

**Tripartite Agreement
for The 2009 East Asian Games**

THIS AGREEMENT made this ~~TENTH~~ day of ~~JUNE~~ 2006
AMONGST

The Government of the Hong Kong Special Administrative Region acting through the Secretary for Home Affairs whose principal office is situate at 8th Floor, West Wing, Central Government Offices, 11 Ice House Street, Central, Hong Kong ("Government") of the one part

AND

The Sports Federation and Olympic Committee of Hong Kong, China, a registered society whose registered address is situate at 2/F, Olympic House, 1 Stadium Path, So Kong Po, Causeway Bay, Hong Kong ("SF&OC") of the second part

AND

The 2009 East Asian Games (Hong Kong) Limited, a registered company limited by guarantee whose current registered address is situate at the Leisure and Cultural Services Headquarters, 1 Pai Tau Street, Sha Tin, Hong Kong ("Company") of the third part

WHEREAS

1. With the efforts made by the SF&OC and support from the Government, Hong Kong has been granted by the East Asian Games Association the hosting right of the 2009 East Asian Games ("the Games").
2. The Company has been incorporated for the purpose of organization, implementation and delivery of the Games.

* 委員會秘書附註：本文件只備英文本。

3. The Government, the SF&OC and the Company have agreed to work closely for the organization, implementation and delivery of the Games.
4. To enhance cooperation and to enable smooth and timely organization, implementation and successful delivery of the Games, the Government, the SF&OC and the Company have agreed to enter into this Agreement to set out the detailed arrangements and the roles and responsibilities of the parties hereto in the organization, implementation and delivery of the Games.

THE PARTIES HERETO set out their agreement as follows:-

Objectives

1. The Games will be the first ever multi-sports international games to be hosted in Hong Kong. The successful organization, implementation and delivery of the Games will, *inter alia*, enhance Hong Kong's sports exchange with the East Asian member places, foster the development of local sporting culture, and educate the community on the value of sports, and consolidate Hong Kong's position as a major sports events capital in the region.

Institutional Set-up

2. An East Asian Games Planning Committee ("Planning Committee"), with wide representation from the community, is appointed by the Government to plan for and steer the organization, implementation and delivery of the Games. The Planning Committee is the forum for

the Government, the sports sector and the community to work together for the successful delivery of the Games. The Secretary for Home Affairs and the President of the SF & OC are the President and the Chairman of the Planning Committee respectively.

3. The Company has been set up as the executive arm of the Planning Committee to prepare for, organize, manage, implement and deliver the Games. The Chairman of the Planning Committee is the Chairman of the Board of Directors of the Company.

Roles and Responsibilities of the Government

4. The roles and responsibilities of the Government in the organization, implementation and delivery of the Games are -

- (a) To seek the appropriation of funds from the Legislative Council to support the organization, implementation and delivery of the Games and to ensure that the sums appropriated are spent in a cost effective manner within the scope approved.
- (b) To provide sports venues and facilities to standards considered appropriate by the Government and in consultation with the local National Sports Associations for the organization, implementation and delivery of the Games.
- (c) To facilitate protocol, logistics and coordination as appropriate for the organization, implementation and delivery of the Games.
- (d) To appoint the Planning Committee and to ensure that issues over the planning, organization, implementation and delivery of the Games are properly deliberated.

- (e) To be represented on the Board of Directors of the Company to oversee the work of the Company.
- (f) To cooperate and work together with the SF & OC and the Company to promote and publicize the Games and to seek community participation and involvement in the Games.

Roles and Responsibilities of the SF&OC

5. The roles and responsibilities of the SF & OC in the organization, implementation and delivery of the Games are -

- (a) The SF & OC is formed, established and operates under the rules and regulations of the Olympic Charter and the Olympic Council of Asia.
- (b) As the National Olympic Committee ("NOC") of Hong Kong, the SF & OC is the applicant and right holder for organizing the Games. The Company shall carry out the actual and day-to-day organizing work of the Games.
- (c) The President of the SF & OC is the chairman of the Planning Committee and the SF & OC is represented on the Planning Committee to advise on the planning, organization, implementation and delivery of the Games.
- (d) The President of the SF & OC is the chairman of the Company and the SF & OC is represented on the Board of Directors of the Company to oversee the work of the Company.
- (e) The SF & OC shall liaise with the East Asian Games Association and the member National Olympic Committees for the organization, implementation and delivery of the Games.
- (f) The SF & OC shall liaise with member National Olympic

Committees, and relevant International Federations and Asian Federations and local National Sports Associations to draw up sports items selected for competition at the Games, and shall submit the sports items selected to the Planning Committee for consideration and then to the East Asian Games Association for endorsement. The SF & OC, in consultation with the local National Sports Associations, shall advise the East Asian Games Association, the Planning Committee and the Company on the competition requirements, competition methods, competition management of the sport items selected.

- (g) As the host NOC of the Games, the SF & OC shall serve as the Secretariat of the East Asian Games Association for the Games, and shall organize, manage and chair the East Asian Games Association Council meetings and other related sessions.
- (h) The SF & OC shall procure the approval of the East Asian Games Association for the various usages of the emblem, anthem and mascot of the Games by the Company for the Games.
- (i) The SF & OC shall cooperate and work together with the Government and the Company to promote and publicize the Games and to seek community participation and involvement in the Games.
- (j) The SF & OC shall conduct in a proper and lawful manner all its business and activities in relation to the organization, implementation and delivery of the Games.

