



*Fédération
Aéronautique
Internationale*

Minutes

of a
Meeting of the FAI Executive Board

Held
on Thursday 10 and Sunday 13 May 2012
at the MSI, Lausanne – Yellow Meeting Room
starting at 09:00 CET

Ver. 1.3 / 4 July 2012

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1. Roll-Call

1.1. Introduction by the FAI President

The President welcomed Board members to the meeting. He thanked the Secretary General extensively for his recent work and reminded the Board that the FAI HO staff had been invited to join the Board that evening for dinner.

This was a milestone in FAI history and decisions were needed as to how to implement recent policies. It was also important to cement relationships with ASC Presidents during the meeting on 11 May.

1.2. Roll Call

(In brackets are the abbreviations used throughout the minutes whenever referring to a specific person)

President :

- John GRUBBSTRÖM FAI President (JG)

Executive Board Members :

- Alvaro de ORLEANS-BORBON FAI Executive Director (AOB)
- Robert CLIPSHAM FAI Executive Director Finance (RC)
- Robert HENDERSON FAI Executive Director (RH)
- Otto LAGARHUS FAI Executive Director (OL)
- Beat NEUENSCHWANDER FAI Executive Director (BN)
- Jean-Marc BADAN FAI Secretary General (JMB)

Absent :

- LEE Jonghoon FAI Executive Director (LJ)

In Attendance :

- Rob HUGHES FAI Senior Sports Manager (RHU)

1.3. Update by the FAI Secretary General

The Secretary General provided a brief update on :

- Schedule of meetings 10 to 13 May, including dinner with the FAI personnel.
- Situation with Breitling : FAI had agreed and prepared a common press release to be distributed the next day to the Breitling and FAI email lists. The contract contained a confidentiality clause which must be respected. Mr. ALBINATI, the Breitling representative, would attend a dinner on Friday evening with the ASC and Active Members Presidents.
- Situation on "FAI Air Sports Marketing & Events S.A." : Initial documents had been signed the previous day, though the Statutes needed fine-tuning before completing the necessary legal paperwork.

The President asked for an item on CASI to be added to the agenda [item 7.2].

2. Minutes of Meetings

2.1. Executive Board Conference Call held on Friday 9 March 2012

Situation / Ref. : Version 1.2 of the Minutes had been distributed to the FAI Executive Board, FAI Members and NACs on 10 April 2012 after having been reviewed by the Board.

Decision : The Board formally approved the minutes of the Executive Board Conference Call held on 9 March 2012 and authorised their publication.

3. Strategic Plan

3.1. EB Management

Considering the comments exchanged by e-mail during the last few weeks, the Board discussed management and governance principles within the Executive Board.

There were some concerns regarding the everyday management of the EB and several suggestions; a “No Surprises” policy where clear communication would avoid EB members hearing of decisions through other channels; using the EB mailing list for all EB communication; and, increasing the use of “Yes/No” decision requests from JMB to the EB.

JMB noted the change in EB meetings; there was more discussion among EB members than in recent times. He had recently spent a very productive day with JG and considered that more face-to-face meetings between JMB and JG would be useful.

3.2. Sponsorship / Partnership

JMB reported on the current situation with Breitling and its consequences on : Signature of the partnership contract – Publication of the press release – Announcements to be made at the ASC/NAC Meetings – Schedule of Friday evening’s reception at Mirabeau.

Discussions : The Board discussed:

a) The need for an “Account Manager” to develop and implement the partnership

The FAI HO did not have the necessary expertise or availability to act as the Breitling account manager.

The Board discussed how to treat the issue; should FAI employ someone or contract a third party? AOB spoke in favour of the internal option; FAI needed to learn these skills in order to develop. There were, however, advantages to using an external partner, including greater expertise and availability plus the ability to start immediately instead of recruiting a new employee.

The previous collaboration with Giancarlo SERGI (GS) of SINERGI S.A.R.L on the Breitling project had been successful. Sinergi had been mandated to prepare the sponsorship contract and this mandate was due to conclude on the signing of the agreement. Mr. SERGI was motivated and had worked well with JMB and RHU. There may also be the possibility to tie in any future collaboration with the creation of the FAI Sports Marketing Agency in that the agency could be tasked with servicing the Breitling contract.

The discussion continued on 13 May following feedback from the ASC Group Presidents’ meeting.

b) The implementation of the partnership programme

There were currently no provisions to service the Breitling contract. It was clear that FAI needed an Account Manager to service the contract.

The Account Manager would initially be responsible for coordination with CAT1 championship activity, possible Breitling integration into the FAI Award Ceremony at the General Conference and also any other opportunities or activities linked to the Breitling contract.

