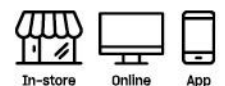


Franchise Information Kit



TATTS NT FRANCHISE INFORMATION KIT

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TATTS NT FRANCHISE INFORMATION KIT

Limited Purpose of this Kit

This kit is intended to serve as an introductory insight into becoming a Tatts NT Lotteries Pty Ltd (Tatts NT) franchisee. There is no guarantee that it deals with every aspect of the franchise that may be of interest to you.

This kit is not intended as a substitute for the seeking of your own professional advice in relation to the acquisition of a lottery business. The obtaining of such advice is recommended.

The content of this kit is current as at the date of this kit. However, that content will not necessarily remain current, and should not be relied upon to do so, as it relates to a business that is subject to change from time to time e.g. changes in policies, procedures, prices, strategic direction.

Confidentiality & Ownership

This kit remains the property of Tatts NT. It is not to be used for any other purpose. It is not to be copied. It is not to be disclosed to others except to your professional advisers in the course of, and for the sole purpose of, seeking advice in relation to your application for a Tatts NT franchise.

Chief Channel Officer's Message

Tatts NT Lotteries Pty Ltd (**Tatts NT**) is part of Australia's largest official lottery brand, The Lott.

After operating public sweeps in Sydney from 1881 and in Queensland from the late 1800's, the Tatts lottery operation was re-located to Tasmania from 1897 and then to Melbourne in 1954. A 120 years plus lottery tradition continues today. Tatts has a proud history of providing exciting and innovative gaming entertainment. Being a Tatts franchisee represents an outstanding opportunity for your business to become a part of this unique world of lotteries and benefit from some of Australia's most recognised and well regarded brands.

Being a Tatts NT franchisee also requires a shared commitment to the vision and direction of the business. It requires the highest standards of customer service and integrity, and a desire to sell products that are innovative, exciting and widely played. In return, franchisees are recognised and rewarded for their contribution and support.

Should you require further assistance with any aspect of your application, I invite you to contact the Retail Franchise Co-ordinator at The Lott.

Antony Moore
Chief Channel Officer

Vision, Purpose, Strategic Priorities and Principles framework



Tatts NT - A Brief History and Introduction to our Games

A brief summary of Tatts history and introduction to each game is outlined at www.thelott.com.

Franchising Code of Conduct

The Franchising Code of Conduct is a compulsory code of conduct designed to provide certain safeguards to franchisees. Tatts NT understands that its network is covered by that compulsory code and based on that understanding (a) considers itself to be bound by the obligations placed on franchisors in that code; and (b) considers that its franchisees are entitled to the rights and to the safeguards provided to franchisees in that code; and (c) considers that in the event of any inconsistency between the code and the Franchise Agreement it is the code that prevails to the extent necessary to resolve that inconsistency.

One of the obligations placed on a franchisor under the Franchising Code of Conduct is that prospective franchisees are to be provided with, amongst other things, a copy of the code at least 14 days prior to certain events occurring (e.g. entry into a Tatts NT Franchise Agreement).

Buying a Franchise Pre-Entry Franchise Education Program

We recommend if you are thinking about entering a franchise business you look at the Griffith University Pre-Entry Franchise Education Program. This is a free e-program covering areas such as:

- What is a franchise;
- Advantages and disadvantages of a franchise;
- The Franchising Code of Conduct;
- Role of the ACCC;
- Understanding Franchise disclosure;
- Franchise fees and royalties;

- Support Services, site selection and leasing;
- Franchising intellectual property;
- Franchise Operations Manual;
- Dispute resolution;
- Questions to ask;
- Due diligence;
- Useful business skills; and
- Assessing your suitability as a franchisee.

Further information about the program can be found at:

<https://www.franchise.edu.au/home/education/for-franchisees/pre-entry-franchise-education>

For further information about becoming a Franchisee, please refer to:

- The Franchise Council of Australia's (FCA) Franchise Guide available at www.franchise.org.au/franchisee-resources/; and
- The Franchising Code of Conduct available at www.accc.gov.au/business/industry-codes/franchising-code-of-conduct/franchising-code

Employer Obligations

Franchisees who employ or engage any other person to work in the lottery outlet must comply with all of the requirements of the Fair Work Act 2009 and Tatts NT may require proof of your compliance with these requirements, which include paying staff correctly, issuing appropriate pay slips and keeping proper time and wage records.

