

## Bylaws of European Lotteries Sports (ELS), an Incorporated Association

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### Article 1 Name

The European Lotteries Sports, or **EL Sports** (ELS) is an Incorporated Association pursuant to Article 60 ff., Swiss Civil Law.

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### Article 2 Domicile

The Association is independently domiciled at Swisslos, Interkantonale Landeslotterie, Basel.

Its administrative duties may be completed at other locations, wholly or in part.

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### Article 3 General purpose

The Association's purpose is, in close cooperation and coordination under integration of the political aims of the European Lotteries and Toto Association (European Lotteries/EL) as well as other relevant Regional Lotteries Associations and the World Lottery Association, to act in and represent the common interests of associated companies in general and vis-a-vis FIFA, UEFA, national football associations and football leagues and other international sports bodies in particular.

ELS will be an independent body under the umbrella of European Lotteries.

The members agreed to full cooperation and identification with the EL structure and objectives in sports betting matters and to show unity in political aims.

The Association shall be non-profit-making and its goals entirely idealistic.

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### Article 4 Tasks

The Association shall complete all tasks necessary in the realization of its general purpose, in particular by

- coordinating the intents common to its members in close cooperation with the organisations mentioned in Article 3, acknowledging the leading role of European Lotteries and following the aims of this association identified as common ones
- promoting international cooperation in conducting football toto and other sports bets
- representing the members' interests in general and toward FIFA and UEFA, as well as toward the national football associations, football leagues and other national and international sports federations, in particular
- taking a part in organizing international competitions
- ensuring the financing of sports events used to establish Toto or other sports betting programs for its members
- establishing and independently operating a publicity and results service.

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**Article 5 Means**

In the accomplishment of its General Purpose, the Association shall, commensurate with its financial situation, make use of all suitable and available means.

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**Article 6 Membership**

Membership shall be restricted to state licensed or authorized Toto and/or sports betting companies, that are regular members of the organisations mentioned in Article 3 and are contributing money deriving from their net revenue or their taxes wholly or in part to national sports activities, that have entered into the agreement between the members concerning the election of the President of the association and have undersigned this agreement.

Future new full membership is only granted to lotteries who are also members at the European Lotteries and Toto Association (EL). However, non-EL members can apply for “*associate membership*”, with access to full benefits and support, but no voting right at the General Assembly.

Should several toto (pools) and/or sports betting companies exist in a country with pooled games, they shall be admitted as a single member.

The Managing Committee shall submit applications, together with its motion, to the Assembly of Delegates. The Assembly shall render its decisions with a two-thirds majority of the votes present.

There shall be no right to membership. Applications may be rejected without statement of cause.

**6.1 Honorary Membership**

For long time dedication to ELS, outstanding contributions and presidential positions, individuals may be proposed honorary membership by the Managing Board and approved and awarded by the General Assembly with a three-quarters majority of votes of the present votes.

The honorary membership at ELS should be awarded only to following individuals:  
Any ELS Presidents, former longstanding board members with more than 10 years serving the board plus other important individuals around ELS, who have made themselves known for outstanding contributions and support to the association. The people mustn't be active in any other role on the ELS board. Honorary members will be invited for the yearly congresses. ELS will only bare the cost of lodging, if not paid for by the host lottery, plus the meal costs.

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**Article Withdrawal and expulsion**

**7** Membership shall terminate with the dissolution of the member company, failure to pay the membership fee upon receipt of two reminders, voluntary withdrawal, or expulsion by the Assembly of Delegates.

Voluntary withdrawal, under observance of a six-month period of notice and effective the end of a given calendar year, may be initiated by registered letter addressed to the Managing Committee.

A two-thirds majority of the votes present at an Assembly of Delegates may expel a member without statement of cause. A serious breach of Bylaw principles and provisions and that of Association Regulations shall constitute sufficient reason for expulsion.

The withdrawn or expelled member shall have no claim on Association assets.

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**Article Finances**

**8** The association shall generate its finances from membership fees, voluntary contributions and the proceeds from events.

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**Article Membership fees**

**9** Based on a motion by the Managing Committee, the Assembly of Delegates shall set the amount of membership fees, which may differ among member companies. Such differences in membership fees shall be commensurate with objective criteria. The amount of the yearly membership fee is based on 4 different factors to calculate fair and adequate member contributions.

The Four Factors:

- 1) Fixed Fee for each member (small extra fee for pure Sports Lotteries)
- 2) Sports Betting Sales
- 3) Size of Lottery and Country
- 4) Board Member Benefit (additional fee for lotteries who have a seat in the ELS Board)

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**Article Liability**

**10** Association liabilities shall be covered exclusively by Association assets. There shall be no personal liability for Association liabilities.

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**Article Period of administration**

**11** The period of administration shall comprise the Association year and the business year and be equal to a calendar year.

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**Article Bodies**

**12** The Association bodies shall be

- the Assembly of Delegates
  - the Managing Committee
  - the Auditor
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## **Article Assembly of Delegates**

**13** The Assembly of Delegates shall be the highest body of the Association. It shall consist of authorized delegates.

The Assembly of Delegates may

- implement the Association's purpose and objectives
- accept and expel members
- approve the activity reports of the Managing Committee and those of other panels and commissions
- approve the annual accounts
- determine the amount of the membership fees
- revise the Bylaws
- dissolve the Association

The Assembly of Delegates shall elect to a four year period of office

- the President
- the other members of the Managing Committee
- the Auditors

Subsequent terms of office shall be permitted.