There was a need to determine internal regulations regarding the partnership with Breitling, for instance, that FAI members should not contact Breitling directly but instead that contact be made through the Account Manager.

SINERGI had put forward a proposal to the EB to manage the contract, to invest in FAME and also for GS to become the inaugural FAME CEO. There were two options; mandate GS to act as Account Manager in return for a fee or invite him to invest in the business.

Various investment options were discussed, including vesting – agreeing to a fixed number of shares at the start of the partnership which would be given to the partner after a set period of time and in accordance with key performance indicators. The partnership should include buy-back and exit strategies.

c) How the partnership money should be used

The confidentiality clause in the Breitling contract was to be respected at all times and not disseminated beyond EB level.

This was a new era and it was therefore difficult to explain at this stage exactly how best to exploit the opportunity, though it would be used for servicing the contract, internal needs and also to fund commercial activities.

d) The consequences on FAI relationships with ASCs and Event Organisers

(Compensation for exclusivity on watches, medals, control on local sponsors, support to Event Organisers to implement the partnership, service to the partner, etc.)

Breitling had exclusivity in the “watches”* category and ASCs and Event Organisers would therefore not be able to enter into sponsorship agreements with other “watch”* sponsors. Organisers would be required to include a Breitling presence in future CAT1 events, such as banners, backdrops or possibly VIP tents. They would also benefit from the greater level of exposure the contract would bring and it may well encourage other sponsors to contribute.

**AFTERNOTE: In the final contract, Breitling were allocated exclusivity in the category “Watches and Jewellery”.*

Breitling would be keen to promote and publicise the relationship which would bring extra exposure to the events. There were many other factors to consider, including for instance providing uniforms for officials at CAT1 events.

e) Declaration and information to be provided at the ASC and NAC Presidents’ Meetings

The FAI Breitling partnership was at ‘day zero’. It was too soon to give concrete plans or explain the precise mechanics of how the contract would be serviced. There would be further communication once these elements had been settled.

3.3. Sports Marketing Agency & Commercial activities

Ref. : Document *Our vision and proposal for the development of FAME* provided by Sinergi and distributed to the Board on 4 May.

JMB reported on the current situation and preparation work for creating “FAI Air Sports Marketing & Events S.A.” (FAME).

Discussions and decisions :

This was a very interesting period in FAI’s history with the creation of a commercial company and consequential potential cooperation with a third party.

JMB reminded the Board that the decision to create the company had been made during the March EB Conference Call and that steps had already been taken to enable its creation.

The Board discussed the purpose of the company; to engage in Level 3 events as described in the Sports strategy, to create value and to promote FAI sports. Above all, its purpose was to generate income, which would enable the FAI to better support its members and the ASCs.

The discussion turned to the principal activities and business model of FAME. It would coordinate activities in cooperation with host cities and sponsors, sell expertise in air sports and even possibly organise events. It would act as a support service to ASCs to bring promotion and marketing experience to ASC events. It would also act as a holding company for ASC subsidiary entities.

There were outstanding issues;

Financial : The requirement for precise financial controls, accounting and reporting procedures, identifying revenue streams, drawing up a detailed budget and cash flow projection.

Structural : How to incorporate subsidiary companies, the criteria for closure, how to distribute any surplus.

AOB expressed his concern in creating the company without the necessary financial and structural arrangements in place as well as a review of all documents by a commercial lawyer. He asked for the Board's assurance that these would be the top priorities and that the company would not actively trade until they were established.

DECISION : The Board voted unanimously in favour of continuing the process to legalise the constitution of FAI Air Sports Marketing & Events S.A. (FAME).

The Board then discussed :

a) Planned date of creation (at notary)

This was set at 29 May 2012.

b) Official documents to be signed and provided to the notary

JMB had received a proxy to be signed by JG and RC, giving JMB the power to sign the foundation documents on their behalf. JMB had also received the document to be signed by the new FAME Board of Directors.

c) Involvement of Sinergi (participation in share capital, CEO, etc.)

The Board invited M. Giancarlo SERGI (GS) of SINERGI S.A.R.L. to the meeting. The President welcomed GS and thanked him for his work to date.

GS introduced himself; a former professional basketball player, he was passionate about sport. He had studied Business and worked for UEFA in marketing/commercial/event/organising activities and also in dealing with sponsors. He had created SINERGI in 2006 with three niche services; event planning & knowledge management, business development & marketing, and sports recruitment. A major client of his was IOC and the Youth Olympic Games.