Franchisees will be required to register for a Fair Work online account and sign up for emails and newsletters prior to commencing trade as a franchisee.

Benefits to Franchisees

Tatts NT places great emphasis on working together with franchisees to ensure both Tatts NT and franchisees benefit through better business performance.

The considerable benefits in becoming a Tatts NT franchisee include the following:

- Increased business opportunities
- Comprehensive training
- Marketing support
- Operational and technical support
- Commissions

Franchise Criteria

Proposed Tatts NT Franchisees are assessed against the following three (3) criteria:

(1) ***Suitability of the Applicant***

Relevant considerations include:

- a) Creditworthiness;
- b) Business skills;
- c) Management skills;
- d) Communication skills;
- e) Criminal history;
- f) Understanding and ability to work in a high demanding customer service environment;
- g) Professional presentation; and
- h) Suitability and ability to conduct the Franchised Business in accordance with Tatts NT procedures and in a strictly government regulated business environment. Relevant considerations include, but are not limited to:
 - i. Retail and customer service experience;
 - ii. Development and implementation of operational / business plans;
 - iii. Goal setting and achievement;
 - iv. Business administration / time management and organisational skills;
 - v. Financial management;
 - vi. Computer skills;
 - vii. Staff management, recruitment, training and development; and
 - viii. English Language Proficiency– reading, speaking and listening.

(2) ***Suitability of the Business***

Relevant considerations include:

- a) Whether the host business:
 - i. Is a retail business or is operated from retail shopping premises;
 - ii. Fits with and can support the integrity and values that are associated with Tatts NT branding;
 - iii. Can accommodate Tatts NT Retail Image standards;
 - iv. The hours of operation of the host business;
- b) Whether the communication links to the proposed site will be compatible with Tatts systems and regulatory requirements;
- c) The security of tenure in respect of the proposed site; and
- d) The ability of the host business to support a broadband internet connection.
- e) Whether the physical location of the business is considered likely (acting reasonably) to counteract any potential incremental sales including:
 - i. Pedestrian access;
 - ii. Vehicle access;
 - iii. Parking availability;
 - iv. The number type and mix of surrounding businesses;
- f) Whether environmental factors such as any future development or material changes, including population changes, could be considered (acting reasonably) likely to have a detrimental impact on potential lottery sales at the proposed site;
- g) Other factors which could be considered (acting reasonably) likely to have a detrimental impact on potential lottery sales at the proposed site (including but not limited to general business management such as shop layout and cleanliness, availability of stock, customer service and retail turnover).

(3) Ability to Generate a Sufficient Financial Return for Tatts NT

Relevant considerations include:

- a) likely achievement of incremental sales necessary to generate sufficient incremental returns to Tatts NT, as determined by Tatts NT from time to time. Incremental sales thresholds are subject to change without notice. Tatts NT reserves the right to appoint outlets which, in Tatts NT's opinion, satisfy the franchise criteria. Further to assessing the likely achievement of the applicable incremental sales threshold, Tatts NT may take into account other factors, including but not limited to:
 - i. The physical location of the proposed site;
 - ii. The pedestrian and vehicle traffic flow and parking;
 - iii. The actual or likely customer traffic flow of the host business;
 - iv. The population in the area and/or any immediate demonstrable potential growth in population;
 - v. The actual or likely potential retail turnover of the host business;
 - vi. The number, type and mix of surrounding businesses; and
 - vii. Environmental factors such as any future development or material changes in the area which will impact on the proposed site.
- b) Tatts reserves the right to approve an outlet that does not demonstrate likely achievement of incremental sales if Tatts NT considers that approval of the outlet is necessary in order to preserve existing network sales. For example, it may do so where:
 - i. The proposed outlet is to be located in a new or existing shopping complex; and
 - ii. The shopping complex is considered by Tatts to be likely to attract substantial custom from customers who have traditionally frequented other commercial premises containing a Tatts outlet or outlets.

