

Post event report on the 2012 MoreFM Devonport Food, Wine & Music Festival

Background

The Rotary Club of Devonport established the festival in 1990 with the objective of raising funds to be distributed to local groups and national charitable organisations as well as to Rotary's own international charity The Rotary Foundation.

The Rotary Club of Devonport currently has 38 members (female and male) and was established in 1977. The average age of the Rotary Club members is approximately 59, and the total number of volunteer hours provided by the club for the 2012 festival was 590.

The festival has become a huge success with it now recognised as one of the premier Auckland Summer events attracting visitors from outside of Auckland as well as International tourists. The festival has to date raised approximately \$2 million which has been distributed to charities such as Plunket, Auckland City Mission, KidsCan and Hospice.

Some of the local organisations that have also benefitted from the funds raised include Schools, Kindergartens, sports clubs as well as some of Rotary's own projects such as Polio Plus, the North Shore Life Centre and the restoration of the Watson Tidal pool on North Head to name a few.

After a review of the festival in 2009, the Rotary Club of Devonport sold the management rights to B3 Events Limited. B3 Events Limited was established by two members of the Rotary Club in 2009 to underwrite the financial risk to the clubs members while enabling the festival to continue to generate funds for distribution by the Rotary Club.

The managers have continued the festival and Devonport Rotary's legacy in presenting a top class event, benefiting and raising the profile of the greater Auckland Region while raising funds for charitable purposes.

2012 saw the first year of More FM as the primary naming sponsor, taking over from Kia Motors, their support enabled the festival to continue to be financially viable while maintaining the high standard set previously.

Attendance

The number of attendees at the 2012 festival was approximately 8,500, up from 7,700 in 2011; this can be broken down into presales via Ticketek and gate sales as follows:

	<u>Saturday</u>	<u>Sunday</u>
Pre Sales	3,700	872
Gate Sales (approx)	2,100	1,900

The number of presold tickets at 4,572 was up 9% on 2011, and is the highest number to date for the festival.

The normal anticipated attendance over the weekend is between 6,000 to 10,000 people, limited to a maximum of between 5,000 and 6,000 per day. These limits are placed by the organiser to ensure overcrowding does not detract from the experience attendees have and that crowding issues does not impact negatively on the festivals brand as well as those of its sponsors.

A new initiative this year was the introduction of the Festival Zone in the main stage area. With only 50 tickets available for each day Saturday tickets sold out and half of the Sunday tickets were sold. Each ticket included a special pass and a goodie bag which included a bottle of Premium water, a Kohu Road Ice Cream Voucher, a Wine or Didas food voucher, a glass holder and exclusive access.

Festival Family of Sponsors and Supporters

The festival has over the past couple of years continued to attract a number of high quality sponsors and supporters. Presently the list includes the following:

Naming Sponsor: More FM

Primary Sponsors
ATEED Fullers

Media Partners
More FM Channel Magazine

Supporting Corporate partners
Smartpay Cadmus Heritage Hotels Grabaseat
McCashins Brewery Fisher & Paykel LG
Premium NZ Trading Company Smartpay

Supply Partners
Carlton Party Hire Benefitz

Festival Wineries

In 2012 we had a number of wineries representing areas from Matakana, West Auckland, Waiheke Island, Bay of Plenty, Hawkes Bay, Nelson, Marlborough, Canterbury and Central Otago as well as for the first time an Australian winery, Yellow Tail Wines. The full list of wineries and the region they represent is:

1: Yellow Tail Wines	Australia
2: Glengarry's	Auckland wine retailer
3: St Jerome Wines	West Auckland
4: Gem Wine	West Auckland / Marlborough
5: Lone Goat Winery	Canterbury
6: Ransom Wines	Matakana
7: Mills Reef	Bay of Plenty
8: Passage Rock Wines	Waiheke Island
9: Kim Crawford	West Auckland/Various regions
10: West Brook Winery	West Auckland
11: Maori Point	Central Otago
13: Bloody Bay	Marlborough
14: Wooing Tree	Central Otago
15: Tohu Wines	Nelson
16: Lime Rock	Hawkes Bay
17: Omaha Bay Vineyard	Matakana
18. Two Rivers	Marlborough
19: Bloody Bay	Marlborough
20. Waimea Estates	Nelson
22. Richmond Plains	Nelson
23. Crush Pad Wines	NZ Wide Organic Wineries
24. Moana Park Winery	Hawkes Bay
25. Harwood Hall	West Auckland / Marlborough

2012 also saw the replacement of the beer supplier from DB's Monteiths to McCashins Brewery in Nelson. McCashins retail the Stoke range of boutique beer as well as McCashins Cider and the premium Rochdale Cider range. Sold separately from the beer the introduction of Cider was successful with no issues from mixing it with beer or from excess consumption. We believe this is primarily due to the brand and the responsible attitude by the public to Cider.

McCashins also produced a festival only beer called 'Haur-opy Lager' which was promoted through a name the beer competition leading up to the event

Police feedback was positive with regard to the organisation of the event. The 2012 event saw significantly reduced disturbances within and outside the event from attendees. However one unfortunate incident occurred on the Saturday afternoon which after discussion with the Police and the Liquor Licencing representative will lead to minor changes for future events.

Festival Eateries

During the festival visitors may also purchase food from a range of eateries including:

Fatimas	Mediterranean
Maldito Mendez	South American
Saigonz	Vietnamese,
Kernow Kornish Pasties,	English
The Whitebait People	NZ Whitebait,
Great Barrier Island	NZ Mussels, Prawns, Fish
Langos Fired Bread Puffs	Hungarian
Urban Escargot	French
Dida's	NZ Cheese Platters & Spanish Tapas
Fired	Wood Fired Pizzas
Cook at Home Paella	Spanish
Le Crperie	French
Outside Cuisine	New Zealand Beef and Venison burgers.

In 2012 we replaced a long standing vendor, the Danish Delights Ice Cream, with one of New Zealand's Premium Ice Cream manufacturers, Kohu Road. Based in New Lynn, Auckland, Kohu Road Ice Cream produce a fully organic Ice Cream which usually retails around \$20 per litre. They sold small pottles of ice cream as well as produced a festival only pear and red wine sorbet.

Kohu Road produced a festival only Red Wine (Kim Crawford/Selaks) and Pear Sorbet.

We also welcomed back Atomic Coffee who brought their 1950's Atomic Café Caravan to the festival enabling us to create a café area close to the beach.

Wine connoisseur classes (conducted by Glengarry's), barista classes, appreciating beer seminars, meet the wine maker sessions and a couple of chef presentations were conducted on both days in the Kitchen Demonstration Marquee.

Video coverage was again provided and was displayed on two LG TVs enabling the audience to be able to see the preparation from a seated position.

All sessions had high attendance numbers and feedback from patrons during and post event was very positive on the quality and availability of these demonstrations.