GS recommended the following principles to apply to FAME:

- Keep ownership of your rights and of the company (more than 51% of the share capital)
- Do not lease your rights for a long period (maximum 5 years)
- Keep it simple
- Create one unique marketing and events agency and engage the community
- Create a flexible and independent agency outside of the political governance of the Federation.

There was a trend among other International Federations to use external agencies in order to exploit their specific expertise without having to invest in, for example, recruiting personnel.

FAME would initially require a CEO and shortly afterwards an Event Manager to attend to event needs. The Breitling contract would require a position of 50-100% as account manager, depending on the level of presence required. FAME would eventually need to recruit communications and sales capacity.

GS had not invested in such a project in the past but believed strongly in FAME. He would continue to allocate a large portion of his time to the project. He had experience in sponsorship and

commercialisation but none in placing media rights; in this instance he would use external agencies.

There was a need to create commercial activities based on ASC sports and expertise. GS expressed surprise that Breitling had agreed to a partnership despite the lack of commercial product that FAI had to offer.

The Board considered the possible failure of FAME and GS's exit strategy. FAME would need to consider the criteria for closing the company. GS had a long term view and had not considered an exit strategy but he could sell his shares at some point in the future or else step down from active participation and remain an investor.

GS left the meeting.

The Board considered GS's proposal. There were clear ideas but his proposed budget needed further examination. He was motivated, keen to invest and able to start without delay.

- d) Appointment and/or confirmation of initial FAME Board of Directors (BoD) and Chairman of BoD
The FAI EB was the body creating FAME and would therefore select the initial Chairman, BoD and Secretary. In the future, this responsibility would then fall to the FAME general meeting.

There would be three Directors plus a non-voting Secretary. One Director must be established in Switzerland. Directors would be drawn from EB members.

DECISIONS : The Board unanimously appointed the following to the initial FAME BoD :
Chairman : Robert HENDERSON
Directors : Robert CLIPSHAM and Jean-Marc BADAN
Secretary (without vote) : Robert HUGHES

- e) Auditors

JG proposed that FAME works with FIDULEM / M. TRIPET until further notice.

DECISION : The Board approved FIDULEM as FAME auditors.

- f) Situation with potential ASC subsidiaries

IPC had declared their intention to form a subsidiary company but had not yet done so. It was expected that the IPC Bureau would discuss this further in a Bureau meeting immediately after the EB meeting.

DECISION : The Board agreed that commercial companies formed by FAI Commissions would be subsidiaries to FAME.

The discussion continued on 13 May following feedback from the ASC Group Presidents' meeting.

- g) FAME – FAI Air Sports Marketing & Events S.A. (subsidiaries, management, etc.)

RH thanked the Board for their confidence and arranged for the initial FAME Board meeting to take place after the conclusion of this EB meeting. He asked EB members to show restraint when discussing FAME business with Members and instead to refer any questions or requests to the FAME board.

How would potential future sponsors be allocated ? That would depend on the approach; FAME would actively seek sponsorship but it may be that future sponsors would look to partner with FAI rather than being a FAME activity. There was also the question of tax; FAI benefitted from a favourable tax regime due to its status whereas FAME would be subject to corporation tax. FAI could receive sponsor money and then mandate FAME to render services.

It was to be stated clearly that FAME was an instrument of FAI. The wording of the Statutes was brought into question; would FAME work ‘particularly’ for FAI or ‘primarily’? JMB was instructed to raise this issue with the notary.

Paperwork; there were two papers to sign: A request to the Companies Register to form the company and a proxy to allow JMB to sign on behalf of the FAI Board. The registered address of the company would be at FAI HO, in precise terms: “FAI Air Sports Marketing & Events S.A., c/o FAI, MSI, Avenue de Rhodanie 54, CH-1007 Lausanne”

3.4. **Sports Strategy & Implementation**

Ref. : Document *FAI Sports Strategy – Creating the Future*.

RH reported on the document sent by e-mail to the Board and ASC Presidents on 4 May.

RH reviewed the Sports Strategy working paper to be presented at the ASC and Active Members’ Presidents meetings. There had been a few minor changes, in particular to the timeline and extending deadlines of the more major projects.

The President thanked RH for his work.

3.5. **FAI Regional Management Structure (RMS)**

Situation / Ref. : Minutes EB ConfCall 9 Mar 2012 – Item 6.1 / The EB asked for the implementation of the project - A call for nominations was sent on 23 March by SRO to the countries concerned : South East Asia / Middle East / South Africa – The deadline for providing nominations expired on 15 April.

Discussion : The Middle East delegate to the Active Members Presidents’ meeting had expressed an interest in the position for his region. The Board therefore discussed delaying that decision.