Supervisor Criteria

Proposed Tatts NT Supervisors are assessed against the following criteria:

(1) Suitability of the Supervisor

Relevant considerations include, but are not limited to:

- a) Retail and customer service experience
- b) Goal setting and achievement
- c) Business administration / time management and organisational skills
- d) Financial management
- e) Computer skills
- f) Staff management, recruitment, training and development
- g) English Language Proficiency– reading, speaking and listening

Trademarks

Tatts NT has several trademarks registered in one or more classes. The use of our trademarks in a retail outlet trading or company name may infringe upon Tatts NT's intellectual property rights. As a point of reference, our common trademarks are listed below:

Tatts NT, Oz Lotto, Powerball, Set for Life, Lucky Lotteries, Super 66 and Instant Scratch-Its.

Application Process

Site Evaluation

When an application is received for a new site, Tatts NT reviews the business and site location to determine if the franchise criteria can be met. Tatts NT will perform a site evaluation to verify details contained within the application and to gather any other relevant information.

Surrounding outlets within close proximity may be advised of your application and be invited to submit their views in writing relating to Tatts NT franchise criteria. These comments may be taken into consideration during the final decision process.

Tatts NT franchisees are not granted exclusive territories.

The appointment process is normally completed within 30-60 working days, however in some instances and areas this process may take longer.

If appointed as a Tatts NT franchisee this will include the appointment of a Golden Casket Instant Scratch-Its franchisee.

Potential Areas

Tatts NT continues to monitor growth areas. Where an area is identified as not serviced or under-serviced, Tatts NT may do one or more of the following:

- Invite the nearest existing franchisee to discuss the opportunity to provide an increased level of service;
- Seek expressions of interest from other interested parties;
- Consider applications from current businesses in the under-serviced area to become a Tatts NT outlet; and/or
- Approach current businesses in the under-serviced area to become a Tatts NT outlet.

Applicant Assessment

To assess the suitability and ability of the applicant as outlined in the franchise criteria, applicants are required to attend a face-to-face interview.

Supervisor Assessment

To assess the suitability and ability of the supervisor they are required to attend a face-to-face interview.

Transfer of Ownership

Tatts NT reserves the right to refuse transfer of ownership on reasonable grounds, which include:

- The assignee or transferee does not meet the franchise criteria; or
- The assignee or transferee has not agreed in writing to comply with the Franchise Agreement or Outlet Procedures Manual.

Lease Requirements

The entity entering into the Franchise Agreement must have the right to occupy the outlet by lease or sub lease.

Outlet Relocation

Franchisees must apply to Tatts NT to relocate the Outlet.

Relocation of an Outlet is at the discretion of Tatts NT which will be exercised taking into account many factors including but not limited to the following:

- The proposed location will service substantially the same customers;
- The Franchisee will be able to continue to generate a sufficient financial return for Tatts NT;
- The proposed new location is able to fulfill the considerations given to suitability of the business; and
- The proposed Retail Image for the new premises meets Tatts NT Retail Image requirements.

If Tatts NT determines that any of the criteria outlined above are not met and rejects the relocation application, the franchisee may still move the host business to the proposed location however the Tatts NT outlet will not be transferred to that location.

Lottery equipment must not be moved without the prior approval of Tatts NT. This applies to equipment movements resulting from outlet relocations or layout alterations.

Granting of Temporary Closures

All requests for temporary closure must be received in writing. Tatts NT will then give consideration to the request for temporary closure of the lottery outlet. Examples of circumstances in which such consideration will be given are as follows:

- minor changes to building structure which may give rise to Workplace Health and Safety issues;
- temporary loss of utility services such as electricity and water; and / or
- centre redevelopment and on the understanding that at the time a request is made, redevelopment will be for a limited time and that a lease exists to re-establish the lottery outlet in an approved location when the redevelopment has been completed.

In all of the above circumstances it is expected that the request for a temporary closure would be for a very limited period and that all approvals will be at the discretion of Tatts NT.

Where approval for a temporary closure is granted, the franchisee will be required to ensure there is adequate signage advising customers when the lottery outlet will be reopening, as well as signage displaying the addresses of the closest lottery outlets.

Training Requirements

All Products Outlet appointments

To cover all hours of the business, a minimum of two or more prospective franchisees and/or supervisors are required to successfully complete Tatts Training prior to settlement and/or commencement of selling lottery products.

