



Tatts Lotteries SA Pty Ltd
ABN 41 146 245 007

FRANCHISE CRITERIA

Proposed Tatts Lotteries SA franchisees are assessed against the following three 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
- h) Suitability and ability to conduct the Franchised Business in accordance with Tatts Lotteries SA 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
 - viii. English Language Proficiency – reading, speaking and listening

2. Suitability of the Business

Relevant considerations include:

- a) whether the host business:
 - i. fits with and can support the integrity and values that are associated with the Tatts Lotteries SA branding;
 - ii. can accommodate Tatts Lotteries SA standards;
 - iii. the hours of operation of the host business;
- b) whether the communication links to the proposed site will be compatible with Tatts Lotteries SA systems and regulatory requirements;
- c) the security of tenure in respect of the proposed site;
- d) the ability of the host business to support a broadband internet connection

3. Ability to Generate a Sufficient Financial Return for Tatts Lotteries SA

Relevant considerations include:

- a) the anticipated quantum of sales, incremental sales and incremental profit returns for Tatts Lotteries SA from the network as a whole. When considering this issue the following factors may also be taken in to account, 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 business; and
 - vii. environmental factors such as any future development or material changes in the area which will impact on the proposed site.
- b) Tatts Lotteries SA may substitute the above criteria relating to incremental sales and profits with the preservation of existing sales and profits where it considers it desirable to do so for the purpose of preserving 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 Lotteries SA to be likely to attract substantial custom from customers who have traditionally frequented other commercial premises containing a Tatts Lotteries SA outlet or outlets.