Roles and Responsibilities of the Company

6. The roles and responsibilities of the Company in the implementation and delivery of the Games are -

- (a) To be responsible for the organization, implementation and delivery of the Games.
- (b) To receive funds from the Government for the organization, implementation and delivery of the Games and to be fully accountable to the Government and the Legislative Council on the disbursement of such.
- (c) To use its best endeavours to generate revenue for the Games through the seeking of community and commercial sponsorship, selling of television rights, Games event admission ticket sale, licensing and merchandising, the provision of accommodation arrangement for the Games, etc. provided that no sponsorship from tobacco and alcohol shall be accepted. The Company shall use all revenue generated solely for the organization, implementation and delivery of the Games.
- (d) To submit quarterly progress report to the Government and the Planning Committee on the organization, implementation and delivery of the Games.
- (e) To conduct in a proper and lawful manner all its business and activities in relation to the organization, implementation and delivery of the Games.

Financial arrangements

Budget

7. The estimated operating budget for the organization, implementation and delivery of the Games is HK\$240 Million and its details are set out in Annex I.

8. With the approval of the Legislative Council, the Government will

provide up to a maximum of HK\$123 Million for the organization, implementation and delivery of the Games. The Company shall use its best endeavours to economize on its expenditure and to live within the sums appropriated.

9. The Government may provide interest-free cash advance to support the cash flow requirement of the Company. The Company agrees to repay the Government on demand the amount of cash advance as shall be determined by the Government.

10. Other income for the organization, implementation and delivery of the Games shall come from community and commercial sponsorship, selling of television rights, Games event admission ticket sale, licensing and merchandising, provision of accommodation arrangement for the Games and other sources as shall be approved by the Government. An estimate of such income is set out in Annex II.

11. The hiring charges for venues provided by the Government for the organization, implementation and delivery of the Games as well as office accommodation at Government venues for the Company will be waived.

Cost control

12. The Government will arrange for the disbursement of the approved funding and cash advance if any to the Company to enable it to meet the reasonable expenditure for the organization, implementation and delivery of the Games. The Government has discretion over the frequency and quantum of each disbursement. The Government also has the right to impose requirements on the Company as are necessary or in line with

relevant stipulations in Government financial circulars to ensure the proper disbursement of public funds.

13. The Company shall keep proper records and accounts for the Games and the Government will have unfettered access to these. The Company shall be alert to the need for transparency and ensure that all decisions made are fully justified and publicly explicable.

14. The Company shall adopt proper internal control to ensure that its funds are used in a cost-effective and accountable manner and in line with the scope authorised by the Legislative Council.

15. More specifically, the Company shall –

- (a) seek the endorsement of the Government on a “planned project budget” as soon as possible upon receipt of funding approval from the Legislative Council;
- (b) devise an internal cost control mechanism to the satisfaction of the Government to track and specify requirements for authorising cost or other variations to the “planned project budget”, all within the funding ambit set by the Legislative Council; and
- (c) prepare periodic budget updates for the scrutiny or approval as appropriate of the Government.

16. The Company shall submit annual audited financial statements to the Government and the Planning Committee within six months after the end of a financial year, and final audited financial statements to the

Government and the Planning Committee within six months of the conclusion of the Games. Within six months of the conclusion of the Games or any sooner termination of this Agreement, surplus funding from the Games, if any, up to the total amount of Government subsidy provided and hiring charges waived, shall be returned to the Government.

Mode of Work

17. The meetings of the Planning Committee and the meetings of the Board of Directors of the Company are the regular forums for the Government and the SF & OC hereto to consider and deliberate on matters relating to the organization, implementation and delivery of the Games. The parties hereto can convene as and when necessary other meetings or initiate any other form of co-operative activities for the organization, implementation and delivery of the Games.

Modification

18. This Agreement may be modified at any time by mutual consent of all the parties hereto.

Commencement and Termination

19. This Agreement shall come into effect on the date of signing by the parties hereto and shall continue to be in force until the conclusion of the Games in 2009 or the winding up of the Company or any sooner termination of this Agreement as agreed by the parties hereto, whichever is the earlier.

Jurisdiction

20. This Agreement shall be construed in accordance with and governed by the laws of the Hong Kong Special Administrative Region and the parties hereto irrevocably agree to submit themselves to the exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.

Notice

21. All notices required to be served under this Agreement shall be served to the respective addresses of the parties hereto stated in the preamble of this Agreement.

IN WITNESS whereof this Agreement has been executed by the parties hereunder on the date first above written.

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A simple line drawing of a person standing on a curved surface, looking up at a vertical dashed line. The person is depicted with a long, thin neck and a head tilted back. The surface they are standing on is represented by a single curved line. The vertical dashed line is composed of several short, vertical segments.

**Expenditure Estimate for the Organization, Implementation and
Delivery of the 2009 East Asian Games**

<u>Expenditure items</u>	<u>Estimate (HK\$M)</u>
(a) Staff	60
(b) Administration	15
(c) Information technology facilities and equipment	12
(d) Broadcasting cost	20
(e) Accommodation and catering	15
(f) Competition event cost	26
(g) VIP hospitalities	8.5
(h) Transportation	4
(i) Publicity	10
(j) Opening and Closing ceremonies	35
(k) Security	10
(l) Volunteers	8
(m) EAG Association meetings	5
(n) Contingency	11.5
Total	240

Annex II

**Revenue Estimate for the Organization, Implementation and
Delivery of the 2009 East Asian Games**

<u>Revenue items</u>	<u>Estimate (HK\$M)</u>
(a) Community/Commercial sponsorship	50
(b) Television rights	12
(c) Ticket sales	28
(d) Licensing and merchandising	15
(e) Charged accommodation	8
(f) Other income	4
Total:	117