

**REGULATORY BASES OF THE CANDIDATE
SELECTION PROCESS TO QUALIFY FOR
THE LEASE OF THE CIRCUIT OF NAVARRA**

Pamplona, January 2019

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1. SUBJECT OF THE REGULATORY BASES

The aim of these regulatory bases is to determine the selection process for the eligible candidates to lease the Circuit of Navarra.

The lease will be concluded with or without a sale and purchase option, according to the agreements reached during the negotiation process, and its starting date is expected on January 1st 2020.

2. BACKGROUND

The Circuit of Navarra belongs to *Navarra de Infraestructuras de Cultura, Deporte y Ocio, S.L.* (NICDO) a Government-owned company belonging to the Government of Navarra and attached to the Department of Culture, Youth and Sports.

The project of the Circuit started in 2007 and it was built by June 2010, when its activity began. From June 2010 to February 2014 the Circuit of Navarra was directly managed by NICDO (initially named *Circuito Los Arcos, S.L.*)

From February 14th 2014, and as a result of a public tender process carried out for the purpose, the facility started to be managed by the company '*Los Arcos Motorsport, S.L. (LAMS)*' in virtue of a lease contract that ends on 31st December 2019.

3. MAIN FEATURES OF THE FACILITY

TRACK

- Total length: 3,933 m.
- 2 simultaneous tracks available: (2.6 km and 1.3km)
- Layout width: from 15 m. to 12 m.
- Main straight line: 800 m.
- Turns: 15 (6 left and 9 right)
- Paddock: 41,000 m²
- Approvals:
 - FIA T1 & Grade 2 (F1 and GP2 races testing)
 - FIM level B (Superbikes races) C/I

BOXES

- 32 boxes of 105 m² (7 x 15 m) equipped with electricity, water and wi-fi.
- 8 sport offices and 2 meeting rooms.

- Briefing and press rooms.
- Catering hall.
- Paddock Bar with a terrace over the pit lane.
- 17 hospitalities of 63 m²/each with 22 m² of terrace over the pit lane.
- Medical centre and burn unit of 210 m².

CONTROL TOWER

- Race Control with closed- circuit television (CCTV) and fibre optics and ip timing.
- Commercial and administrative offices.
- Next generation MYLAPS timing.
- Public address system, speaker and DJ.
- 2 VIP areas of 300m² each for events and sponsors.

KARTING

- Permanent track length:731 m
- 15 turns: 9 right, 6 left.
- Width: 10 m. in the main straight line and 8 m. in the rest of the racetrack.
- Briefing room, changing rooms, showers, shop.
- Karts storage area.
- Permanent lighting.
- Timing system.
- Paddock karting.
- Pelouse.
- Parking.
- Showers.

DRIFTING TRACK

- Total surface: 14.000 m².
- Layout length: 950 m.
- Skidding circle: 40 m diameter
- Drip irrigation system in all the surface.

OFF ROAD AREA

- Autocross track:
 - Layout length: 1,100 m.
 - Width: 12 metres.
 - Turns: 7.
 - Approval: regional.
- 4x4 area.

ATALAYA CENTER

- Ground floor:
 - Convention venue: a fully equipped 295 m² area.
 - Commercial area, restaurant, bar and terrace.
- First floor.
- Terrace.
- Semi-basement.

For further information about the facility you may check our website:

<http://www.circuitodenavarra.com/>

4. AIM OF THE PROCESS

NICDO initiates this procedure to select eligible applications to lease the Circuit of Navarra.

From all the applications submitted, NICDO will select a maximum of four, whenever possible, provided they comply with all the necessary requirements and according to the score obtained by meeting the criteria established in these regulatory Bases.

The selection process will not result in any form of contract or grant any rights to the selected applications. It will only be used as an instrument to select the best applications following the principles of equality, transparency and objectivity.