Festival Programme

After its successful introduction in 2011 we refined the festival programme this year, shrinking it in size from A5 to A6 enabling it to easily fit in the back pocket and doubling the number of pages to 60.

The festival programme in 2012 contained descriptions of the wineries, entertainment, demonstration profiles as well as an outline of the food available. A tasting notes section was also included as well as introductions the Mayor Len Brown, the organiser Gavin Busch and Ande Macpherson (Programme Director) from More FM.

As with previous years it was designed and produced with Benefitz printers on the North Shore of Auckland for a small additional cost, and was well supported by wineries and food vendors who were able to have their description also reproduced in the 13 page advertorial in the February edition of the Channel Magazine. This free magazine is distributed across the North Shore of Auckland to higher income demographic suburbs with around 24,000 copies printed.

Our sponsors and festival supporters also had the opportunity to place advertisements in the programme and channel magazine editorial. This helped to keep the cost of this initiative affordable and without whose support this may not have been possible.



Total production of the programme was 5,000 of which all were distributed at the festival as complimentary copies. We will look to refine the programme and build on it in coming festivals.

Marketing for 2012

Total Promotional and Marketing spend for the 2012 festival was approximately \$44,000 (up from \$36,000 in 2011). This was spent as follows:

Radio advertising	\$26,500 (Value of \$70,000)
Channel Magazine	\$4,200 (Value of \$25,000)
Newspaper advertising	\$5,200
Road banner marketing	\$5,600
Poster advertising	\$2,000
Other misc advertising	\$500

From research attained during previous festivals we know the majority (90-95%) of attendees live within the greater Auckland region.

The marketing and advertising strategy for the festival is to maximize exposure within the Greater Auckland region while leveraging national marketing through our festival partners. Local and Regional advertising is conducted through paper advertisements in the following publications 'Devonport Flagstaff' and 'Channel Magazine' magazine. National marketing was also carried out through advertising in national media such as the Herald on Sunday and Sunday Star Times.

In particular we participated in the Herald on Sunday 'Summer Festival' feature which was published in December and January and distributed nationwide.

The festival utilises three large cross street banners which are placed over prominent streets such as Queen Street (Downtown Auckland) and Tamaki Drive (Central Auckland), Hurstmere Road and Victoria Road, Devonport. These are in position for a period of two weeks and are placed up three times prior to the festival weekend. Through ATEED we also had the opportunity to display a large 6m poster for a period of four weeks in the Auckland Viaduct.

Brochures and posters are also placed in all tourist areas and places of high pedestrian foot traffic (ie Britomart Train Terminal, Information sites, Fullers Ferries).

Radio advertising is the primary focus of the advertising campaign and starts in the first week of October as tickets go on sale until the final week prior to the festival being held. Through our expenditure and sponsorship with More FM the total radio adverts run through our campaign is approximately 850. These are 30 seconds in length.

ATEED also support our radio campaign with their own advertisement run over a week in February.

Further marketing is achieved via Ticketek (monthly email) to 250,000 subscribers in the Auckland area, as well as to over 1 million email subscribers via a Visa special offer.

The Visa offer this year included a fantastic prize of: Meet the band (Phoenix Foundation), a nights accommodation at a Heritage hotel and an LG TV. This prize was won by a festival patron who had unfortunately suffered a bike accident two weeks prior and was wheelchair bound, he still attended the festival and was ecstatic with his prize.

Our festival partners also assist with the promotion of the festival. This includes but is not limited to:

- Heritage Hotels included a special offer to its email subscribers throughout the Australasian region.
- MoreFM and Grabaseat worked together to provide combined prizes promoting their presence at the festival.
- Wineries ran competitions via Social networking as well as promoted their involvement through their own networks and websites.

Finally we will be repeating our prize draw for pre purchased tickets for 2013.

Social Networking

The festival has for the past three years utilised the social networking mediums to build a following and presence.

Specifically the festival uses Facebook and Twitter with the respective sites at:

- www.facebook.com/DevonportFestival
- <http://twitter.com/#!/devofestival>

For the 2012 festival the festival managed to attract 87 followers on twitter and 356 followers on Facebook, this is the highest to date.

The reach achieved by the facebook site was:

- as of 3/30/12,
top four countries.

broken down by city.

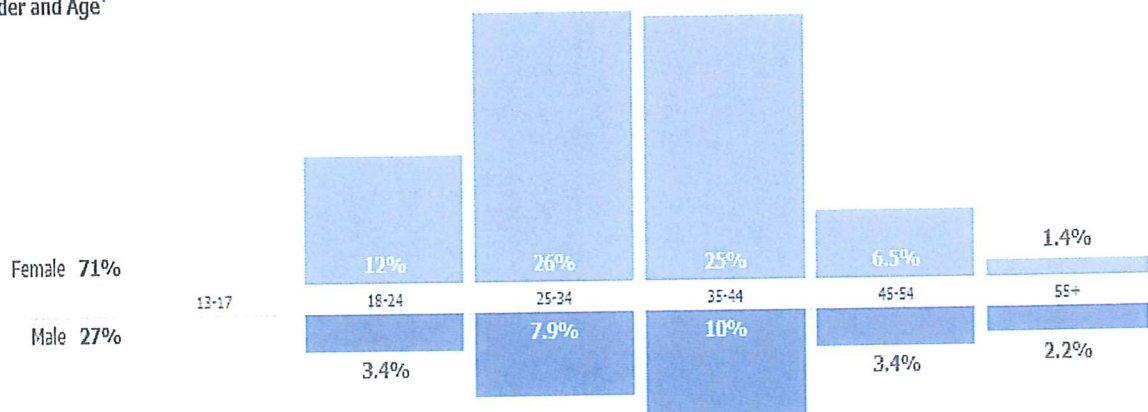
306 New Zealand
14 Australia
13 United States of America
9 United Kingdom

250 Auckland, New Zealand
10 North Shore, Auckland, New Zealand
8 Hamilton, Waikato, New Zealand
4 Dunedin, Otago, New Zealand
4 Nelson, New Zealand
4 London, England, United Kingdom
3 Wellington, New Zealand
3 Tasman, New Zealand
3 Christchurch, Canterbury, New Zealand
2 Napier, Hawke's Bay, New Zealand
2 Devonport, TAS, Australia
2 Tauranga, Bay of Plenty, New Zealand
2 Waitakere, Auckland, New Zealand

Facebook campaigns and competitions were run throughout the lead up to the festival to raise awareness.

The age and gender profile on Facebook is also similar to our data obtained from Ticketek and reinforces our belief that the majority of the festival target market is female. (see below)

Gender and Age?



In Summary

The Festival has over the past 23 years developed into one of Aucklands most successful events. As an event originally established with a charitable purpose at its heart it has evolved over time to become a showcase for some of New Zealands best wineries and entertainers while offering a great selection of affordable food.

