

Olympic Games Department

Ref. No. CAN/C/44/CHD/2014/mak By e-mail only To: 2022 Candidate Cities

Cc: NOCs of the respective countries

IOC Members in the respective countries

Lausanne, 16 September 2014

Host City Contract for the 2022 Olympic Winter Games

Dear Sir/Madam,

The IOC is pleased to send you herewith the intended final draft Host City Contract for the 2022 Olympic Winter Games (hereinafter the "Draft HCC 2022").

You will notice that the changes brought to the 2020 version of the Host City Contract, which was previously made available to you (hereinafter the "HCC 2020"), reflect the IOC's wish to clarify its content, including to outline the IOC's financial and operational contribution to the 2022 OCOG. The most substantive of these changes are listed below (using the numbering in the enclosed Draft HCC 2022):

<u>Preamble § L</u>: an express reference was included to the prohibition of any form of discrimination, using the wording of Fundamental Principle 6 of the Olympic Charter.

<u>§ 14 Contribution of the IOC to the success of the Games</u>: this provision regroups different forms of contributions that the IOC and related entities will provide to the OCOG, some of which were previously mentioned in different provisions of the version of the HCC 2020. This represents together an overall estimated value of eight hundred and eighty million United Stated dollars (880'000'000 US\$). In addition to this contribution, the IOC will also grant other rights and benefits and provide other forms of assistance to the OCOG for the success of the Games, as described in this provision.

<u>§ 21 Sustainable Human and Environmental Development</u>: in line with the Candidature Procedure and Questionnaire for 2022, this clause has been completed by the addition of new wording addressing the respect of local, regional and national legislation and international agreements, standards and protocols applicable in the Host Country with regard to planning, construction, protection of the environment, health and safety and labour laws, in all Games-related development projects.

<u>§ 29 Olympic Village(s)</u>: this section limits the OCOG's obligation to provide accommodation by mentioning approximately 4,900 persons and approximately 650 rooms (double occupancy) or 1,300 beds as supplementary accommodation.

<u>§ 33, Programme of the Games</u>: the updated clause on the Programme of the Games imposes an obligation on the IOC to determine and to communicate to the City and the NOC the full programme of the Games - including all sports, disciplines and events (as well as the relevant quotas) - by the end of the Session during which the City is elected. It is also stipulated that any changes made by the IOC thereafter, which create material

adverse effects, can only be implemented in mutual agreement between the Parties to the Host City Contract.

<u>§ 45 Division of Surplus</u>: the updated wording provides that the OCOG will submit a method to determine the surplus of the Games, which takes into account the laws and accepted accounting principles applicable in the Host Country. It is also clarified in that clause that all revenues received by the OCOG from the IOC as well as those revenues generated by the OCOG through the organisation and staging of the Games (including for instance revenues derived from its marketing, licensing and ticketing activities) should not be used to provide infrastructure.

<u>§ 50 Taxes</u>: the updated provision on taxes clarifies that the exemptions to be granted to the IOC and related entities pursuant to § 50a, 50b and 50e are only applicable to taxes levied in the Host Country. Other changes have been made to this provision to clarify the process of input tax recovery for Olympic stakeholders.

<u>§ 60 Betting and Manipulation of Games Competitions</u>: the scope of this clause has been clarified to highlight the need to effectively address all forms of manipulations of competitions.

<u>§ 62 Paralympic Games</u>: please note that the IOC has not yet concluded an agreement with the International Paralympic Committee regarding the organisation of the 2022 Paralympic Games. § 62 of the Draft HCC 2022 therefore remains subject to the terms of such eventual IOC/IPC Agreement. In particular, the amount provided in this section is for reference purposes only, based on the IOC/IPC Agreement for the 2018 Paralympic Games, and it is likely that such amount will be increased. The IOC will update Candidate Cities on the conclusion of the IOC/IPC Agreement, as soon as practically possible.

<u>§ 76 Olympic Charter</u>: this provision clarifies that the same mechanism, as described in § 7 Draft HCC 2022, that is applicable to changes to the Technical Manuals or to the Programme of the Games (made after the end of the Session during which the Host City is elected) would also be applicable in case of modifications to the Olympic Charter, to the extent that such modifications create material adverse effects on the financial rights or obligations of the City, the NOC or the OCOG.

<u>§ 85 Confidentiality</u>: while the updated confidentiality provision maintains the principle of confidentiality to cover the correspondence, documents and other information exchanged between the parties in the negotiation and implementation of the Host City Contract, it expressly allows for the Host City Contract, including the Technical Manuals to be made public except, with respect to the Technical Manuals, the specific provisions that the IOC would expressly designate to be withheld from public disclosure (which may be necessary due to confidentiality obligations borne by the IOC towards third parties). Even for these elements, a limited disclosure would remain possible to the extent it is necessary for political or legal reasons, or on an need-to-know basis, subject to appropriate confidentiality undertaking.

In addition, certain sections (such as § 29 "Games Information and Knowledge Management", § 41-44, "Intellectual Property-related Matters", § 54 "Facilities and Services for the Broadcasting of the Games" and § 63 "Technology") have been updated and redrafted for clarity, without material change to the substantive content of the obligations of the parties.

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These above-noted changes are the result of the experience gained by the IOC in previous editions of the Olympic Games and aim at clarifying and simplifying certain clauses and at

addressing certain potential concerns for Candidate Cities and future Host Cities, in the spirit of good faith and cooperation, and taking into consideration certain comments made by the Candidate Cities. Please also note that the updated Technical Manuals, which are referred to in the Draft HCC 2022, will be made available to you on the OGKM Extranet by 31 May 2015.

Sincerely,

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Christophe Dubi Olympic Games Executive Director

Howard Stupp Director of Legal Affairs

Encl. Intended Final Draft Host City Contract for the 2022 Olympic Winter Games