Negotiation phase for the selected applications

Once the selection process is finished, and as provided in these bases, an individual negotiation period with each part will start until the final application offers are submitted to conclude a lease contract of the facility for a period of 5 years, or for the period agreed after concluding the negotiation process.

5. SELECTION PROCESS

The selection process will be carried out following the criteria assessment established under provision 14 of these regulatory Bases.

Nevertheless, NICDO may at any time, and without any obligation to justify its decision, terminate the procedure or declare it void.

6. CONTRACTING ENTITIES

NICDO will be the entity signing the lease contract as well as any agreement or previous document with the eligible entity which is finally awarded the contract.

The application finally selected to conclude a contract (being constituted or not by different natural or legal persons) must be an entity officially registered and with tax residence in Navarra, and all contracts, documents and agreements will be signed with this entity.

Notwithstanding the above, NICDO may assign its position to the *Foral* region of Navarra or to any other company where either NICDO and/or the *Foral* Region of Navarra may hold stake in the share capital, to conclude contracts and sign any documents or agreements, without the express consent of the eligible or awarded party.

Except with the prior consent or written consent from NICDO, neither the selected applications nor the finally eligible applicant to conclude the lease contract with a purchase and sale option, might assign their position to a third party.

7. LEGAL REGIME GOVERNING THE PROCESS.

The process will be governed by private law. In this regard, it is necessary to point out that the process will not be subject to the regional law '*Ley Foral 2/2018*', April on Public Procurement.

Participating in this process will imply the will to take part in it with full autonomy and responsibility, assuming the corresponding rights and duties.

Applying for the selection process will mean the full acceptance of these regulatory Bases, and the will to carry out the necessary negotiations in case of being finally selected, meeting the requirements established by NICDO.

8. NATURE OF THE CONTRACT OR AGREEMENTS

The contract or the prior documents or agreements that might be concluded after the selection process and negotiation period will have a civil nature.

9. ELIGIBLE APPLICATIONS

Participation in the selection process will be open to every natural or legal person, individually or jointly, with full capacity to act, and will prove their capacity requirements and comply with the terms and conditions established in the present Bases.

The application will be formalized by submitting a private document expressing the wish to participate in the selection process, including the list of natural and/or legal persons in the initiative, the participation percentage of each party, if applicable, and the designation of a legal representative or sole agent.

In order to initiate the negotiation process, NICDO may require from the eligible applicants a first call bank guarantee in its favour for an amount of 500,000 €. This guarantee will be subject to the fulfilment of the terms and conditions established in these Bases and the certification of the requirements and submission of documents that may be asked during the negotiation process.

Once the decision is taken by NICDO, all guarantees submitted by the non-selected applicants will be returned to them within 15 days following the communication about the decision, unless there is evidence of non-compliance in regard to the duties and the certification and documentation requirements.

The guarantee provided by the applicant who is finally selected to formalize the contract will be held until the contract is formally concluded.

10. SUBMISSION OF APPLICATIONS

The parties interested in participating in this selection process must submit their applications in writing before Friday, February 15th 2019, 2 p.m. at NICDO offices, located in Plaza Baluarte, s/n, Pamplona (Navarra) or via email to nicdo@nicdo.es.

The applications received after the aforementioned deadline will not be accepted.

11. CONTENT OF PROPOSALS

The applicants interested in taking part in the selection process must submit a proposal including the following:

A. APPLICANT MEMBERSHIP

1. A private **document** where it is stated the will to take part in the selection process by the applicant, including the list of natural or legal persons in their composition, the stake percentage each member holds in the share capital, if applicable, and the appointment of a legal representative or sole agent as provided in Annex 1 of these Bases.

2. A **Sworn declaration** from all natural or legal persons in the application, as provided in the model attached in Annex II of these Bases stating that:

- They are up to date with their **tax obligations**.
- They are up to date with their **Social Security obligations**.