The Festival has established a reputation as a fun and safe event for groups and families. Attendees often bring their children with them (12 and under are free) and now attracts a number of visitors from around New Zealand as well as from overseas.

Keeping the festival vibrant, exciting and fresh continues to ensure it a success as well as keeping people coming back. This year we introduced new wineries and food options as well as established partnerships with premium brands such as Kohu Road Ice Cream and McCashins. In 2013 we will continue to bring new ideas to the festival including (planned by not confirmed):

- Going smoke free
- Introducing a smokers area
- Introducing an iphone/Android app
- New wineries
- Cashless for VIP and Corporates
- A Maritime exclusion zone around the beach
- Events leading up to the festival weekend.

The More FM Devonport Food, Wine & Music Festival is now the only event of its type held in the Auckland Region and with many other festivals, concerts and outdoor events struggling with their own issues without the continued support of its sponsors and supporters the festival would not be able to be run. The organiser, B3 Events, thanks you for your support and looks forward to a successful 2013 event helping Rotary to achieve its goals and objectives.

Financial Result

At this time the final financial result is not available, however the festival to date has paid \$23,000 to the Rotary Club of Devonport Charitable Trust. They will also be entitled to a share of any financial profit.

Promotion of Auckland Council

ATEED 'A' (Tourism logo) appeared on the following:

- All print advertisements
- Festival Brochure
- Festival DLE
- Festival Poster
- Website
- Festival Programme
- Acknowledgement during festival by MC's
- On Festival Signage within venue
- On Ticketek website
- Cross Street Banners (3 banners placed around Auckland for 2 week periods at a time)
- ATEED 'A' logo and brand was prominent in the Channel magazine spread of 17 pages.

Benefits for Auckland Council

Through supporting the festival ATEED (Auckland Council) receives the following benefits:

- Auckland Council is seen to be supporting one of Auckland Region's and New Zealand's iconic festivals.
- Auckland Council is acknowledged for supporting an event that attracts visitors to the Auckland Region.
- ATEED received a number of complimentary Tickets to invite guests and showcase the event.
- Auckland Council had the opportunity to provide a welcome from the Mayor in the programme as well as a speaking slot at the opening ceremony.
- Auckland Council is seen to support and contribute to a regional charitable event with trickle down financial benefit into local charitable groups as well as the regional economy.
- The festivals directly receives financial sponsorship which helps to underwrite the event and provide certainty to the organisers to run the event, Without this support the festival would not run and the increased economic activity from the festival would not be achieved. Based on Australian Studies the economic multiplier benefit from festivals ranges between 1.28 and 1.8 with an average of 1.39, thus a direct \$20,000 financial sponsorship provides an economic benefit of between \$384,000 and \$540,000.
- Social benefits in presenting local culture, arts and products to visitors in an entertaining and positive manner.

Ticketek prepurchase analysis

Sale by Channel 2012

Distribution Channel	Value Admit Qty	Non-Value Admits	Transactions
Agency	164	0	65
Box Office	0	1,500	34
Call Centre	5	0	2
Web	2,903	0	1280
	3,072	1,500	1381

Compared with 2011

Distribution Channel	Value Admit Qty	Non-Value Admits	Transactions
Agency	166	0	71
Box Office	4	1,990	51
Other	57	0	2
Web	2,964	0	1302
	3,191	1,990	1426

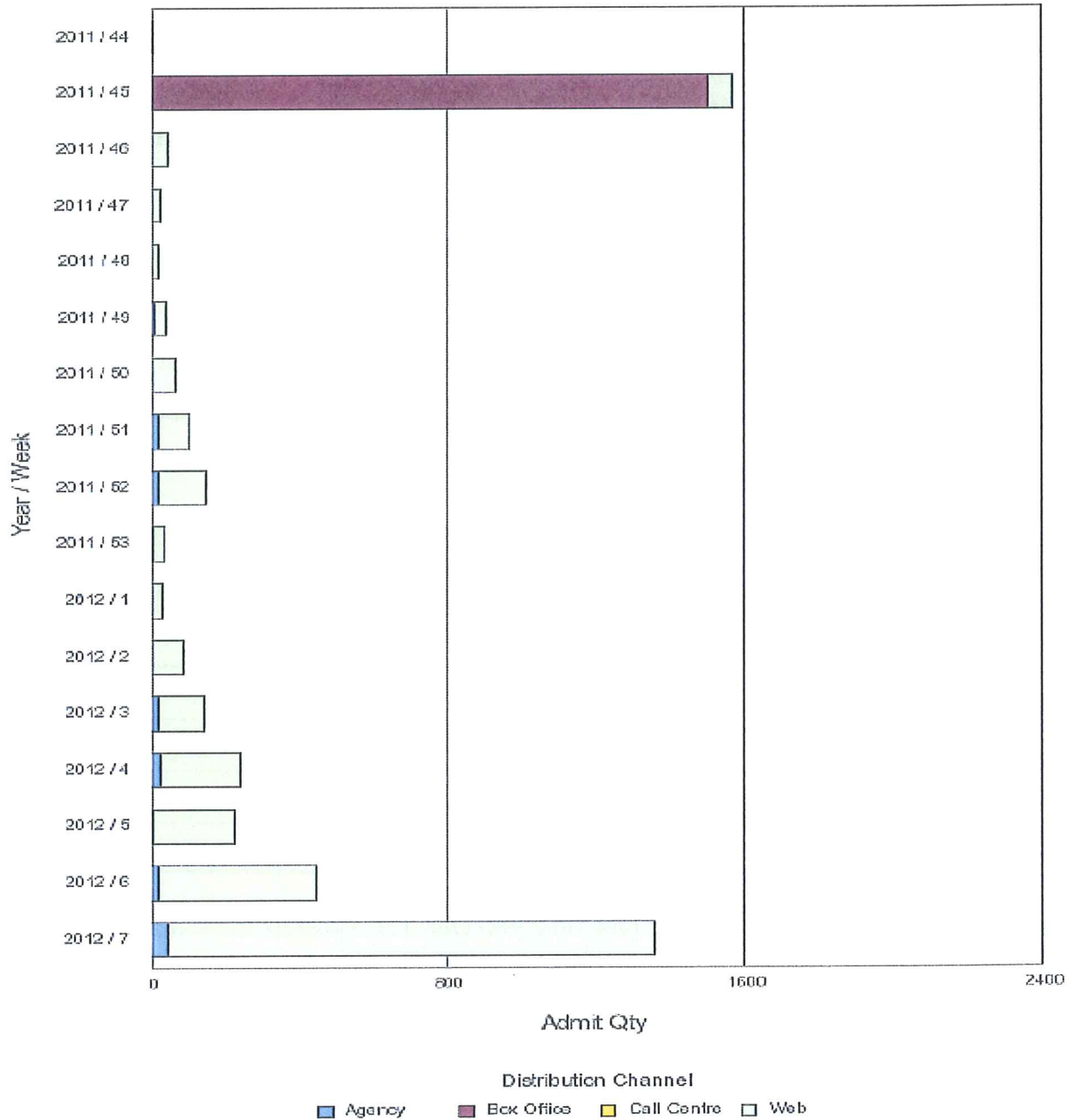
Total presales to the public (via Ticketek) was 119 lower in 2012 than 2011.

