

MEMORANDUM OF UNDERSTANDING

between

**The FAI HANG GLIDING AND PARAGLIDING
COMMISSION (CIVL),
an Air Sport Commission of the FAI**

And

**FAI AIR SPORTS MARKETING & EVENTS SA
(FAME)**

As one of the Air Sports Commissions instituted by the FAI Statutes, CIVL is a body of the FAI without independent legal status.

CIVL is in charge of development of the sport of hang gliding and paragliding. The FAI statutes give CIVL a certain autonomy in the development of its sport.

FAME is a company which has been established by the FAI to support commercial activities and development in regard to air sports, including general activities of the FAI and activities in the various air sports.

FAME is in particular offering professional support to the various Air Sports Commissions in respect to the development and implementation of commercial aspects of their respective activities and developments.

The principles applying to the cooperation between an Air Sport Commission and FAME shall in each case be agreed upon in a Memorandum of Understanding (MOU) established between FAME and the concerned Air Sport Commission.

These MOUs are subject to approval and formal confirmation by the FAI Executive Board.

The present MOU has the purpose of setting forth as a frame the terms and conditions applying to the cooperation between FAME and CIVL, the Air Sport Commission governing hang gliding and paragliding.

NOW, THEREFORE, it is agreed as follows:

1 Development of the sport of hang gliding and paragliding by CIVL

CIVL wishes to upgrade existing or establish new international hang gliding and paragliding events promoting the sport and giving it a broader public and media exposure.

Media and commercial rights programs shall be developed in connection with these events in order to secure a media exposure and commercial revenues. This development shall be achieved in cooperation with host cities and/or local events organisers.

Each new development by CIVL will constitute a Project.

2 Cooperation between CIVL and FAME

2.1 In general

FAME shall assist CIVL in the development of Projects, in accordance with the FAI Constitution, FAME Statutes and the provisions below.

2.2 Organisation of cooperation – Project Teams

For each Project, CIVL and FAME shall form a Project Team.

The Project Team shall include representatives of CIVL designated to be in charge of the Project Team (normally 4) and one or more representatives of FAME, always including its CEO.

The Project Team shall be in charge of the management of the Project and shall organise its activities accordingly.

2.3 Sport competition organisation

CIVL (respectively its representatives within the Project Team) is and shall remain in full control of all aspects related to sport competitions developed and promoted under this MOU. These include in particular and without limitation:

- Competition format of the event
- Competition rules
- Qualification rules
- Operational conduct of the sporting aspects of the event (to the extent not delegated to local organisers)

CIVL shall however consult FAME and give it the opportunity to make comments and suggestions aiming at optimizing media and commercial aspects of the Projects.

2.3.1 Media and Commercial aspects

FAME shall assist CIVL in the development of the media and commercial aspects of the events.

2.3.1.1 Definition of media and commercial concepts

Based on the sport and competition elements established by CIVL, FAME shall develop corresponding media and commercial rights concept proposals.

The media concept will normally address the objectives/solutions in relation with media coverage and distribution (notably TV, internet, print media etc.), as well as role distribution between FAI/CIVL and local organisers in relation with media.

The commercial rights concept will normally address rights definition, rights packages and proposed pricing, as well as rights distribution between FAI/CIVL and local organisers.

The media and commercial right concepts shall be developed in close consultation with CIVL (respectively its representatives within the Project Team). They are subject to the approval of CIVL.

2.3.1.2 Presentations

Based on the agreed concepts, FAME shall develop event presentation(s) including a description of the event and corresponding media and commercial presentations.

These presentations shall form the basis of discussions with Host Cities/local organisers, media and commercial partners.

The presentations shall be subject to the approval of CIVL.

2.3.1.3 Conduct of negotiation – search of media and commercial – Contracting

FAME shall assist CIVL, conduct negotiations on its behalf with prospective host cities, local organisers and potential media and commercial partners.

FAME shall search for media and commercial partners.

The contractual arrangements shall be entered in the name of FAME.

Selection of all partners and content of contractual arrangements shall be subject to the approval of CIVL in all cases.