DECISIONS : The Board

- a) **Appointed Mr. ABDILLAH as Regional Vice-President for South East Asia for a 2-year term.**
- b) **Appointed Mr. OLIVA as Regional Vice-President for South America for a 2-year term.**
- c) **Delayed the nomination of the Regional Vice-President for Middle East until the next EB meeting.**
- d) **Tasked JG with contacting the successful candidates by letter and to include information regarding their duties, obligations and objectives, customised to the different regions.**

This letter would be drafted by OL in consultation with JMB who would advise on any particular relevant issues. JG would include information on the appointments in a forthcoming President’s letter to be distributed to NACs and members.

3.6. **FAI Expert Groups**

BN and OL reported on the current situation of the FAI Experts System.

3.6.1 **Safety / Regulation Expert Groups**

A call for nominations for the “Regulation” and “Safety” Expert Groups was launched on 16 February – The deadline for submitting nominations expired on 16 March - The following nominations were received :

Safety		
Name	Nationality / Sport / Expertise	CV
Dr. Geff McCARTHY	USA / Doctor	Received
Raymond CAUX	FRA	Received
Daniel KNECHT	SUI / officer of the Swiss Aircraft Accident Investigation Bureau AAIB	Received
Niels-Christian Levin HANSEN	DEN / IPC Delegate	Received
Jacek KIBINSKI	POL / CIMA delegate	Requested

Regulation		
Name	Nationality / Sport / Expertise	CV
Tony BUTLER	GBR / IPC Alt. Del	Received
Jan FRIDRICH	CZE	Received
Roy BEISSWENGER	USA / CIMA delegate	Requested
Philip BÄRTSCHI	SUI	Received

DECISIONS : The Board reviewed the nominations and

- a) **Agreed to appoint all 5 candidates to the Safety EG.**
- b) **Agreed to appoint all 4 candidates to the Regulation EG**
- c) **Tasked OL with acting as the initial Person of Contact for both Safety and Regulation EGs.**
- d) **Tasked the HO with informing the appointed Experts (and their NAC/ASC) accordingly.**
- e) **Tasked BN and OL with establishing the list of tasks/priorities for the 4 created Expert Groups with projects**, who would also collect first results and then report back to the Board in August.

Note : EAS President David ROBERTS had written in an email that “From a Europe Air Sports (EAS) point of view, clearly we have an interest in this as we are the focal point for all pan-EU regulatory representation and our members / experts may have something to contribute to the FAI regulatory expert group. They can of course be nominated by their NACs, but it would seem sensible for the FAI Executive Board to take into account the views of Europe Air Sports, particularly as we do not want to overlap responsibilities in this area.”

The EAS Conference was held on 24-25 March – Mr. Roberts was offered the possibility of providing nominations after the meeting : Nothing received so far; reminder sent by SRO.

3.6.2 IT / New Technologies Expert Groups

The FAI IT Manager Visa-Matti Leinikki (VML) joined the FAI HO on 1 May – His first mission consisted of conducting a survey of FAI IT systems – By the end of May, VML would provide JMB with an analysis of the current situation, a list of proposed priorities and a draft work plan on how to improve the FAI working tools (databases, software, etc.), manage the FAI website more efficiently (maintenance, improvements, further developments), and how ASCs should be involved in the development/improvement of IT tools covering their current and future needs – The need for and the missions of future “IT” and “New Technologies” Expert Groups would be part of VML’s analysis and proposals – Their launch would be coordinated in close cooperation with BN and the Board.

3.6.3 CIEA vs. “Education” Expert Group

The possibility of converting CIEA into an Expert Group had been discussed during the last CIEA Meeting held in Lausanne on 27/28 April – While the majority of CIEA Delegates expressed their positive opinion and interest in improving the efficiency of CIEA, CIEA President Kasteleijn expressed his disagreement with the principles of Expert Groups.

This was not a priority issue and also not on the current Executive Board agenda.

3.7. Peter Newport’s Initiatives

3.7.1. FAI Social Community

Ref. : Minutes EB Meeting 14/15 Jan 2012, item 5.4 / Minutes EB ConfCall 9 March 2012

Considering the number of priority items discussed during the last ConfCall and the tight link this project might have with the future FAI Sports Marketing Agency, the Board had decided to

postpone any further decision on the FAI Social Community to its May Meeting – JMB had duly informed Mr. Newport on 15 March.

RH reported on the exchange of mails he had had with Mr. Newport on 20 March. No further action was required at this stage.

3.7.2. Integration of Sport Aviation in Airshows

Ref. : Minutes EB ConfCall 9 March, item 6.5

RH reported on his efforts to arrange a meeting between himself, Mike HEUER, the NAA and the EAA President Rod HIGHTOWER though EAA were busy with plans for Oshkosh.