Sales by Gender

Gender	Customer Count	Cust %	Trans Count	Trans
F	818	66.2%	907	65.7%
M	411	33.3%	436	31.6%
Unk	7	0.6%	38	2.8%

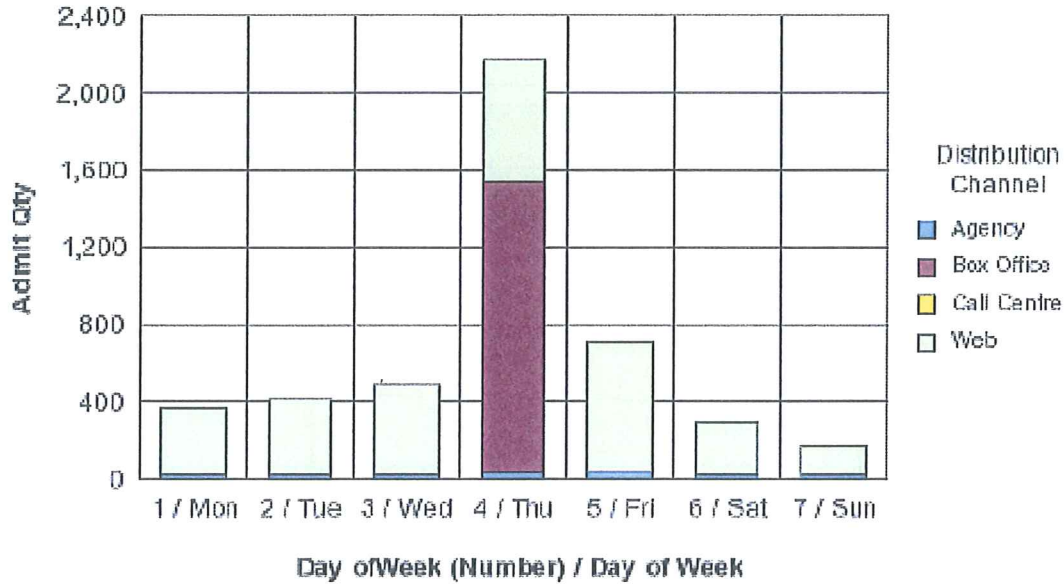
As with previous festivals we can see the festival continues to appeal to a predominantly female audience.

Sales by Channel per week prior to the festival weekend



The table above illustrates that the majority of festival ticket purchases are completed in two weeks prior to the festival. We can see a definite correlation between ticket sales and advertising around weeks 44 to 46 when our initial advertising campaign starts, as well as over weeks 49 to 52 prior to Christmas when we have a further advertising and marketing campaign.

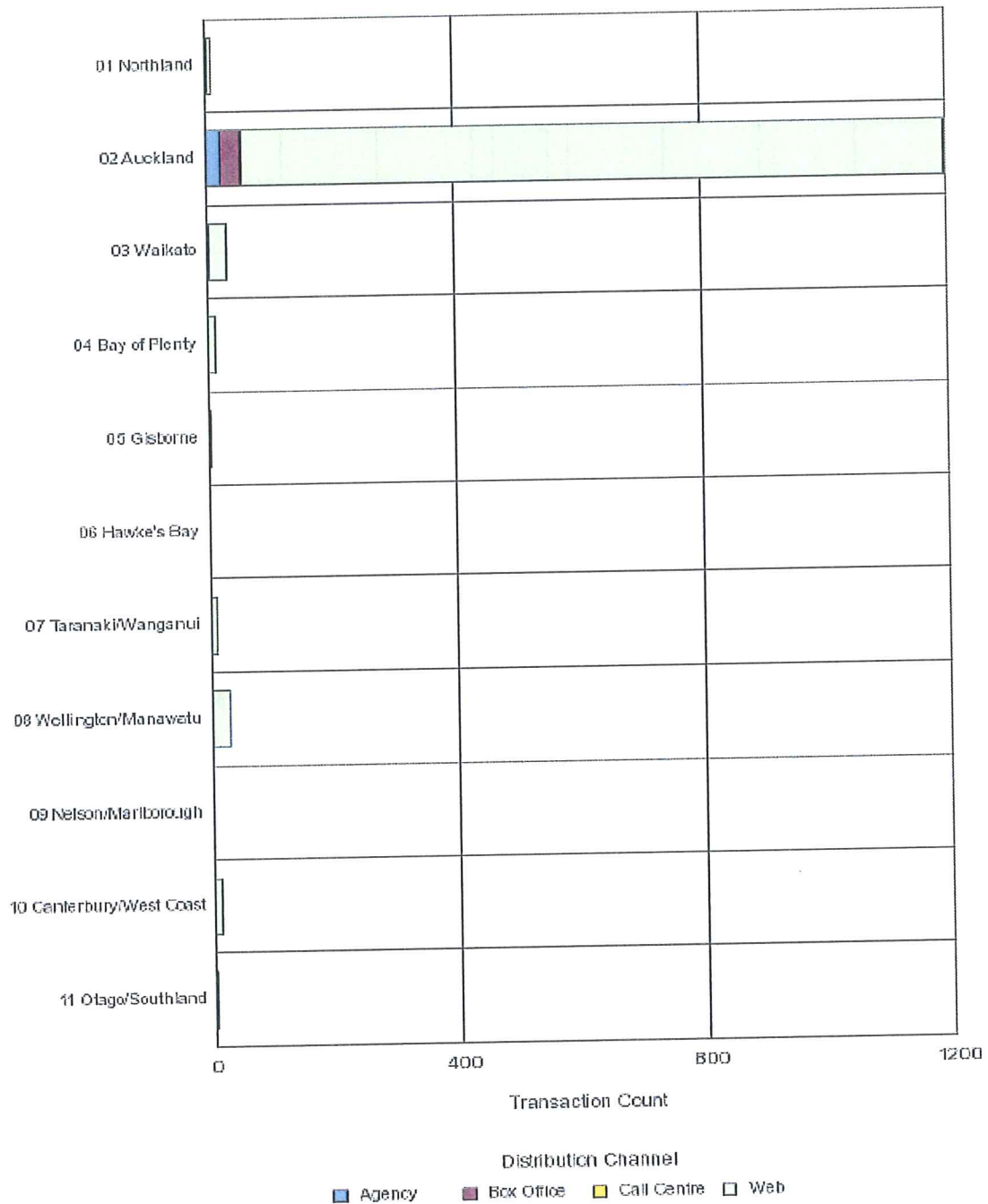
We can see below the breakdown of the sales generated on each week day.



