



**FAI**

109th FAI General Conference

**20. Organiser Agreement**

Rotterdam NED | 25./26.09.2015

**Initial observations (May 2014: «Restart» of OA revision)**

**The OA to be seen as an offer for support, as a «product»**

OA should be part of a much broader picture

*If the „product“ is well defined and if the „price“ is perceived value-for-money, the „invoice“ (OA) is only a formality!*

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*If the „product“ is well defined and if the „price“ is perceived value-for-money, the „invoice“ (OA) is only a formality!*

A „good“ bid-document covers all aspects of the OA already. Bidding process to be looked at.

Always remember the **negative messages** the FAI and ASCs are sending out today:  
**Organizer Agreement – Deposit – Sanction Fee – Performance Bonds**

These words are not encouraging!

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**Process involving GC, EB, CPG, Active NAC Presidents**

1. Concept confirmed
  - As few legal pages as possible /As many annexes as necessary
2. Communicate as part of «Marketing & Communication»
  - OA is a part of a successful bidding process
  - Increase importance and acceptance of bid documents
3. Exchange of best practise
  - Organiser workshop / trainings
  - Legal advice

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**Proposal 2014– rigid structure with initial strong support**

**Proposed Table of Content for OA (Goal! Help-Document!)**

- **Definitions**
- **Annexes**
  - (01) Schedule and Programme
  - (02) Organisational Structure
  - (03) Venues
  - (04) Costs
  - (05) Logistics
- **New annexes**
  - (06) FAI support (technical): Services, tools, handbooks (HO / ASC)
  - (07) FAI support (people): Name and responsibilities (HO / ASC)
  - (08) Timeline: Activities, Reports, Due dates
  - (09) Risk Analysis / Crisis Management
  - (10) Failure / Cancellation Procedures
  - (11) Media Rights
  - (12) Commercial Rights
  - (13) Anti-Doping Programme
  - (14) Special Conditions for events with FAI-/ FAI-Partner support
  - (15) Post-Event Evaluation

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**Comments**

- Structure too rigid and detailed
- Recognize procedures in place in ASCs
- Do not overregulate «Ain't fix it when it ain't broken!»

⇒ **Optimise** vs harmonise!

⇒ **Best practise** vs single-commission-solutions

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**Governance**

- Policy about sharing of revenues (By-Laws)
- Report event finances
- Event Liability insurance
- Communicate FAI HO services, materials, tools
- NACs must be informed and must know bid

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### Organiser Agreement 3.0 Philosophy / short term impact

1. Begin with «basic solid legal document»
2. Make the sanctioned bid a mandatory annex to the OA
3. Triggering desired change
  - > NAC-delegates of the plenary commit to the content of bid
  - > All signatories see and commit to the annex (bid)
  - > Quality expected to improve
  - > Quantity of bids may reduce (in the interim)



### Go for it! Appointment as Organiser

With the approval and endorsement of the holder of the Sporting Powers, the ORGANISER has submitted a bid to organize the EVENT and said bid has been accepted and sanctioned by the ASC (see clause 4.2 below).

Based on this sanction by the ASC and subject to the terms and conditions set forth in this OA, the FAI hereby grants the ORGANISER the exclusive right to organise and stage the Event as detailed below.



### Change # 01 Parties better described

1. FAI (World Air Sports Federation)
2. ASC (Air Sport Commission)
3. Holder of the Sporting Powers
4. Local Organiser

President of Air Sport Commission signs “in witness”  
=> The legal entity is the FAI (not the ASC)



### Change # 02 Minimum content of the bid document

- Organisational Structure,
- Name of the FAI coordinator,
- Event Venues, Schedule and Programme of the Event,
- Medical, Rescue and Emergency Services,
- Medals, prizes,
- Event Logistics, travel,
- Entry Fees and what they cover,
- Event insurance (see 8),
- Event budget (see 7.1),
- Distribution of revenues (according to FAI By-laws 5.2.1).
- Confirmation that the NAC has been informed about the BID, in the event that the Sporting Powers have been delegated by the NAC.



### Change # 03 ASC commitment through bid-approval

(...)

The BID was submitted to the ASC on **dd.mm.yyyy**.

The BID was approved by the ASC Plenary Meeting / ASC Bureau on **dd.mm.yyyy**.



### Change # 04 Rights

**Media** (national / international distribution)

**Commercial** (Ticketing, Sponsorship, Merchandising, Hospitality)

#### Distribution of revenue

“must be specified in the bid document. Upon specific request, the FAI shall be entitled to receive a share of the commercial rights revenues. If the FAI exercises the right to receive such share, this shall be communicated and the conditions notified to the ORGANISER as part of the bid conditions.”

