promoter shall have the right to propose a draft calendar for the following season to the FIA, which will be submitted to the FIA World Motor Sport Council.
- The FIA requires that local organisers shall only have their events placed on the calendar if they have entered into a standard contract with the promoter.

- the calendar of the Championship will include a minimum of five events per year, with a maximum of two events per country;
- the calendar of the Championship will include a minimum of three different countries per year.

### **Organisers**

- the promoter will enter into a standard form agreement with the local organisers, based on a template pre-approved by FIA, which sets out the main terms of the relationship between the promoter and the local organisers;
- the local organisers will have reserved certain rights in relation to the organisation, regulation and domestic commercialisation of the Competitions 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.

### **Minimum commitments**

- The promoter will be responsible for maintaining the traditional values, prestige and sustainability of the Championship according to the FIA standards and will make every effort to enhance the value, image and level of coverage of the Championship in all media forms.
- the Promoter will guarantee the participation of at least four different classes, namely Pro modified, Top Methanol Dragster and Funny cars, Pro Stock and Top Fuel;
- The promoter acknowledges and agrees that the good quality of the Championship's promotion is of critical importance to the FIA. Within the framework of the Promotion Agreement to be signed by the FIA and the promoter, the Parties will define Key Performance Indicators (KPIs) on the basis of the Key Parameters provided in Appendix A.
- These KPIs will serve as a basis to assess and control that the minimum level of quality of the services is fully respected by the promoter.
- These KPIs shall be reevaluated on an annual basis in order to take into account any new technical requirements.
- If the FIA is not reasonably satisfied with the results of any review of KPIs, it may at its discretion issue a notice in writing to the promoter detailing failures to achieve KPIs ("KPI Notice"). As soon as possible after the KPI Notice has been issued, the representatives of the Parties will meet to discuss the issues raised in the KPI Notice and to agree on steps to be taken by the promoter; a timeframe to remedy the issues will also be agreed upon.
- The promoter's failure to adequately remedy the issues raised within a KPI Notice within the timeframes agreed will constitute a fundamental breach of the Promotion Agreement and will entitle the FIA to terminate the Promotion Agreement.

### **Broadcast**

The promoter undertakes to ensure a fair broadcasting exposure to all competitors and competitions in accordance with the Key Parameters.

## **Passes**

All passes will be produced by, and at the cost of, the promoter under the supervision of the FIA.

## **Timing**

- All timing equipment for use in the competitions – provided either by a local organiser or by the Championship 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.
- The full cost of all timing equipment will be borne by the promoter.
- The FIA (or its nominees) will retain all rights needed to appoint an official timing partner for this purpose, although the timing data itself may be commercially exploited by the promoter. Alternatively, if an appropriate proposal is received, the FIA may appoint the promoter to provide, operate and develop this system, including the selection and appointment of an official timing partner. In this case, the promoter will be bound to provide a system approved by the FIA and to operate that system under the close supervision of the FIA.

## **Single Suppliers**

The FIA shall have the exclusive right to appoint third parties to provide, from a single source, the equipment and consumables imposed by the regulations on the Competitors in the Championship, in order to meet certain minimum objective safety, cost reduction or fairness standards, including but not limited to:

- tyres;
- fuel.

The single suppliers will be selected via a tender process.

## **Prize money**

The promoter is invited to propose a mechanism on prize-giving money including a minimum amount of €50,000.

## **Financial terms**

- The calendar fees and entry fees will be fixed by the FIA and submitted to the World Motor Sport Council for approval.
- The FIA shall be entitled to retain 100% of the calendar fees and the entry fees.
- The promoter is invited to make a financial offer to the FIA in consideration of the granting of rights. Payment of any amount by the promoter to the FIA shall be made in Swiss Francs.

## **Bank guarantee**

The promoter shall provide an irrevocable and unconditional bank guarantee in favour of the FIA equivalent to the estimated annual revenue as integrated in the Business Plan of the promoter, in the form of a first demand.

## General

- Intuitu personae nature of the agreement. Any assignment or change of control over the promoter will be subject to the FIA's consent.
- The Promotion Agreement shall be drafted in English and be subject to the laws of Switzerland.

## Right of protected first negotiation

- As indicated above, the FIA has an option to renew the Promotion Agreement for an additional two years (2021 and 2022).
- To this end, between 1 December 2020 and 19 January 2021 the selected promoter may submit to the FIA a proposal in respect of the continued exploitation by the promoter of the commercial rights in relation to the Championship, and the FIA will give the promoter the opportunity to renegotiate on an exclusive basis during a period of two months from such submission.
- If the parties have not reached an agreement at the expiry of the two-month exclusive negotiation period, FIA shall decide, entirely at its own discretion, whether or not to seek proposals from other parties with regard to the granting of the rights similar to those which will be licensed to the selected promoter.

## Insurance

- The promoter shall procure and maintain at its own expense, a general liability insurance policy throughout the Term of the Promotion Agreement if the policy is written on an occurrence basis, or at least three years after the termination of the present Agreement if the policy is written on a claims-made basis.
- Limits of liability:
  - If the policy is written on an occurrence basis: limit of liability of a minimum of US\$25,000,000 per occurrence.
  - If the policy is written on a claims-made basis, limit of liability for the duration of the policy of a minimum of US\$25,000,000 with an automatic re-instatement following any claim(s).
- In both cases (occurrence basis or claims-made basis), the policy shall contain a reasonable deductible of no greater than US\$25,000 for each and every occurrence.
- The insurance policy shall cover all risks of liability arising from the organisation of the Championship, as applicable, and be taken out with a creditworthy insurance company. Coverage under each such policy shall apply to bodily injury (including death), property damage, personal injury and advertising liability coverage, including contractual liability and broadcasting liability and to any other aspect the FIA may determine after the selection process, taking into account the context of the Promotion Agreement to be signed between the selected promoter and the FIA.
- The policy or policies providing the insurance as required above shall be endorsed to include the FIA and the ASN concerned as "Additional Insureds".
- The FIA shall be entitled to require from the promoter satisfactory evidence of such insurance at any time.