The **New Retailer Program** is a two-week competency-based program.

Week 1: Comprises of four days (Tuesday to Friday) training completed virtually via webinar. This week introduces franchisees and/or supervisors to Tatts NT products, procedures and equipment. The training also covers information regarding accounts and reconciliation, legal and compliance requirements, sales development and promotions.

Week 2: The following week comprises of 38 hours over five days (Monday to Friday) at a Tatts nominated Endorsed Training Outlet (ETO). This training is conducted in a working outlet, providing practical experience in outlet procedures under the guidance of an existing Tatts Franchisee.

Prospective franchisees and/or supervisors are required to successfully complete the Tatts NT **Instant Scratch-Its Retailer Training** prior to settlement and/or commencement of trade. This is available on the online training portal iLearn.

Staff

For staff to acquire the necessary skills and knowledge they must complete training which is conducted by Tatts. Training must be completed prior to the selling or processing of lottery products.

Change of Ownership of an Existing Outlet

Upon the sale of an existing outlet, the Franchise Agreement does not automatically transfer to the purchaser. The purchaser must apply to Tatts NT (prior to settlement) to become a Tatts NT franchisee. Tatts NT will only appoint a purchaser as a franchisee if the purchaser meets Tatts NT franchise criteria.

Change of Business Structure (Partners or Directors and/or Shareholders)

Franchisees must notify Tatts NT of any of the following types of proposed changes to their business prior to implementing them:

- Addition or removal of a partner;
- Appointment or resignation of a director and/or shareholder;
- Change of company details;
- Change of trust details (name and / or trustee);
- Change of ABN; and
- Any combination of the above.

Any changes to the business structure as referred to above will require a new application to be submitted to Tatts NT for assessment against the franchise criteria. If Tatts NT approves the application, a new Franchise Agreement may be issued, or the existing agreement may be transferred to the new entity or partnership. You may be required to complete Tatts training prior to entering into the new Franchise Agreement.

Fees and Charges payable by franchisees

Application Fees

The application fee is payable for all new, change of ownership or transfer applications and relocations made to Tatts NT.

This fee is to cover administrative expenses associated with assessing the application.

- Change of Ownership/Transfer - \$550 (incl. GST)
- Change of Business Structure - \$550 (incl. GST)
- Change of Ownership & Relocation – \$825 (incl. GST)
- New Site - \$825 (incl. GST)
- Relocation - \$825 (incl. GST)

All Products Outlet Training Fees

The first week costs \$396 per person (incl. GST) and is payable prior to attending the training program. The second week costs \$1,025 per person (incl. GST) and is payable directly to the Endorsed Training Outlet (ETO).

All Products Outlet Franchise Fees

The Change of Ownership Franchise Fee is 1.1% (incl. GST) of the value of Subscriptions sold at the outlet during each Accounting Week of Year 1 (being the period of 12 months from the Commencement Date) and payable twice weekly.

A New Site Establishment Fee of \$27,500 (incl. GST) is payable prior to commencement of trade. A New Outlet Franchise Fee is also payable for the first three years that the business is in operation. This fee is 1.1% (incl. GST) of the value of Subscriptions sold at the outlet during each Accounting Week of Years 1, 2 & 3 (being the period of 36 months from the Commencement Date) and payable twice weekly.

In the event a New Site undergoes a Change of Ownership during the first three years that the business is in operation then the new franchisee will be responsible for the continuation of payment of the New Outlet Franchise Fee.

Changed Ownership Structure of the Franchisee [acquisition of an interest in an existing Outlet – where a changed ownership structure of the Franchisee is approved]

For a change of partners or directors and/or shareholders of a company, franchisees must submit an application and go through the application process. There may also be a franchise fee payable for adding partners or shareholders of a company, which is based on 1.1% (incl. GST) of the value of Subscriptions sold at the outlet during each Accounting Week for the previous 52 weeks multiplied by the percentage of change in the Franchisee's ownership structure.

Renewal Fee

\$275 (incl GST) upon each renewal of the Franchise Agreement.

Charge in respect of the sale of Lottery Products, excluding Player Cards payable by the franchisee

This is calculated using Subscriptions (lottery sales less commission) and are shown here exclusive of GST.