RH considered the possibility of taking advantage of the invitation from AMA President Bob BROWN and NAA to attend the AMA Helicopter Jamboree. This could provide a platform for a meeting with Mr. Hightower. RH would look into the possibility with the support of EB.

4. Sports Matters

4.1. FAI Medals for World, Continental Championships and the World Air Games

Situation / Ref. : During the CASI Meeting 2011 in Belgrade, the FAI Office had been asked to consider options for reducing the cost of FAI Medals – In autumn 2011, FAI Medals for the 2012 competitions had been ordered in close cooperation with ASCs and in accordance with the procedure established since many years - During the 2012 IPC Meeting, IPC Delegates had expressed their dislike for FAI Medals (boring, unimaginative and expensive) - The Plenary had voted to allow organisers to provide their own medals – As such a move would require changing the FAI Sporting Code General Section, the IPC President submitted to the Board, on 12 April 2012, a proposal for amending the General Section – The proposal was forwarded to the ASC Presidents on 4 May as Appendix 4 to the Agenda of the Meeting with Commission Presidents – During the Board Meeting, RHU presented to the Board the options provided by the FAI medals manufacturer Huguenin.

Discussion : The Board discussed

a) The FAI Policy on FAI Medals for these events

The Board considered the supply of medals and their value to championship winners vs. their costs.

Should a document be established to determine the minimum requirements for the FAI medal ? Currently there were no specifications, though it was agreed that the FAI medal should be of high quality and give an impression of value and that respected the efforts of Champions.

DECISION : The board reaffirmed the FAI policy to provide high quality medals to FAI World and Continental Region Championships and the World Air Games.

b) The options and offers submitted by the medals manufacturer Huguenin

RHU presented the different options and the results of a survey conducted among the ASC Presidents and Active Members to ascertain their preferences. Mr. Joris van DRUNEN, Huguenin Sales Manager, had also attended the ASC Presidents' meeting.

There was clear support for the existing FAI medal. Huguenin had recently invested in new production processes; there had been a change in the ownership structure of the company with the new owners investing in machinery and other processing equipment. Huguenin were therefore able to offer a reduction of 13% on the current price.

DECISION : The Board agreed to continue to source FAI medals from Huguenin and to supply them to FAI World and Continental Championships.

c) Changing the design of the FAI medal

The question of changing the design of the FAI medal was raised in response to the IPC proposal to allow Event Organisers to provide their own medals. The design would be revised every 2 years to accommodate the FAI world and continental championships cycle.

DECISION : The Board instructed RHU to investigate a design change in the FAI medal and to report back at the August meeting.

4.2. Anti-Doping

Ref. : Document *FAI Anti-Doping Plan 2012-13* distributed to the Board, to ASC and NAC Presidents on 2 May 2012.

RH reported on the Risk Analysis, the proposed Anti-Doping Plan 2012-13 and the outcome of the meeting held on 9 May with Mr. Frederic DONZE, Head of WADA European Office.

Discussion : The Board discussed

- a) The proposed FAI Anti-Doping Plan 2012-13,
- b) The information to be provided to the ASC and NAC Presidents,
- c) The next steps to be achieved to implement the new FAI Anti-Doping Plan.

The risk analysis paper distributed to Board Members was to remain confidential as it contained medically sensitive information. The published version of the document had removed such references. RH, JMB, RHU and Ségolène ROUILLON (SRO) had met Mr. Donzé who underlined his support for the FAI anti-doping plan. The focus for the next 2 years would be to ensure that anti-doping testing is carried out at all CAT1 events. SRO was now working on an education plan to better inform FAI athletes of their responsibilities. WADA produced an educational programme and would consider proposals from FAI for new material if gaps were found.

Out-of-Competition Tests / "Whereabouts" : FAI may be able to use the Sporting Licence database contact information for its Whereabouts system.

There was a possible conflict between aviation law and the WADA code; if an athlete was found to have contravened aviation law, any sanction imposed by the aviation authorities may be more severe than the WADA sanction. Mr. Donzé agreed to raise this with the WADA legal department in Montreal in order to accommodate such a situation so that athletes would not be sanctioned twice by different bodies.

RH agreed to investigate the option of using the ADAMS system to manage TUEs and to send a document to Mr. Donzé by the end of July to contain details of :

- In-Competition testing
- Whereabouts system
- TUE Review Panel
- Advisory Group
- RTP format

This would be assessed by WADA for its compliance to the Code and then formally signed off.

The discussion continued on 13 May following feedback from the ASC Group Presidents' meeting.