3. The **Email address of the legal representative or sole agent of the application**, for communication purposes.

B. ECONOMIC SOLVENCY

An affidavit (as provided in the model attached in Annex III) stating that, in case of being selected to initiate the negotiation process, the parties can provide a bank guarantee of 500,000 euros. This document must be signed by all members in the application list.

C. PRIOR EXPERIENCE IN MANAGEMENT OF SPORTS AND RACING FACILITIES.

Proven track record in the management or maintenance of sports and/or racing facilities in the last 10 years by providing the following:

- In the case of legal persons, a list of tenders and contracts related to the management of sports or racing facilities, including:
 - o Name and location of the facilities.
 - o Starting and ending date of the provision of services.
 - o Approximate business volume of the facilities previously managed.
 - o Description of the facilities.
 - o Description of the specific maintenance activities and tasks carried out at the facilities.
 - o In case of racing facilities, level of approval by the corresponding FIA standards.

- In case of natural persons, list of management positions held in the past, including:
 - o Name and location of the facilities.
 - o Corporate name of the employers.
 - o Starting and ending date of the provision of services.
 - o Approximate business volume of the facilities previously managed.
 - o Description of the facilities.
 - o Description of the specific maintenance activities and tasks carried out at the facilities.
 - o In case of racing facilities, level of approval by the corresponding FIA standards.

D. PRIOR EXPERIENCE IN THE DEVELOPMENT OF SPORTS AND RACING EVENTS.

It is necessary to provide evidence that they have the previous experience in the development of sports and racing events over the last 5 years, as a legal person or in a management position of the company organizing or promoting these events, by providing a list containing the following information:

- o Name and description of the event.
- o Year.
- o Approximate revenue volume or economic impact generated by the event.

E. PRIOR EXPERIENCE IN THE ORGANISATION OF SPORTS AND RACING COMPETITIONS.

It is necessary to provide evidence that they have the previous experience in the organisation of sports and racing competitions, at least at national level, over the last 5 years, as a legal person or in a management position of the company organizing or promoting these competitions, by providing a list containing the following information:

- Name and description of the sports competition. In case of racing events, also the category must be included.
- Year.
- Economic impact in the area.
- Approximate number of visitors/people attending the competition.

F. PRIOR EXPERIENCE IN SEEKING AND MANAGING SPORTS SPONSORSHIP

It is necessary to provide evidence that they have the previous experience over the last 10 years in seeking and managing sports sponsorship, as a legal person or in a management position of the company organizing or promoting these events, by providing a list containing the following information:

- Corporate name of the clients.
- Approximate sponsorship revenue volume in each year as a service provider.
- Approximate number of sponsors by facility/ company per year.

G. PRIOR EXPERIENCE IN OPERATING ASSETS AND/OR SERVICES RELATED TO RACING FACILITIES.

It is necessary to provide evidence that they have the previous experience in operating assets and/or services related to racing facilities over the last 5 years, as a legal person or in a management position of the managing company, by providing a list containing the following information:

- Asset or service operated at the client's facility, such as: auxiliary track (karting, drifting, off road) VIP grandstands, workshops, hospitality and accommodation, etc.
- Approximate income volume by operated asset/service per year.

H. PRIOR EXPERIENCE IN TRAINING ACTIVITIES RELATED TO AUTO RACING

It is necessary to provide evidence that they have the previous experience in self or collaborative management of training courses and activities related to auto racing over the last 5 years, by providing a list containing the following information:

- Training courses offered.
- Partnership agreements with training organisations.
- Approximate income volume by operated service per year.

12. EXCLUSIONS

All applications received in the following circumstances will be excluded from the selection process:

- Submission after deadline.
- The application does not comply with the necessary application requirements.

- The application does not meet any of the provisions contained in bases of the selection procedure.
- The application does not reach the minimum score established by provision 13.
- The application falls under any of the other exclusion circumstances established by these Bases or by the applicable legal regulations.