0.7% of Subscriptions for Instant Scratch-Its which are provided by Golden Casket

1% of Subscriptions for Lucky Lotteries

2% of Subscriptions for all other Lottery Products subject to the performance rating of your outlet* this % may decrease **

*Each All Products outlet will be assessed during each Site Survey cycle to determine their performance rating (Green, Amber or Red) based on each of the Performance Measures.

**The 2% charge in respect of the sale of all other Lottery Products (excluding Instant Scratch-Its and Lucky Lotteries) payable by the franchisee may be adjusted if an All Products outlet meets a particular performance rating (based on the outlet's performance rating for each Performance Measurement) as follows:

- a) Green: The Charge will decrease by 1.0%;
- b) Amber: The Charge will decrease by 0.5%; and
- c) Red: The Charge will not decrease at all.

Commissions received by franchisees

Commission is calculated from Subscriptions and is shown here exclusive of GST.

9% for \$1 Instant Scratch-Its which are provided by Golden Casket

8% for all other Instant Scratch-Its which are provided by Golden Casket

10% for Lucky Lotteries

12.3% for all other Lottery Products**

** Additional Digital Commission may also be available to an Outlet as part of the omni-channel program.

Membership Service Payment

A Membership Service Payment may also be available to an Outlet as part of The Lott Members Club sign-up process.

Omni-Channel Program

The Omni-Channel Program is designed to offer a more seamless customer experience, while delivering great benefits for retailers too. These benefits include:

- Omni-Channel Digital Commission
- Omni-Channel Customer Sign Up Bonus

Omni-Channel Digital Commission

If a registered customer buys a Lottery Product digitally, then also buys a Lottery Product in a retail outlet in the same Site Survey cycle, your outlet will be eligible to participate in omni-channel digital commission model.

Your performance rating (Green, Amber or Red) will determine the rate of omni-channel digital commission applied, along with your share of retail sales for the jurisdiction in which you operate.

Omni-Channel Customer Sign Up Bonus

Franchisees may receive 3% bonus commission on Lottery Products purchased digitally by customers who have signed up digitally after being activated by your lottery outlet. This bonus is not impacted by your performance rating (Green, Amber or Red).

Franchise Agreement and Outlet Procedures Manual

Approved applicants who have met all the standards and necessary franchise criteria, are required to enter into a Franchise Agreement which specifies the requirements of both the franchisee and Tatts NT. The Franchise Agreement will be for a five-year term and within the first six months of the fifth year Tatts NT will indicate whether a further term will be offered.

A franchisee must abide by the conditions as outlined in the Franchise Agreement and Outlet Procedures Manual, which contains policies, standards and procedures.

Failure to comply with the Franchise Agreement and/or Outlet Procedures Manual may result in remedial action being taken by Tatts NT. Remedial action will depend on the circumstances and could involve suspension or termination of the Franchise Agreement. The contents of the Outlet Procedures Manual are to be kept confidential and used only for the purpose of managing a Tatts NT outlet.

Tatts NT reviews the sales performance and compliance of franchisees under the Franchise Agreement each year. The franchisee will be notified of any areas where their performance could be improved or where they are not meeting the terms of the Franchise Agreement or the standards required by Tatts NT.

Sales Requirements

There is a high capital cost involved in the installation, maintenance and ongoing support to maintain an outlet, therefore new outlets must deliver a minimum level of incremental sales and incremental profit returns for Tatts NT from the network as a whole.

The sales criteria for obtaining an outlet are only one part of the franchise criteria for the granting of an outlet. The retention of an outlet once granted depends not only on meeting the relevant sales criteria, but also on the absence of breaches of the Franchise Agreement which warrant termination of the Franchise Agreement.

Insurance

All Products outlets must obtain **Lotteries Special Risks Insurance and Professional Indemnity Insurance** which meets Tatts NT mandatory insurance requirements prior to the commencement as a Tatts NT franchisee.

Granting of an Outlet

New appointments must be able to demonstrate, amongst other things, likely achievement of incremental sales necessary to generate sufficient incremental return to Tatts NT, as determined by Tatts NT from time to time.

Current incremental sales thresholds are subject to change without notice, as they are designed to ensure an appropriate level of return on Tatts NT investment. They should be confirmed with Tatts NT at the time of application and should not be relied on as a guarantee or indication of sales that may be generated by the outlet.