The updated plan would be circulated for feedback with a deadline of the end of June. RH had referred to a Powerpoint presentation during the ASC and Active Members' Presidents meetings; this would be published as a .pdf on the FAI website.

4.3. Parachuting Championship in Grozny, Chechnya

Ref. : IF Survey and Me Morand risk analysis provided by JMB to the Board on 8 March 2012 as Annexes 9 and 10 to the Agenda for the ConfCall / Minutes EB ConfCall of 9 March 2012, item 7.1. JG reported on the outcome of the meetings he had in April during his visit to Russia.

Discussion : The Board discussed

a) The evaluation of risks and responsibilities of having an FAI Cat. 1 event in 2013 in Grozny

The President had visited Russia recently but was unable to visit Chechnya due to the extra insurance premium required by FAI's insurers. The Swedish government also advised against travel to the area.

JMB reported on the findings of a survey he had conducted among other International Federations, including FIFA; the advice was overwhelmingly not to consider staging an event in the area. This conformed to other advice from the Swiss Military Attaché, the Swiss Embassy in Moscow and many other foreign ministries.

JG had met the Russian Minister for Sport who had declared full support for the event from the highest level. Others questioned this; Russia claimed ownership of Chechnya but the reality was different and the potential threat of terrorism was high.

JMB stated that, following advice received from Me. MORAND, to protect the FAI's interests and also due to a moral responsibility, he would not sign the Organiser Agreement as long as the advice from foreign ministries remained the same. BN and RH stated that they too would never sign such a document under these circumstances.

b) The Board's position on how to further proceed

The Grozny bid had not been on the IPC Bureau agenda and had been presented at the last minute to the IPC Bureau. The IPC Bureau and Competitions Committee had recommended against the bid but it was carried in the Plenary. The current IPC position was to monitor the situation and make a final decision at the January IPC Bureau meeting.

The President of NAC Russia, Vladimir IVANOV, was due to attend the Active Member's Presidents meeting. It was agreed that JG would discuss the situation with him.

4.4. Revision of Organiser Agreement

RH and RHU reported on the current situation, on the process and work plan for developing the revised Organiser Agreement. RHU had already started researching the topic and had drawn up a draft framework. He would contact ASCs for their input and present his progress to the Board in August.

4.5. Sporting Licence database

Extensive testing of the new software and uploading of the 2011 data by the FAI HO were close to completion – Guidelines on how to upload data were currently under revision.

Next steps : Once the Guidelines would have been updated (target : End of May), the NACs would be invited to upload their 2012 data – FAI HO would continue to monitor the process and decide when the database could be opened for consultation.

4.6. Naming of competitions

RHU reported on the need for updating this document. Depending on the situation of the current projects (partnership, agency), the Board and the ASCs might be consulted at a later stage only. Version 2.3 had been circulated at the ASC meeting and feedback had been received. RHU would amend the document accordingly and submit it to the Board for approval before publication.

4.7. World Air Games 2015

Ref. : FAI Sports Strategy, item 5

Taking into consideration the discussions held during the meetings with ASC and NAC Presidents, the Board were invited to discuss and agree on the next steps and work plan towards the World Air Games 2015.

The ASCs had agreed that the EB should decide on the format of future World Air Games and on the type of bid process (bilateral cooperation instead of bid ?). FAI HO was instructed to update current documents. FAI were aware of a number of parties interested in hosting the Games. JMB would also speak to several contacts during the SportAccord Convention in Canada. JG would include in his forthcoming President's letter a plea to NACs to identify potential organisers. FAME may also be implicated in searching for potential host cities.

4.8. World Games, Cali (COL), 25 July – 4 August 2013

RHU reported on the current situation in Cali, on the significant communication and coordination problems the FAI HO had experienced with the Cali Local Organising Committee and the Test Events to be held in August this year. Despite earlier communication problems, progress was now being made and confidence was being restored for a successful test event due to the considerable and personal input from Mr. Markus GRAEBER, the FAI Vice-President for Colombia.

4.9. Asian Beach Games, Haiyang (CHN), 16-22 June 2012

RHU reported on the current situation of this event – It was planned that JG and RHU would attend the Asian Beach Games in Haiyang, in particular to strengthen contacts with OCA Representatives and continue discussions with NAC Thailand and the organisers of the 2014 Asian Beach Games. JG would make contact with OCA to discuss their recognition of FAI as the world governing body for air sports and also possible participation in other OCA multi-sport events.

4.10. Asian Beach Games, Phuket (THA), 2014

Ref. : FAI Sports Strategy, item 5

While only Paramotors are on the sports programme of the Asian Beach Games 2012 (ABG), three FAI Commissions expressed their interest in being part of the programme of the ABG 2014 : CIMA, CIAM and CIVL.