13. ASSESSMENT AND SELECTION OF APPLICATIONS

Once the deadline for the submission of applications has passed, NICDO will proceed to the internal analysis and assessment of the documentation submitted by the candidates. In case there is any information error or gap that may be corrected in any of the proposals, this will be duly communicated via email to the interested parties, and there will be a period of a maximum of 5 calendar days to correct it, or to submit any further detail in regard to the submitted documentation if applicable.

At the end of the process, NICDO will communicate to all applicants the decisions adopted, and will select a maximum of four applications to take part in the individual negotiation phase, in accordance with the required conditions and the score obtained as per the criteria detailed in these Bases, that will, in any case be over 50 points.

14. SELECTION CRITERIA

To assess the applications submitted, the following criteria will be taken into account, out of a total score of 100 points, as follows:

Prior experience in managing sports and racing facilities **15 points**

Including but not limited to, the following aspects will be taken into account, among others, number of years in charge of the management, economic volume, complexity of the facility, maintenance, etc. It will be specially considered the experience in regard to racing facilities.

Prior experience in the development of sports events. **20 points**

Including but not limited to, the following aspects will be taken into account, among others, the number and economic value and impact of each of the sports events developed, their complexity, etc. It will be specially considered the experience in regard to racing events or linked to racing facilities.

Prior experience in the development of sports competitions. **15 points**

Including but not limited to, the following aspects will be taken into account, among others, the number of sports competitions held, their level or category, the approximate number

of people attending the competition, the economic impact in the area, etc. It will be specially considered the racing nature of the competitions and their different types.

Prior experience in seeking and managing sports sponsorship 15 points

Including but not limited to, the following aspects will be taken into account, among others, the number of sponsorships and the economic volume managed. It will be specially considered the sponsorships related to racing facilities or racing companies.

Prior experience in operating assets and/or services related to racing facilities 20 points

Including but not limited to, the following aspects will be taken into account, among others, the number of assets/services operated and income volumes, their diversity, etc.

Prior experience in auto racing training activities 15 points

Including but not limited to, the following aspects will be taken into account, among others, the number of years in charge of the management, economic volume, training courses offered, partnership agreements with training organizations and the range of the training offer.

15.NEGOTIATION PROCESS

Once the selection process is finished, a negotiation process with the selected applications will start as provided by NICDO, including but not limited to the following steps:

- Submission of the supporting documentation certifying compliance with the requirements contained in the declaration model attached in Annex II of these Bases.
- Individual meetings with each of the selected applications.
- Draft of the Term Sheet by NICDO and submission of this document to the applicants.
- Presentation of the offers and management program and the sports events as well as any other events.

The lease contract awarding final decision, or any other agreement or previous document shall not establish any entitlement to the awarded application.

16. DATA PROTECTION

NICDO is the sole responsible for the treatment of the personal data that will be collected for the purpose of the management of the selection process of the tender to lease the Circuit of Navarra, which is a facility of their ownership.

Legal basis of the treatment: the data treatment is originated by and necessary to accomplish the contractual or pre-contractual relationship with the interested party. The interested party expressly gives their consent to the treatment of their data in the declaration to take part in the selection process to opt to the lease contract.

Data conservation period: the data will be kept for the necessary period to comply with the aforementioned purpose, and will be stored as long as the company may hold responsibilities over the data treatment.

Data recipients: the data might be transferred to judges and courts in compliance with the applicable legislation, to Organizations and individuals directly related to the responsible. This data might be published in third party media, as indicated in the tender.