2.3.1.4 Implementation

FAME shall be in charge of implementing the media and commercial aspects of the Project on behalf of CIVL. Such implementation includes coordination with local organisers' media and commercial programs, if applicable.

2.3.1.5 Services to be adapted to Project

The above description of FAME's services is provided as indication of the scope of services FAME may provide to CIVL in relation to Projects.

The services to be provided in support of a particular Project are always subject to the specificities of each Project and shall be adapted to needs in each case. They notably depend on whether and to what extent, CIVL is retaining an active role in the organisation of the concerned event in respect to media and commercial rights.

By way of example, if the Project consists in the granting of the right to organise an event to a third party which would retain the management of media and commercial rights, FAME's role would be limited to the assistance of CIVL/FAI in the negotiation of the agreement with said third party and possibly follow up of the implementation thereof.

2.4 Financial management

The financial management of each Project will be conducted out of separate FAME accounts dedicated to the Project and under the control of the Project Team.

2.5 FAME's remuneration

Subject to specifications in regard to particular Projects, the following shall normally apply:

- On commercial and/or media rights revenues, when such are obtained through or with the assistance of FAME, a sales and management commission of 33 %.
- On revenues obtained without the assistance of FAME and provided FAME is involved in the implementation and follow up of the concerned agreements, a management fee of normally 10 %

Benefit in kind is in principle subject to a remuneration to FAME, notably to the extent that it is directly budget relieving. The applicable adequate remuneration shall be agreed upon on a case by case basis.

FAME's remuneration will be based on the services effectively to be rendered in respect of each Project. The above sets a frame agreed in principle for cases in which FAME is providing the services set forth under 2.3.1. above. The fees will be specified in connection with each Project.

3 Structural aspects

If the content and importance of the Project and the requirements linked with its implementation make it appropriate, the creation of an ad hoc legal entity owned and/or controlled by the FAI will be envisaged. Consequences in regard of administrative management, costs, liability and tax will be considered.

A proposal to establish an ad hoc legal entity is subject to approval of the FAI Executive Board.

4 Project documentation

4.1 Project working plan

A Project Working Plan (PWP) will be established in connection with each Project.

The PWP will serve as basis to determine the Project and to set forth the specific terms and conditions applicable to the cooperation between CIVL and FAME in this respect. Once agreed by CIVL and FAME, the PWP shall serve as formal agreement basis in respect to the concerned Project.

The PWP will include the following elements:

- The content of the Project: description of event and structure of its organisation
- The Project Team
- The respective roles and notably the services to be provided by FAME
- The modalities of the financial management
- The applicable remuneration system
- Any other relevant elements in connection with the Project and its implementation

The PWP will be updated as needed.

A copy of the PWP and any update thereof shall be provided to the FAI Executive Board and the CIVL Bureau.

4.2 Project reports

Project reports shall be established by the Project Team on a regular basis.

A copy of the Project reports shall be provided to the FAI Executive Board and the CIVL Bureau.

5 Duration

This MOU shall become effective upon its approval by the Executive Board and the CIVL Bureau. The approval will be confirmed by the signature of the FAI General Secretary and the CIVL President at the bottom of this document.

The MOU shall remain in effect unless terminated by any of its parties (or by the FAI Executive Board).

Termination of the MOU is without prejudice to effective co-operations already engaged and documented by PWP(s) and being in course at that time of termination of the MOU. Such shall be considered as independent agreements and shall continue until the end of the concerned Project. A specific termination for cause of a cooperation set forth in a PWP is reserved.

6 Dispute resolution

CIVL and FAME shall resolve amicably any different which may arise in connection with the implementation of this MOU and/or of the terms and conditions specified in a PWP in respect of a particular Project. Failing that, the matter will be submitted to and decided by the FAI Executive Board.

FAI Hang gliding and paragliding Commission

FAME SA

Place Reykjavik
Date 13.03.2013

Place
Date

Agust Gudmundsson
President

Robert Henderson
President

Place
Date

Giancarlo Sergi
CEO

For approval:

Fédération Aéronautique Internationale

Place
Date

Jean-Marc Badan
Secretary General