DECISION : JG was asked to make contact with representatives from the Olympic Council of Asia (OCA) during his visit to the 2012 Games and to confirm the Commissions' inclusion in the 2014 programme. RHU was instructed to also learn from his attendance at the Games to brief the ASCs to determine a Commission Liaison Officer in order to progress the 2014 project.

5. FAI Finances

5.1. Financial Situation 2011

RC and JMB reported on

a) The provisional 2011 results

RC presented the preliminary results. The provisional figures showed a deficit, largely due to the lack of sponsorship income anticipated by the previous Secretary General. The 2011 Financial Statement is being completed for auditing by PWC.

b) The problems encountered with the new accounting software

The previous Secretary General had opted to buy an accounting software package in 2010 which had been adapted from a French version. There were many differences between French and Swiss accounting practices which had only come to light in recent months and were causing numerous problems.

The FAI accounts continued to be managed using the same software for 2012 but it was not acceptable to extend its use into 2013. There were options, including licensing Fidulem's accounting software. This had the advantage that FAI's financial adviser, M. TRIPET, would have access to, and experience with, the system.

5.2. Financial Situation 2012

RC and JMB reported on the 2012 financial situation. The current financial situation was in line with the budget.

5.3. Budgeting Process and Expense Approval Procedures

RC reported on the amendments he would propose to the ASCs for the next budgeting round and for “fine-tuning” the Expense Approval process. Timings had been adjusted in order to coordinate with the GC.

a) Guidelines for Expense Reimbursement

This had last been revised in 2010. There were minor policy and wording changes. There was a need to consider electronic instead of paper receipts as many organisations no longer issued paper versions.

DECISION : This was approved by the Board.

b) Expense Approval Form

DECISION : Updated version approved by the Board.

c) Guidelines for ASC Budget Submission and Expense Approval

A covering letter would be issued to describe the changes. The date for submissions had been brought forward to 30 June. A more flexible approach had been adopted; if a submission fell slightly out of the category limits, an appropriate response would be given.

DECISION : This was approved by the Board.

5.4. FAI Investment Policy

RC reported on the meeting with Credit Suisse held on 9 May at FAI HO.

Discussion :

The current FAI investment policy was on a no-risk basis, but this produced poor returns. JMB had reviewed possible alternatives with Credit Suisse and he and RC had met Credit Suisse on 9 May. The Board discussed the various investment options and acceptable level of risk.

DECISIONS : The Board

a) **Decided that no change in the FAI investment policy would be made.**

b) **Instructed JMB to investigate short term, non-equity, fixed interest investments in order to protect FAI assets from inflation.**

5.5. AOB Grant

Ref. : Minutes EB ConfCall 9 March, item 4.1

Documents and procedures have been updated – A call for nominations has been sent on 16 March – The FAI HO had received one nomination - Deadline for nominations: 31 May 2012 – A reminder would be sent in the week of 14 May.

6. <u>Preparation of ASC and NAC Presidents’ Meetings</u>
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6.1. Meeting with the FAI Commission Presidents’ Group

The Board reviewed the schedule and agenda of the meeting to be held on Friday 11 May at Hotel Mirabeau.

6.2. Meeting with the FAI Active Members’ Presidents

The Board reviewed the schedule and agenda of the meeting to be held on Saturday 12 May at the MSI.

6.3. FAI General Conference 2012, Antalya (TUR)

a) Hotels

NAC Turkey has proposed to change the main conference hotel, but all details were not yet available.

DECISION : The FAI HO were instructed to check the details of the new hotel arrangements. The Board approved the change in hotel, subject to a satisfactory review.

b) Open Forum

CANS President Lars Holmström had requested a time slot in the General Conference to give a presentation on CANS' activity. The original proposal had been for a 1 day session immediately prior to the General Conference, but this had been modified to a shorter session in order to accommodate it within the Conference itself.

DECISION : The FAI HO were instructed to ask for details and an outline summary of the presentation.

The Environmental Commission (EnvC) had asked for a similar time slot. This led to a discussion about other possible presentations during the Conference, subjects to include Breitling, FAME, aircraft powered by new sustainable energies or other Commission activities.

DECISION : The FAI HO were instructed to ask for details regarding the proposed EnvC presentation and to consider including further presentations in the General Conference programme.

c) Elections

JG reminded the Board that 2012 was an election year and that nominations were required if Board members intended to stand for re-election. Documents inviting nominations for the FAI Executive Board and the position of FAI President would soon be sent out.