Rights: you are hereby informed about the right to access your data, to rectify any incorrect data, your right to be forgotten, right of opposition, portability and right to restrict processing by sending an email to nicdo@nicdo.es In the same way, the interested parties may file a complaint before the Spanish Data Protection Agency in writing to the following address C/Jorge Juan 6, 28001 (Madrid) or electronically at www.aedp.es

17. CONFIDENTIALITY

It is a *sine qua non* condition for all applicants to maintain complete confidentiality about the information; data etc. that, as a result from the selection process and negotiation phase will be brought to their attention. They will assume a special commitment to confidentiality and professional secrecy, committing to, and respecting, an absolute secret and confidentiality about all the knowledge, data and information of an economic, technical and technological nature, as well as knowhow, research, commercial relationships, clients, commercial and production strategies, events, activities and any other matter they have access to or are aware about.

This obligation to secrecy and confidentiality requires a commitment in this sense from all members of the application for a period of 20 years after the communication of the selection results.

To this end, NICDO will formalize the relevant confidentiality agreements, prior to the start of the negotiation phase and information exchange.

18. CONSENT TO JURISDICTION

It is agreed that, any matter derived from this selection process, and particularly related to the contract, agreements or documents concluded after the negotiation process, will fall under the jurisdiction of the Judges and Courts of Pamplona, accepting hereby the applicants participating in this selection process this consent.

ANNEX I

MODEL OF THE PRIVATE DOCUMENT TO EXPRESS THE WILL TO PARTICIPATE IN THE SELECTION PROCESS TO OPT TO THE LEASE CONTRACT

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)____

(...)

HEREBY DECLARE THAT

The aforementioned individuals express their will to participate in the selection process to the lease contract of the Circuit of Navarra, as per the following percentage rates:

-
-

The aforementioned individuals, in case of being selected to conclude a contract, commit to establish an entity with their own legal status, in accordance with the percentages above.

Likewise, they appoint the following person as legal representative or sole agent for the negotiation process and the definition of the terms and conditions in case they are selected to conclude the contract mentioned above:

Mr/Ms. _____
Identity no. _____

I agree to the treatment of my personal data, according to the information provided by the responsible for the data treatment.

Signature.

Signature.

Signature.

DATA PROTECTION.

NICDO is the sole responsible for the treatment of the personal data that will be collected for the purpose of the management of the selection process of the tender to lease the Circuit of Navarra, which is a facility of their ownership.

Legal basis of the treatment: the data treatment is originated by and necessary to accomplish the contractual or pre-contractual relationship with the interested party. The interested party expressly gives their consent to the treatment of their data in the declaration to take part in the selection process to opt to the lease contract.

Data conservation period: the data will be kept for the necessary period to comply with the aforementioned goal, and will be stored as long as the company may hold responsibilities over the data treatment.

Data recipients: the data might be transferred to judges and courts in compliance with the applicable legislation, to Organizations and individuals directly related to the responsible. This data might be published in third party media, as indicated in the tender.

Rights: you are hereby informed about the right to access your data, to rectify any incorrect data, your right to be forgotten, right of opposition, portability and right to restrict processing by sending an email to nicdo@nicdo.es. In the same way, the interested parties may file a complaint before the Spanish Data Protection Agency in writing to the following address C/Jorge Juan 6, 28001 (Madrid) or electronically at www.aedp.es

ANNEX II

MODEL OF SWORN DECLARATION STATING BEING UP TO DATE WITH THE TAX AND SOCIAL SECURITY OBLIGATIONS.

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

(...)

Hereby declare that

- 1.- they are up to date with all tax and social security obligations.
- 2.- in case of being awarded to start the negotiation phase, they will provide with the necessary supporting documentation required to provide evidence in this respect.

Signature.

Signature.

Signature.

ANNEX III

MODEL OF AFFIDAVIT STATING THAT THE APPLICANT CAN PROVIDE A BANK GUARANTEE

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

Mr/Ms. _____
Identity no. _____
On their own behalf / In representation of (strike out as appropriate)

(...)

Hereby declare that, in case that their application to the lease contract is selected to start the negotiation phase, they are able to provide a first call bank guarantee for an amount of 500,000€, that may be required from them within the process framework.

Signature.

Signature.

Signature.