

Gatherwell Ltd.

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10 June 2022

Dear Client,

RE: Cover for prizes in Gatherwell managed lotteries

We are writing to make you aware of a change to the way in which Gatherwell will be covering the pay out of jackpot (£25,000) prizes across our managed lotteries.

The jackpot prize in Gatherwell managed lotteries is “odds-based”. This means that each ticket has a defined chance of winning the jackpot prize (1:1,000,000). When Gatherwell was starting out as an external lottery manager, managing a relatively small number of lotteries, there was the risk that the cost to pay out a jackpot prize could exceed the funds accumulated to pay out prizes. At that time Gatherwell was a newly established, independent business and would not have had the means to cover a shortfall, so it put in place an insurance policy to cover the payout of any jackpot prizes won.

Today, Gatherwell manages over 2000 lotteries and is well established and part of a large international lottery business, Jumbo Interactive. The size of the lotteries under Gatherwell management makes it extremely unlikely that the cost of jackpot prize payouts could exceed the funds allocated to prizes and Gatherwell is in a financial position to be able to cover any shortfall were that unlikely scenario to arise.

Recent world events have affected the insurance industry, making it more difficult to secure cost effective prize insurance cover and the renewal of the policy over the past few years has been increasingly difficult. As a result, Gatherwell has made the decision with effect on 5 June 2022 to cover the cost of paying out jackpot prizes itself and will no longer be insuring prize payouts through an external insurer. There is no change to the agreement that Gatherwell has with you as our client and there are no changes to the Game Rules or terms and conditions for players.

We have updated our Fair and Open Gambling Policy document with the following changes:

1. Removal of clause 2.5 relating to prize insurance, as this is no longer applicable.
2. Addition of clause 8 prohibiting employees, families and households of Gatherwell and its parent company and subsidiaries from participating in Gatherwell managed lotteries.

Gatherwell has consulted with the Gambling Commission about this change and has been advised to raise a notification with the Gambling Commission itself and to notify each of our clients to do the same through the eServices portal.

Actions Required

The new policy document template (Fair and Open Gambling Policy - June 2022) is attached. Please review and complete the details (highlighted in red) for your organisation.

Your Gambling Commission eServices administrator will need to log into the eServices portal (<https://secure.gamblingcommission.gov.uk/EServices/Account/Login>) and raise a LCCP Notification by 24th June 2022, with the following details:

LCCP Notification: Other matter of impact

Detail:

“**[Operator Name]** has made the following changes to its Fair and Open Gambling Policy:

1. Removal of clause 2.5 relating to prize insurance, as this is no longer applicable.
2. Addition of clause 8 prohibiting employees, families and households of our ELM, Gatherwell, and its parent company and subsidiaries from participating in our lottery.”

Upload File: Fair and Open Gambling Policy - June 2022

The screenshot shows the 'LCCP notifications' section of the Gambling Commission eServices Hub. The left-hand navigation menu includes options like Hub, Audits, Address Management, Invoices and payments, Domain names, Games register, Key events, LCCP notification (highlighted), Lottery submissions, Regulatory returns, Security audits, Trading names, Variation application, and User administration. The main content area is titled 'LCCP notifications' and prompts the user to 'Enter LCCP notification details below'. It features a breadcrumb trail for 'LCCP notifications' and 'Add LCCP notification'. The form fields include: 'Date of notification' with sub-fields for Day (10), Month (06), and Year (2022); 'LCCP notification type' set to 'Other matter of impact'; and a 'Detail' text area containing the policy changes. A character count shows '1153 characters remaining'. Below the text area is an 'Upload files associated with this LCCP Notification' section with an 'Upload file' button. At the bottom, there are 'Cancel' and 'Save' buttons.

We thank you for your continued business, and look forward to working together to raise money for your good causes in a fun and responsible way for many more draws.

Yours faithfully,

Nigel Atkinson, General Manager