Excluding the box office impact on Thursday (due to tickets supplied to B3 Events for distribution being allocated on this day), the sales spread was very even with the increase on the Thursday and Friday being skewed by these days falling just prior to the weekend of the festival. This is more clearly illustrated by the table below showing the number of transactions.

Day No.	Week Day	Transactions	% Trans	Admit Qty	% Admits
1	Mon	146	10.57%	363	7.94%
2	Tue	181	13.11%	409	8.95%
3	Wed	197	14.27%	484	10.59%
4	Thu	330	23.90%	2,165	47.35%
5	Fri	340	24.62%	698	15.27%
6	Sat	114	8.25%	290	6.34%
7	Sun	73	5.29%	163	3.57%
		1,381	100.00%	4,572	100.00%

Sales by region



As with previous festivals a majority of tickets were purchased by people from the Auckland region. As with previous events Fullers again indicated around 1/3 to half the patrons came via ferry from Auckland. Our ticket sales to the Waikato, Wellington and Bay of Plenty regions continue to grow and through our website the festival continues to receive an increasing number of email enquiries from international visitors.

Sponsorship Agreement

Devonport Food, Wine and Music Festival 2012

between

**Auckland Tourism, Events and Economic
Development Limited**

and

B3 Events Limited

Sponsorship Agreement

Contract number:	0115/ACPN_6862
Date:	6 th October 2011
Parties:	Auckland Tourism, Events and Economic Development Limited ("Sponsor") B3 Events Limited ("Organisation")
Sponsor's representative	Leon Marsh Auckland Tourism, Events and Economic Development Private Bag 92330 Auckland 1142 Telephone: 09 301 0101 Fax: 09 373 5786 Email: leon.marsh@aucklandnz.com
Organisation's representative	Gavin Busch B3 Events Ltd PO BOX 32 366 Devonport Auckland 0744 Telephone: 021 247 1112 Email: devonportfestival@orcon.net.nz
Event:	Devonport Food, Wine and Music Festival is a two day outdoor festival celebrating New Zealand wine, food and music. ("Event") Devonport Food, Wine and Music Festival is planned to be held on the 18 th and 19 th of February 2012 at Windsor Reserve in Devonport.
Benefits:	The Sponsor has agreed to sponsor the Event in return for the Benefits outlined in Section 3 of Schedule 1.
Sponsorship:	The Sponsor will pay the organisation the following Sponsorship Fee, as set out in Schedule 2: <ul style="list-style-type: none"> • \$20,000 + GST
Event Strategy Objectives:	Auckland Tourism, Events and Economic Development has recently published a Major Events Strategy. A portfolio approach will be undertaken with sponsored events with an objective to achieve the four key objectives outlined by the Major Event strategy: <ul style="list-style-type: none"> • Expand Auckland's economy • Grow visitor nights in Auckland • Enhance Auckland's liveability • Increase Auckland's international exposure

Execution

This Agreement includes the Sponsorship Agreement above, this execution page, Schedule 1 (Benefits), Schedule 2 (Sponsorship), Appendix A (Plan), and General Terms and Conditions.

Signed for and on behalf of
Auckland Tourism, Events and Economic
Development
In the presence of

Jannah Wooten
Manager Major Events

Witness signature

Witness name

Date

Signed for and on behalf of
B3 Events Limited
In the presence of

Gavin Busch
Director

Witness signature

Witness name

Date

Schedule 1: Benefits

1. SPONSOR'S DESIGNATION

1.1 **Designation:** The Sponsor is appointed as an Official Sponsor of Devonport Food, Wine and Music Festival 2012.

2. NAMES, LOGOS, PHRASES, PHOTOGRAPHS

2.1 **Licence to Organisation:** The Sponsor grants the organisation a limited, non-exclusive, non-transferable licence to use the Sponsor's Marks solely for the purpose of promoting the Sponsor's sponsorship of the Event during the Term, as set out below:

2.1.1 **Name(s):**

- (a) Auckland Tourism, Events and Economic Development
- (b) Such other phrases as are approved in writing by Auckland Tourism, Events and Economic Development from time to time

2.1.2 **Logo(s):**



2.2 **Licence to Sponsor:** The Organisation grants the Sponsor a limited non-exclusive, non-transferable licence to use the Organisation's Marks solely for the purpose of promoting the Sponsor's sponsorship of the Event for the Term, as set out below:

2.2.1 **Name(s):**

- (a) Devonport Food, Wine and Music Festival 2012;

2.2.2 **Logo(s):**

INSERT LOGOS HERE

2.2.3 **Phrase(s):**

- (a) Auckland Tourism, Events and Economic Development is proud to be a sponsor of Devonport Food, Wine and Music Festival.
- (b) Such other phrases as are approved in writing by Auckland Tourism, Events and Economic Development from time to time.

2.2.4 **Other:**

- (a) Photographs and publicity information relating to the Event, as supplied by and approved in writing by the Organisation.

2.3 Each party agrees:

- 2.3.1** not to use or give permission to any third party to use the other party's marks, logos or other intellectual property, except as permitted in this Agreement, without the prior written consent of the other party;
- 2.3.2** to follow all instructions given to it from time to time by the other party concerning use (or non use) of that party's marks and logos and intellectual property and;
- 2.3.3** to supply the other party with the following:
 - (a) a full colour high resolution EPS logo;
 - (b) a full colour JPEG logo; and
 - (c) a greyscale JPEG logo.

3. BENEFITS TO SPONSOR

3.1 Advertising and promotional material

- 3.1.1** At no cost to The Sponsor, the Organisation will provide recognition of the Sponsor's involvement with the Event by including such of the Sponsor's and Other Marks as the Sponsor may designate in all advertising and promotional material produced by the Organisation in relation to the Event, including but not limited to the following.
 - (a) Event poster, programme, flyer and printed Event collateral: The Organisation will include the Sponsor's and Other Marks on all posters, programmes, flyers and all printed Event collateral published or produced by the Organisation in relation to the Event;
 - (b) Event website: The Organisation will include the Sponsor's and Other Marks, as the Sponsor may designate on the official Event website with a link to the Sponsor's website and, if appropriate, provide the Sponsor with the opportunity to supply key messages outlining the Sponsor's involvement with the Event;
 - (c) Event newsletter: The Organisation will provide reasonable space in any Event newsletter(s) to the Sponsor for the purpose of profiling the Sponsor;
 - (d) Media releases: The Organisation will provide recognition of the Sponsor in media releases relating to the Event where, in the Organisation's reasonable opinion, the Organisation considers such recognition to be appropriate;
 - (e) Media kits: The Organisation will provide the Sponsor with the opportunity to include item(s) and/or information in any media kits relating to the Event or any Associated Events;
 - (f) The Organisation acknowledges that all use of the Sponsor's and Other Marks by the Organisation shall comply with Sponsor's corporate identity standards as notified to the Organisation from time to time and;

3.2 Invitations and tickets

3.2.1 The Organisation will provide the following invitations and/or tickets to the Event:

- (a) 6 VIP tickets per day (Festival VIP Site or other alternative as available)
- (b) 40 general admission tickets (20 Saturday and 20 Sunday) to the event
- (c) The opportunity to purchase an unlimited number of Sunday tickets at a discounted rate of 10% off tickets, through the Organisation.