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## **Article Convocation of the Assembly of Delegates**

**14** The Assembly of Delegates shall take place subsequent to the administration period, but no later than mid-May of the succeeding year.

The Managing Committee shall convene said Assembly pursuant to the Bylaws or as needed, as well as if one-fifth of the membership demands it.

The invitation, together with the order of business, shall be sent out no later than 14 days prior to the date of the Assembly.

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## **Article Voting powers**

**15** Each regular member shall have one vote plus one additional vote for each SFr. 10,000 paid, but not for any part thereof. Maximum votes per member are 6.

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## **Article Decision making**

**16** At the Assembly of Delegates, members shall exercise their right to vote through a duly authorized delegate. A second member representative may attend the Assembly of Delegates in an advisory position.

Provided there are no laws or statutory regulations to the contrary, Association decisions shall be subject to the absolute majority of the votes present.

Initial elections shall be subject to an absolute majority, run-off elections to a relative majority. Ties shall be resolved by draw.

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## **Article The Managing Committee**

**17** The Managing Committee shall consist of between five to eleven members. The Managing Committee shall constitute itself, with the exception of the President, who is elected by the Assembly of delegates, and shall appoint the Vice President and choose the General Secretary.

The President may appoint a commission consisting of three or five members. In accordance with his position, the President shall be one of them. A special set of regulations shall determine the commission's areas of authority and responsibilities.

The Managing Committee shall handle current business. It shall make decisions in all matters not expressly charged to another body. The Committee shall represent the Association to the outside and shall issue the Organizational Regulations.

Presence of the majority of the Committee's members shall constitute a quorum. Decisions shall be reached by absolute majority. Members may not abstain. In case of a tie, the President shall cast the deciding vote.

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## **Article Eligibility**

**18** Any person occupying a leading position in a member company shall be eligible.

Once a member no longer meets this requirement, he or she shall be asked to resign, effective immediately.

Only a person should be elected President of the Association, who holds the position of the chairman of the sports commission of the European State Lotteries and Toto Association (European Lotteries/EL), at the time when the Assembly of delegates elects the President of the association.

Members of the Managing Committee shall not be entitled to vote in the Assembly of Delegates.

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## **Article Business office**

**19** The Business Office, headed by the General Secretary, shall handle administration.

The General Secretary has to fulfil his duties according to Article 4 of these statutes within the scope of the association. It was acknowledged by the members that the General Secretaries of both ELS and EL work in close cooperation and coordination and with a steady information flow between the two secretariats. The ELS General Secretariat will only report to the ELS President and its board.

The General Secretary shall take part in meetings of the Managing Committee and the Assembly of Delegates in an advisory position and record the minutes of these meetings.

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## **Article Auditors**

**20** The Auditors shall audit the activities of the Managing Committee and the Business Office and, in particular, the Association's books. The Auditors shall submit their written report to the Assembly of Delegates annually and make a motion for the approval of the annual accounts and the activities of the Managing Committee.

As a rule, a firm of fiduciaries of proven ability shall be appointed as auditors.

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**Article Organizational Regulations**

**21** The Organizational Regulations, as supplements to prevailing law and the Bylaws, shall govern the activities of the Association's bodies, Special Commissions and those of the Business Office. The Organizational Regulations shall include procedural regulations and determine

- the areas of authority of Association bodies and of the General Secretary;
- the business regulations of the Assembly of Delegates;
- representational authority and signatory rules;
- appointment procedures of Special Commissions.

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**Article Special Commissions**

**22** The Managing Committee may appoint a Special Commission for certain purposes and tasks. The Committee may include outside experts and advisors.

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**Article Compensation**

**23** Members shall bear the cost of attending Assemblies of Delegates.

Members of the Managing Committee, the Secretariat and of Special Commissions shall be entitled to compensation for expenses and to an attendance fee according to the ELS expense policy.

The Managing Committee shall determine the amounts of compensation for special tasks and personnel remuneration.

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**Article Bylaw changes**

**24** Bylaw changes shall be made by a three-quarters majority of votes present at an Assembly of Delegates.

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**Article Dissolution of the Association**

**25** The Assembly of Delegates may dissolve the Association with a three-quarters majority of votes present. Upon meeting Association liabilities, its assets shall be used to promote sports.

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**Article Applicable law and jurisdiction**

**26** Swiss law shall apply exclusively. Jurisdiction shall reside with the courts of Basel.

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**Article Arbitration clause**

**27** Disputes among members, and between members and the Association, resulting from the Bylaws, Regulations or Association decisions, shall be subject to arbitration, under exclusion of courts of law. In case of a dispute, each party shall name an arbitrator. The arbitrators shall name a chief arbitrator. The decisions of the arbitrators shall be final.

In addition the Swiss Arbitration Agreement (Konkordat über die Schiedsgerichtbarkeit) shall apply.

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**Article Languages**

**28** Association languages shall be German, French and English. These Bylaws exist in English and German (other languages on request). In case of text differences, the English version shall prevail.

*These Bylaws were amended by the Assembly of the Association, held in London on October 20, 2009. They replace the Bylaws dated April 30<sup>th</sup>, 2008 and shall be in force effective immediately.*