The projected incremental sales will be determined by commercial analysis conducted by Tatts NT, taking into account the location, offering and potential redistribution from existing outlets, together with other factors relevant to the proposed outlet including information gathered by Tatts NT during the assessment process.

Tatts NT reserves the right to approve an outlet that does not demonstrate likely achievement of incremental sales if Tatts NT considers that approval of the outlet is necessary in order to preserve existing network sales.

Tatts NT reserves the right to appoint outlets, which in Tatts NT opinion, satisfies the franchise criteria.

Retention of an Outlet

All Products outlets must maintain a Minimum Average Weekly Sales Amount to retain the right to sell lottery products. The Minimum Average Weekly Sales Amount will be stated in Item 14 of Schedule 1 of your Franchise Agreement. This figure is CPI adjusted each year and outlets will be advised of the amount.

Sales Performance

Outlets operating below the Minimum Weekly Average Sales Amount will be notified that the Franchise Agreement may not be renewed at the end of the term. The Minimum Weekly Average Sales Amount is the amount specified in Item 14 of Schedule 1 on the Franchise Agreement. This figure is CPI adjusted each year and outlets will be advised of this amount.

GST

Franchisees are liable to pay GST on the commission earned from product sales and player registration. This means that 1/11th of total commissions will represent GST which franchisees should include in the Business Activity Statements in the relevant BAS period sent to the Australian Taxation Office ("ATO").

Tatts NT issues a Recipient Created Tax Invoice (RCTI) to Franchisees for commissions on product sales and player registration of which Franchisees can rely on as source of support for the calculation of GST.

Paying Prizes

Tatts NT Prize Payment Policy states that franchisees must pay prizes up to and including \$1,499.99 in cash and ensure sufficient funds are available to do so.

Responsible Play Commitment

Tattersall's Sweeps Pty Ltd (Tatts), Tatts NT Lotteries (Tatts NT), Golden Casket Lottery Corporation Limited (Golden Casket) and New South Wales Lotteries Corporation Pty Ltd (NSW Lotteries) collectively referred to as **The Lott** are leaders in providing innovative and socially responsible lottery games in Victoria, Tasmania, NT, ACT, Queensland and New South Wales.

The Lott runs a Responsible Play Program which is designed to encourage responsible gambling. While recognising that lotteries are a low-risk form of gambling, The Lott Responsible Play Program includes a range of measures to encourage responsible play of lotteries.

Responsible play is all about being informed, having fun and players knowing their own limits. The Lott and our retail agency network (franchisees) are committed to Responsible Play and to keeping lotteries fun and entertaining.

The cornerstones of the Responsible Play Program are The Lott Responsible Gambling Codes of Conduct applicable to each state or territory. A full copy of the Code relevant to a specific state or territory is available for inspection at the relevant Tatts, NSW Lotteries or Golden Casket outlet or online.

To supplement the codes, new franchisees are trained in Responsible Play and are also provided with a self-paced training Guide or Workbook which provide specific information around the Lotteries Responsible Play Program and the requirements and obligations for franchisees and their staff in a specific State or Territory.

Retail Image

Tatts NT is committed to maintaining the highest standards of excellence in our products and customer service. A major part of this involves portraying a highly recognizable and consistent Retail Image that clearly informs our customers about where outlets are and what games can be played.

The purpose of complying with the Tatts Retail Image is to ensure your outlet has an image that will:

- Maximise customer's brand recognition and purchase of products;
- Maintain a strong identity throughout the network;
- Allow franchisees to benefit from the connection to Tatts advertising that directs customers to your Tatts NT outlet;
- Provide outlets with a modern retailing concept; and
- Provide a bright, attractive and effective environment for customers and staff.

The Franchise Agreement requires franchisees to comply with the Retail Image requirements.

Retail Image Requirements

Tatts NT has a strict set of requirements for the completion of various installations. In addition franchisees are required to comply with Shopfit Design Specifications and any other update or communication from Tatts in relation to shopfit installations.

The previous Retail Image will expire on a rolling basis depending upon when an outlet originally had the previous Retail Image installed. The expiry timetable will be time lined from oldest to newest, each store will receive an Upgrade Notice to Generation One Retail Image to indicate the Retail Image due date.