(follows a requirement of By-Laws)



### Change # 05 Visual Presence for FAI / FAI Partners

“... on request of the FAI, provide the FAI and FAI partners with the following exposure:

- One page in the event programme,
- Logos of the FAI and FAI-partners on the website, the event social media channels and press-releases,
- Visual presence on backdrops / photowalls,
- Banners in prime EVENT locations.

The above rights shall be granted free of charge. They can be exercised irrespective of any exclusivity granted by the ORGANISER to their **EVENT SPONSORS.**”

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### Change # 06 Acquisition of Commercial Rights (FAI buys!)

The ORGANISER shall, on request of the FAI, provide designated FAI main sponsors with a priority option in connection with the acquisition of commercial rights in their respective product(s)/service(s) category(ies).

The above option can be exercised by the FAI up to 6 months prior to the EVENT.

Before this time limit, the ORGANISER may ask the FAI to grant full release from this obligation or to specify which category(ies) has(ve) to be reserved (limited to a maximum of three).

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### Change # 07 Financials, Budget, Reporting, Audits

- ORGANISER shall bear all costs necessary
- entitled to retain revenues ...linked to the exploitation of the Commercial Rights (subject to FAI's entitlement to a share thereof, see art. 6.2(i))
- shall submit, as part of its BID, an EVENT budget which shall be updated regularly
- FAI, through the appropriate ASC, is entitled to request explanations

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### Change # 08 «old» requirement (4.3 OA)

4.3 In the event that the Organiser enters into a composition or arrangement with its creditors, has a receiver or administrator or administrative receiver appointed or becomes insolvent or unable to pay its debts when they fall due or an application is made for its winding up or dissolution, **the National Member accepts all duties, liabilities and responsibilities of the Organiser** hereunder (including without limitation those of a financial and organisational nature) and references herein to “Organiser” shall be interpreted as references to the “National Member”.

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### Change # 08 Reasonable Guarantees

#### Proposed text in 7.2 of the (new) OA

If, in the reasonable evaluation of the FAI, it appears, at any stage, that the organisation of the **EVENT is not, or is no longer, financially secured** and that this may endanger the proper conduct of the EVENT and the interests of participants, the ORGANISER, respectively holder of the Sporting Powers may be requested to provide adequate reasonable guarantees securing the same, within a dead-line reasonably set. In the event, such adequate guarantees are then not provided, the FAI may terminate the OA, without prejudice to other claims against the ORGANISER.

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### Change # 09 Withdrawing the Sanction (Cancellation)

- In advance (before) the event
- At the start or during the event
  - Interruption
  - Cancellation
- Return of entry fees according to
  - GS2014, 3.15 Return of Entry Fees
  - GS2016, 4.15 Return of Entry Fees

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## Change # 10 Law and Jurisdiction

- Court of Arbitration in Lausanne
- Court to consist of one sole arbitrator (was «3» until now)
- Proceedings in English language (could be several until now)



## Timing: Roll-out of «new OA»

- Executive Board approval
- Air Sport Commissions sign-in
- National Air Sport Controls sign-in
- Explain role of bid-process / new OA (workshops)
- Identify «Launch-Customer» (ASC / Championships)



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## First glance: No big changes, Chapters re-sorted, but...

### Table of Content NEW OA

1. Parties
2. Appointment as Organiser
3. The Event
4. Bid Document
5. FAI Rules / Regulations
6. Rights
7. Financials / Budget
8. Insurance
9. Cancellation
10. Indemnity
11. Binding Agreement
12. Law and Jurisdiction

### Table of Content CURRENT OA

1. Appointment
2. Consideration
3. Staging
4. Indemnity and liability
5. Insurance
6. Termination
7. Intellectual property
8. No assignment
9. Disclosure of agreement terms
10. No partnership, agency or joint venture
11. Dispute resolution
12. Counterparts
13. Irrevocable offer
14. Governing law



## 10 Main Changes «OA 3.0»

1. Table of content: re-arranged and additional chapters
2. Role and Content of Bid document more detailed
3. More detailed statements
  - > Rights (media, commercial)
  - > Sponsor / Business Partners exclusivity
  - > Financials-section / share of revenue
  - > Cancellation (before / during event / interruption of event)
4. Applicable Law / Arbitration Court
5. Signatures
  - FAI SecGen
  - Holder Sporting Power
  - Organiser
  - ASC President signs as witness (commitment to Sanction & Bid)