3.3 Branding and profile

3.3.1 The Organisation will provide the Sponsor with reasonable space for the placement of the Sponsor signage at the Event, including but not limited to:

- (a) 20 Crowd Control Barriers

3.4 Use of site at Event

3.4.1 The Organisation agrees to provide sufficient space and resources for the Sponsor to deliver experiential activity including cross-promotion of other Auckland Tourism, Events and Economic Development's sponsored events or upcoming major events being hosted in Auckland. Events and event activity to be mutually agreed. Venue approval will be required.

3.4.2 The Organisation will provide the Sponsor with the required consent to allow distribution of collateral promoting Auckland Tourism, Events and Economic Development sponsored events.

3.5 Event evaluation

3.5.1 The Sponsor will have the right to submit for the Organisation's approval, three (3) questions for inclusion in any Event evaluation conducted in relation to the Event.

3.5.2 The Organisation will provide the Sponsor with a post-event report no later than sixty (60) days after the Event has concluded. The report will include the results of any Event evaluation conducted.

3.5.3 The Organisation will provide the Sponsor a post-event breakdown of the final accurate event budget for the purpose of the sponsor carrying out an economic impact assessment.

4. LEVERAGE

4.1 The Sponsor will make reasonable efforts to leverage the Benefits and goodwill associated with sponsoring the Event and the Organisation will provide all reasonable assistance to enable the Sponsor to leverage and promote its association with the Event.

5. FUTURE EVENTS

5.1 Sponsorship of Future Event:

5.1.1 If the Organisation decides to hold another event in the future which is based on or similar to the Event, the Sponsor will have the first right to negotiate with the Organisation to sponsor the future event, on terms similar to those contained in this Agreement, subject to any difference between the scope of the Event and the scope of the future event, by providing the Organisation with written notice of its wish to sponsor the future event, or before the expiry date of this Agreement. The parties will then negotiate in good faith in relation to the sponsorship of the future event.

- 5.1.2** If the parties are unable to conclude a new sponsorship agreement after 20 Working Days of commencing good faith negotiations, either party may give written notice to the other to end the negotiation, and the parties will have no further obligations to each other pursuant to this clause.
- 5.1.3** The future event is tentatively planned to take place in February 2013.

Schedule 2: Sponsorship

1. Sponsorship Fee

- 1.1 Total amount:** The Sponsor will provide the Organisation with a Sponsorship Fee of \$20,000 + GST over the Term of this Agreement.
- 1.2 Payment:** The Organisation will issue the Sponsor with an invoice and upon receipt of the invoice the Sponsor will pay the Sponsorship Fee in accordance with the following Payment Schedule:

Amount	Payment Date	Preconditions to payment
\$20,000 plus GST	20 th day of November 2011	Contract signed by both parties

General Terms and Conditions

1. Definitions and interpretation

- 1.1 In this Agreement, unless the context otherwise requires:
- "Agreement"** means the Sponsorship Agreement and execution page together with Schedule 1 (Benefits), Schedule 2 (Sponsorship), these General Terms and Conditions and Appendix A (Plan). In the event of any inconsistency between Appendix A and any other terms of this Agreement, the other terms shall prevail;
- "Benefits"** means the rights and benefits set out in Schedule 1 to be provided by the Organisation to the Sponsor in consideration for the Sponsorship;
- "Organisation's Marks"** means the names, phrases, trade marks, brands, symbols and logos either belonging to the Organisation or which the Organisation has the right to sub-licence the use of as set out in section 2 of Schedule 1;
- "Confidential Information"** means all of each party's confidential information that comes into the other party's possession or knowledge, and includes without limitation this Agreement, all information relating to business secrets, commercial information, processes, methods and other confidential information produced or obtained in connection with or related to the Sponsorship;
- "Sponsor's Marks"** means the names, phrases, trade marks, brands, symbols and logos belonging to the Sponsor or which the Sponsor has the right to sub-licence the use of and set out in section 2 of Schedule 1;
- "Event"** has the meaning given to it in the front section of this Agreement;
- "Force Majeure Event"** means any unforeseen event beyond the reasonable control of the party affected by the event, in consequence of which the affected party cannot reasonably be required to perform its obligations under this Agreement, including without limitation; earthquakes, storms, landslides, fire, outbreaks of war, acts of terrorism or hostility, strikes, lock-outs, protests, and acts of God;
- "In-Kind Support"** means the in-kind component of the Sponsorship as set out in Schedule 2;
- "Insolvency Event"** means a party goes into liquidation (otherwise than for a solvent restructuring), is placed into administration or is removed from the companies register (if a company), or a receiver or an administrator or statutory manager has been appointed in respect of a party, or a party is unable to demonstrate to the satisfaction of the other party that it is able to pay its debts as and when they fall due;
- "Payment Schedule"** means the payment schedule for the Sponsorship Fee set out in Schedule 2;
- "Plan"** means the plan for the Event submitted by the Organisation to the Sponsor and attached in Appendix A;
- "Representative"** means any contractor, sub-contractor, employee, agent or representative;
- "Site"** means the sites on which the Event (or any part of the Event) will take place and any accommodation venues used as part of the Event;
- "Sponsorship"** means the sponsorship including the Sponsorship Fee and the In-Kind Support to be paid or provided by the Sponsor to the Organisation as set out in Schedule 2;
- "Sponsorship Fee"** means the cash component of the Sponsorship as set out in Schedule 2;
- "Term"** means the term of this Agreement as set out in clause 2;
- "Working Day"** means a day (other than a Saturday or Sunday) on which registered banks are open for general banking business in Auckland, New Zealand.

2. Term

- 2.1 This Agreement commences on the date of signing and will expire sixty (60) days after the last event in the Event programme unless terminated earlier.

3. Sponsorship: The parties agree that:

- 3.1 Notwithstanding any contrary provision in this Agreement, the Sponsor's provision of the Sponsorship is conditional on the Organisation:
- notifying the Sponsor that it has commenced implementation of the Plan; and
 - providing evidence to the reasonable satisfaction of the Sponsor that all necessary approvals, authorities, licences and permits necessary for holding the Event, including without limitation those set out in Schedule 1, have been obtained,

and the Sponsor may, at its sole discretion, withhold the Sponsorship until such notification and evidence has been provided.