The Generation One Retail Image introduced on 2 August 2010 was updated on 1 February 2016 to include DigiPOS and is now the current Retail Image. All Retail Image installations after this date must be the current image.

Outlet Change of Ownership

Where a change of ownership occurs, it will be expected that the new franchisee meets and maintains the Retail Image Standards applicable to that outlet as determined by Tatts NT.

Outlet Relocations

If an outlet is approved to relocate, the latest Retail Image must be implemented in the approved new location prior to commencement of trade.

Outlet Ceasing to Trade

In the event of an outlet ceasing to trade, the outgoing franchisee must ensure all signage; fixtures and promotional elements related to the business are removed.

New All Products Outlet

Applicants approved for a new All Products outlet must install the current image, prior to the commencement of selling lottery products. The current Retail Image is Generation One DigiPOS.

Minimum Design Requirements

There are three Retail Image categories:

- **One (1) Screen** based upon sales category
- **Two (2) Screens** based upon sales category
- **Kiosk** – based upon shopping centre environment



Fitout Costs for Outlets payable by franchisees

The cost of a Retail Image shopfit depends on many variables including individual needs, site requirements, final agreed layout and store type. It also depends on the shopfitter and/or contractors selected. Costs for installation of shop fit-out vary from outlet to outlet. A further estimate can be provided should your application proceed. For further information in relation to shop fitting costs, please refer to our disclosure document. To obtain actual fitout costs relevant to your outlet you must deal with your selected Tatts NT Approved shopfitter and/or contractor.

Retail Image components are to be treated with due care and attention. Replacement of any of these components will also be at the expense of the franchisee.

Franchisees Responsibilities

Franchisees are responsible for:

- Organising shopfitters, contractors, quotes, plans and all associated costs relevant to the fitout of their outlet;
- The selection of a shopfitter and/or contractors;
- The shopfit contract;
- Ensuring the selected shopfitter and/or contractors are appropriately licensed and are Tatts Approved Shopfitter to perform the works they have quoted and that their licence is still valid;
- Ensuring that all works performed by the shopfitter and/or contractors are in accordance with all required regulations, standards and requirements for the relevant state, Landlord and Shopping Centre;
- Negotiation and management of the agreement between the shopfitter and the franchisee for supply and installation of the Retail Image;

- Any fees associated with the fit out of the Retail Image and/or signage;
- Ensuring that the Tatts Dedicated Trading Area incorporating the fitout is regularly maintained in line with Workplace Health & Safety Standards;
- All costs associated with maintaining any component in whole or in part of the Tatts Retail Image; and
- Obtaining Tatts NT written approval of completion of the Retail Image.

Tatts NT Responsibilities

Tatts responsibilities are limited to the following areas of the fitout process:

- Provide detailed design specifications and construction drawings as well as communicate to Tatts Approved shopfitters as required;
- Approval of plans in so far as they relate to the implementation of the Retail Image;
- Provide Lottery & DigiPOS equipment
- Organisation and supply of the current fitout component package; and
- Final inspection, audit and approval to confirm that the fitout is in accordance with the approved plan.

Tatts NT Plan Approval

All plans must be submitted to and approved by Tatts NT before any works commence to implement the Retail Image. Standard layouts are detailed in the Generation One DigiPOS Retail Image Schematics, available on request by contacting Tatts NT or on Retailers Web.

Shopfitter and Contractor Responsibilities

Tatts will supply a list of shopfitters that have been accredited to be an approved shopfitter by Tatts to manufacture and install the latest Retail Image. This list is provided as an aid to franchisees. Tatts does not guarantee the work of the shopfitters included in this list. Tatts recommends franchisees obtain three quotes.

Only Tatts NT accredited shopfitters or technicians are required to move or install lottery equipment.

It is the franchisee's responsibility to satisfy itself that the selected shopfitter:

- Holds all required licences for the relevant state in which the outlet is located;
- Has appropriate level of Work Cover Insurance;
- Has appropriate level of Industrial Special Risks Insurance;
- Performs all works in accordance with all necessary regulatory standards and requirements inclusive of the work place Health & Safety regime; and
- Performs all works in accordance with the plans approved by Tatts for the Retail Image.