- 3.2 The Sponsorship Fee payable under this Agreement is, plus GST (if any); and

- 3.3 The value of any In-Kind Support due under this Agreement is based on its market value plus GST (if any) as at the date this Agreement is executed.

4. The Sponsor's obligations: The Sponsor will:

- Pay the Organisation the Sponsorship Fee (if applicable) and provide the Organisation with the In-Kind Support (if applicable) as set out in Schedule 2;
- Ensure that a sponsorship liaison person is available to the Organisation at all reasonable times;
- Comply with the Sponsor's rights and obligations set out in Schedule 1;
- Not act in a manner or enter into any arrangement that may result or have the effect of giving the public an impression that any third party or brand is associated with the Event, without the prior written approval of the Organisation.

5. The Organisation's obligations: The Organisation will:

- Ensure that the Event complies in all respects with the Plan and is delivered to high professional and commercial standards;
- Provide the Sponsor with the Benefits and, in good faith, take all reasonable steps to assist the Sponsor to obtain the value of the Benefits;
- Promptly advise the Sponsor of any material amendments to the proposed marketing, fundraising, programming or operation of the Event that may affect the Sponsor's ability to obtain the value of any Benefit;
- Use the Sponsorship solely for the purposes of the promotion, administration and delivery of the Event;
- Prior to their release, provide to the Sponsor copies of all press releases, promotional and publicity material referring to the Sponsor for its approval;
- Comply with all legislation, regulation, by-law and applicable industry codes of practice and standards relevant to the Organisation and/or the Event (and ensure that its Representatives also comply) and take all reasonable care to ensure that the Sponsor is not in breach of any such legislation, regulation, by-law and applicable industry codes of practice and standards as a result of the Organisation's instructions, advice, acts or omissions;
- Provide the Sponsor with any the reports listed in Schedule 1 and any other reports in such form and which contain such information as the Sponsor may reasonably request from time to time;
- Provide the Sponsor with a copy of the Event budget and ensure that proper accounts (including a Profit and Loss Account and Balance Sheet) is kept by a qualified person, and make such accounts available to the Sponsor upon request; and
- Ensure that a sponsorship liaison person is available to the Sponsor at all reasonable times.
- Comply with the Organisation's rights and obligations set out in Schedule 1.

6. **Meetings:** The parties will ensure that their respective representatives attend the meetings set out in Schedule 1 and any additional meeting reasonably requested by the Sponsor.
7. **Health & safety:**
- 7.1 This clause 7 will not limit the Organisation's obligations under any other part of this Agreement.
- 7.2 Without limiting any other provision of this Agreement, the Organisation and its Representatives must comply with all health and safety legislation and applicable codes of practice.
- 7.3 The Organisation consents to random health and safety audits which may be conducted by the Sponsor or its Representative at the Sponsor's sole cost.
- 7.4 If the Site is owned or controlled by the Sponsor then the Organisation:
- must comply with the Sponsor's health and safety policy and procedures;
 - must, if requested, participate in an orientation of the Sponsor's emergency procedures and any other relevant training;
 - will prepare a health and safety plan which will address all proposed activities on the Site and provide a copy of this plan to the Sponsor for its approval no later than four (4) weeks prior to the Event;
 - may not be permitted access to the Site if the Organisation's health and safety plan has not been approved by the Sponsor or there has been a failure of the Organisation to comply with the health and safety provisions detailed in this clause 7, pending remedial action by the Organisation.
- 7.5 If, at any time, an issue is raised by the Sponsor regarding health and safety, the Organisation agrees to take all reasonable steps to rectify the situation.
- 7.6 The Organisation will use its best endeavours to minimise damage to the Site and control the impact on the surrounding neighbourhoods. The Organisation will meet any cost or damage which is attributed to the Organisation.
- 7.7 The Organisation will notify the Sponsor immediately of:
- any event which may give rise a breach of the Health and Safety in Employment Act 1992 (and its amendments) (HSE Act) or any other requirement in this clause 7 and must take immediate steps to rectify or prevent such a breach;
 - any hazard that comes to the Organisation's attention and that is not already specified in the Organisation's health and safety plan, together with details of the proposed method of controlling that hazard; and
 - all accidents and any occurrence of serious harm.
- 7.8 The Organisation will indemnify and keep indemnified the Sponsor from all costs, damages, loss and expense (but not including any fine or infringement fee) incurred or suffered by the Sponsor in respect of any breach of the HSE, or any conviction of or proceedings instigated against the Sponsor, arising out of a breach by the Organisation of any of the provisions set out in this clause 7.
- 7.9 Notwithstanding any other arrangements entered into by the Organisation in relation to the Event or activities at the Site, the Organisation will remain solely liable for the performance of all obligations under this clause 7.
8. **Other sponsors:**
- 8.1 Subject to the Sponsor's designation rights and any Excluded Organisations set out in Schedule 1, the Organisation may seek and receive other sponsorship for the Event from third parties.
- 8.2 The Organisation will include in every sponsorship contract or arrangement that it enters into with any third party an acknowledgement by the third party that the Sponsor will have no liability to the third party howsoever arising in respect of the Event.
- 8.3 The Organisation will notify the Sponsor of the identity of all third party sponsors. Where the Sponsor considers in its sole discretion that an association with that third party sponsor via the Event may subject the Sponsor to contempt, ridicule, scandal or adverse public reaction, the Sponsor will be entitled to terminate this Agreement on five (5) Working Days notice to the Organisation.
9. **Ambush marketing**
- 9.1 The Organisation will vigorously oppose ambush marketing attempts by any third party that does not have an official association with the Event to give the public the impression that it does have such an association, or to use the Event as a means of promoting that third party's goods, services or profile.
10. **Public statement and controversy**
- 10.1 Subject to the requirements of Schedule 1, the Sponsor may make public statements relating to the Event, its association with the Event or its relationship with the Organisation.
- 10.2 Should a controversy arise in connection with actions or omissions of the Organisation or its Representatives, licensees or invitees, which in the Sponsor's view is likely to damage the reputation of the Organisation, the Sponsor or the Event, then the Sponsor may, without prejudice to any of its other rights or remedies, terminate this Agreement in accordance with its terms.
11. **Regulatory capacity**
- 11.1 The parties acknowledge that, to the extent that the Sponsor has regulatory authority or powers ("regulatory capacity"), this Agreement does not bind or fetter the Sponsor (or any other entity in the Auckland Council group) in its regulatory capacity.
- 11.2 The Sponsor, acting in its regulatory capacity, is not bound to grant any consent or permission which the Organisation or any one else needs to give effect to its obligations under this Agreement.
- 11.3 The Organisation will not be entitled to any damages or other payment should the Sponsor (or any other entity in the Auckland Council group), acting in its regulatory capacity, either decline any consent or permission, or issue that consent or permission on terms that are unsatisfactory to any party.
12. **Cancellation or postponement of the Event**
- 12.1 The Organisation, acting reasonably, has the right to cancel or postpone the Event in whole or in part for any reason.
- 12.2 If the Organisation cancels the Event (including for a Force Majeure Event) then this Agreement will be deemed to be terminated and the reimbursement provisions of clause 13.3 and any other relevant terms in relation to termination will apply.
- 12.3 If the Organisation cancels part of the Event or reduces the scope or scale of the Event from that in the Plan then the amount of any Sponsorship Fee and/or In-Kind Support to be provided by the Sponsor shall be reduced in proportion to the relative change to the Event, save where the change to the Event would otherwise constitute a default by the Organisation the Sponsor shall be entitled to terminate this Agreement in accordance with clause 13.1(a).
- 12.4 Where the full amount of the Sponsorship Fee and/or In-Kind Support has already been provided to the Organisation then the Organisation will reimburse the Sponsor any amount determined pursuant to clause 12.3 to the extent that this has not been spent, utilised or legally committed in good faith toward the Event at date of the change to the Event; expenditure that the Organisation has incurred in good faith as at the date of cancellation, and upon evidence of such expenditure.
- 12.5 The amount of any payment to the Sponsor pursuant to clause 12.4 above will be paid by the

Organisation to the Sponsor by the 20th of the month following the change to the Event.

13. Termination

13.1 Termination by Sponsor: The Sponsor may terminate this Agreement with immediate effect by written notice if:

- (a) the Organisation breaches this Agreement, fails or is unable to provide the Event or the Sponsorship Benefits, or is negligent in the delivery of the Event or sponsorship Benefits, and does not rectify the situation within any time frame reasonably specified by the Sponsor in writing;
- (b) the Organisation becomes the subject of an Insolvency Event; or
- (c) the Sponsor becomes aware of any circumstances in relation to the Organisation and/or the Event which might, in the reasonable opinion of the Sponsor, damage the reputation of the Sponsor.

13.2 Termination by the Organisation: The Organisation may terminate this Agreement with immediate effect by written notice if:

- (a) the Sponsor materially breaches this Agreement, and the Sponsor does not rectify the situation within any time frame reasonably specified by the Organisation in writing; or
- (b) the Sponsor becomes the subject of an Insolvency Event.

13.3 Reimbursement: If this Agreement is terminated by either party prior to the expiry of the Term, then:

- (a) the Organisation will reimburse to the Sponsor the portion of the Fee (already paid to the Organisation, if any) that has not been spent or legally committed in good faith toward the Event at date of termination; or
- (b) the Organisation will reimburse to the Sponsor the value of any In-Kind Support provided by the Sponsor (if any) which has not already been utilised or legally committed in good faith toward the Event at the date of termination;

and the Organisation shall not be entitled to any further Sponsorship Fees or In-Kind Support under this Agreement.

13.4 The parties agree that immediately upon termination or expiration of this Agreement they will cease use of the other party's marks, logos and intellectual property and upon request will return or destroy all Confidential Information of other material provided by the other party.

14. Notices

14.1 All notices given by either party under this Agreement must be in writing and sent by hand, prepaid post, fax, or by email to the attention of the other party's representative at the address specified at the front of this Agreement.

14.2 Notices and communications take effect from the time of receipt unless a later time is specified. If a notice is received after 5pm (New Zealand time) it is taken to be received the next Working Day.

14.3 Notice sent by post are taken to be received three (3) Working Days after posting. Notices sent by fax are taken to be received when the sender's fax system confirms a successful transmission of the total number of pages of the notice to the other party's fax number. Notices sent by email are taken to be received when the sender receives an acknowledgement indicating receipt from the other party's email address.

14.4 The parties may from time to time change their respective addresses, telephone, fax and email details by providing the other party with written notice.

15. Intellectual Property

15.1 All intellectual property owned by either party prior to the date of this Agreement will remain the property of that party.

15.2 The Sponsor acknowledges that the Organisation is the owner of the Event and will own any intellectual property created by the Organisation or its Representatives in relation to the Event.

15.3 The Sponsor owns any and all intellectual property created by the Sponsor or its Representatives in relation to the Sponsor's association with the Event.

15.4 Except as specifically set out in this Agreement, the Organisation will not have the right to use the Sponsor's name, the Sponsor's Marks or other intellectual property created by the Sponsor or its Representatives in relation to the Event.

15.5 Each party (the first party) warrants to the other party that it holds or will obtain all necessary intellectual property rights required to fulfil its obligations under this Agreement, and the first party agrees to indemnify the other party against all costs incurred by the other party arising as a result of a breach of the first party's warranty under this clause.

16. General

16.1 Representatives: The Organisation will ensure that its Representatives, licensees and invitees comply with all requirements of this Agreement.

16.2 Force Majeure Event: Neither party will be liable to the other party for any delays or failure to perform its obligations under this Agreement caused by a Force Majeure Event, provided that each party has taken all reasonable steps to minimise any loss, damage or delay resulting from any Force Majeure Event.

16.3 Confidentiality: The terms of this Agreement, including any negotiations and other commercial sensitive information are Confidential Information. The parties will not disclose Confidential Information to any third party except with the other party's prior written consent, or as required by law. This clause survives termination or expiration of the Agreement.

16.4 Disputes: The parties acknowledge they wish to avoid or minimise any disputes between them and will try to resolve any disputes by direct negotiation in good faith and in a timely manner. If the dispute cannot be resolved within twenty (20) Working Days of receipt of written notice of the dispute then either party may refer the matter to mediation by giving written notice to the other party. If the parties cannot agree on a mediator within five (5) Working Days of notice of mediation, a mediator will be appointed by the chairperson of LEADR New Zealand. Any mediator costs will be shared equally.

16.5 Limitation of Liability: The Sponsor's liability the Organisation (in contract, tort, or equity), howsoever caused, will be limited to the amount of the Sponsorship Fee and/or In-Kind Support.

16.6 Assignment: The Organisation will not assign, sublet, subcontract or transfer any right or obligation or any benefits within this Agreement without the prior written consent of the Sponsor.

16.7 No partnership: Nothing in this Agreement will be deemed to constitute either party a partner of the other and neither party will have any authority to incur any liability on behalf of the other.

16.8 No waiver: No waiver or amendment of any provision of this Agreement will be effective unless it is in writing and signed by both parties. Any waiver will only affect the matter that it expressly refers to and will not apply to any other or later matter.

16.9 Variation and whole agreement: This Agreement contains all terms of the agreement between the parties, and supersedes and any prior agreements between the parties. This Agreement may only be modified by written agreement signed by both parties.

16.10 Law: This Agreement is governed by New Zealand law.