HOW TO APPLY TO BECOME A FRANCHISEE

By now, a prospective franchisee should have a good idea of the rewards and responsibilities associated with being a Tatts NT franchisee.

If prospective franchisees feel they have fully understood and can comply with all the requirements and specified criteria for conducting an outlet, then they should:

1. Contact Tatts NT via email applications@thelott.com
2. Read and complete the application form. Processing of the application may be delayed if the application is not fully completed, signed and returned with all supporting documentation.

Complaint Handling Charter

As part of Tatts ongoing commitment to customer and franchisee service, Tatts has a centralised team responsible for the management and resolution of complaints. This allows Tatts to manage all complaints consistently, fairly and efficiently, ensuring that customers and franchisees that share their concerns with us receive the level of responsiveness they are entitled to. As part of this commitment, this complaint handling charter has been developed which outlines Tatts role in the complaint handling process and advises people who wish to lodge a complaint of their rights and responsibilities.

It is recommended that franchisees attempt to resolve any customer complaints immediately, however if the customer complaint cannot be resolved, customers should be encouraged to telephone Tatts Contact Centre directly.

At times customer complaints may be passed on to Tatts complaint handling staff if required and these staff may contact you to obtain more information.

How do I make a complaint?

Making a complaint to Tatts is simple and easy. You can make the complaint in person, by telephone, letter, fax or email. See below for contact details.

Phone: Tatts NT Contact Centre on 131 868
Email: support@tattersalls.com.au
Fax: (07) 3877 1140
Mail: Complaints at Tatts NT
Locked Bag 1
SPRING HILL, QLD 4004

NOTE: If you are making the complaint in person or by telephone, to Tatts NT representatives, you may be asked to submit your complaint in writing.

What should I include in my complaint?

- Your name, address and contact details;
- Any details of your complaint that will enable Tatts to assess and process your complaint;
- Where relevant, please provide copies of any documents relating to your complaint;
- Details of any prior contact with Tatts on the complaint, including the names of any Tatts employees you may have previously dealt with.

What are my rights when making a complaint?

You have the right to:

- easily lodge a complaint, and where required, seek assistance to lodge it, at no charge from Tatts;
- have your complaint dealt with in a fair, efficient and courteous manner;
- have information identified by you as confidential, treated as confidential by Tatts unless it has reasonable grounds for doing otherwise (e.g. a report to the Minister or Regulator);
- seek your own legal advice;
- be informed of the criteria and processes for how your complaint will be dealt with;
- know whether this charter has been followed;
- be informed of Tatts response, and the reason for this response; and
- provide directly relevant material in support of the complaint.

How will my complaint be handled?

- Tatts will receive your complaint, record the details, give it fair and genuine consideration and deal with it in an effective way to achieve fair outcomes.
- Tatts will inquire into your complaint, and consult with relevant Tatts staff and outlets (where appropriate) within a reasonable timeframe, having regard to the nature and complexity of the complaint.
- Tatts will keep you and the person complained about (if applicable) informed of progress.
- If appropriate and where possible, Tatts will recommend changes to remedy the situation, and then inform you of the decision made and the reasons for the decision.
- Tatts will treat all information with respect and handle personal information in accordance with the Corporation's Privacy Policy.
- Tatts will take action to resolve the complaint.

Some important points

- Someone else may make a complaint on your behalf, however it may still be necessary for Tatts to contact you directly.
- If you are experiencing difficulty expressing your complaint, you may seek Tatts assistance.
- If you make an anonymous complaint, Tatts capacity to inquire into the issue may be limited. Whilst all attempts will be made to protect your identity, your identity may become apparent during the course of the inquiry.
- Tatts may request your assistance to enable the Corporation to assess and process your complaint
- Please do not to make complaints that are vexatious or frivolous or that relate to a matter that has been dealt with in a previous complaint.

Any Feedback

Tatts NT is committed to improving the level of service it provides and your feedback is very important.

You can visit, telephone, fax, email or write to us at the addresses above to give us your feedback on our service and the Complaints Handling Charter.

If you would like to make a suggestion about our complaints handling process, it would be helpful if you would first raise the matter with the Tatts NT staff member you have been dealing with. If you are not satisfied, please contact Tatts NT Contact Centre using the details above.