7. Constitution Matters

7.1. Statutes Working Group

Ref. : Minutes EB Meeting January, item 6.1 / BN/OL Report on CANS Meeting e-mailed on 1 May. RH reported on the outcome of the first SWG Meeting held on 2/3 February 2012.

The SWG terms of reference were to be modified to include the EB's ability along with that of the General Conference to instruct the SWG. This change would be presented to, and take effect at, the 2012 General Conference.

Discussion : The Board discussed

a) Guidance to RH on how to influence management processes within the SWG

RH reported that the SWG meeting on 12 May had been very effective and that members had each been given specific tasks. The deadline for completion of the tasks was to be the second week in June for delivery by 18th July to meet the 90 day deadline for General Conference agenda items.

Creation of RVPs : This would appear in Statutes 6.4 with the format : Description - Nomination and appointment - Duties and responsibilities - Reporting

b) Tasking the SWG to prepare proposals for removing CANS from the FAI Statutes and By-Laws

DECISION : The FAI HO was instructed to task the SWG to make the necessary proposals.

c) The possible need for mentioning the FAI Expert Groups in the By-Laws

The format proposed by SWG to list the different Expert Groups was not the preferred model. The EB was able to create, modify or disband Expert Groups without referring to the Statutes and

therefore listing the different groups in the statutes would remove this flexibility. The framework for Expert Groups had already been written in the original proposal in 2011.

DECISION : The FAI HO was instructed to forward the framework included in the original proposal to the SWG with guidance as to how to incorporate it into the Statutes.

7.2. **Situation report on CASI**

There were three items to be added to the CASI agenda :

1. The creation of a Board of Appeal or Appeal Procedure : This request had been submitted at the end of March though no report had yet been received by the Executive Board.
2. The policy on the cancellation of events : This request had been received on 11 April.
3. The proposed change in policy on FAI medals, submitted by the IPC President.

The CASI meeting was a separate item in the General Conference programme and JMB encouraged EB representation.

DECISION : The board instructed JMB to send reminders to CASI to include these items on the agenda.

8. FAI Membership Issues

8.1. **Application from Tunisia (TUN)**

Situation / Ref. : All documents received from the Air Sports Tunisian Association created and chaired by Mr. Hedi Mizouri – The FAI HO had received a letter of support from the Ministry of Youth and Sports – Payment of CHF 2'653 received - Their intention was to become an Associate member for Microlights first and then to possibly become an Active Member once other air sports were interested to join their association.

DECISION : Subject to ratification by the Conference 2012, the Board accepted the application of the Air Sports Tunisian Association as an FAI Associate Member for Microlights, and instructed the FAI HO to inform NAC Tunisia accordingly.

8.2. **Application from Uruguay (URU)**

Situation / Ref. : The Centro Uruguayo de Planeadores applied to become an Associate member - No other member in URU – Documents and payment received, but incomplete (CHF 2'614 instead of CHF 2'652 due currency rate change) - After many expressions of interest from many other organisations in Uruguay, this was the first time a complete file had been presented.

DECISION : Subject to ratification by the Conference 2012, the Board accepted the application of the Centro Uruguayo de Planeadores as an FAI Associate Member for Gliding, and instructed the FAI HO to clarify the start date for the proposed membership and to then inform NAC Uruguay accordingly.

8.3. **Application from St. Kitts and Nevis (SKN)**

Situation / Ref. : Mr Zuliani created the St Kitts and Nevis National Parachute Association in order to become an FAI member and participate in FAI Parachuting competitions - All documents received, except the recommended (but not compulsory) letter of endorsement by the Ministry of Sports – SKN was an IOC recognised country - Payment had been received in time for the Board Meeting.

DECISION : Subject to ratification by the Conference 2012, the Board accepted the application of the St Kitts and Nevis National Parachute Association as an FAI Associate Member for Parachuting, and instructed the FAI HO to inform NAC St Kitts and Nevis accordingly.

8.4. Application from Peru (PER)

Situation / Ref. : The Federacion Peruana Aerodeportiva (expelled in May 2012 after many exchanges to try to keep them on board) contacted us with the intention to become a member again. Statutes have been received but no intention letter and no payment yet. In the meantime an association of paragliding expressed their interest to become an Associate member. All necessary documents have been sent to them and we will see which file we receive first. No decision was required at this stage.

8.5. Application from Panama (PAN)

Situation / Ref. : On 7 Dec, Mr Rodriguez, Vice-President of COLPAR and from Panama, sent an e-mail saying they were ready to pay the fee and reintegrate with the FAI. SRO sent them all necessary papers. They paid the fee for 2012 but a small amount was still due and all documents were still missing. No decision required at this stage.

8.6. COLPAR

Situation / Ref. : Minutes EB ConfCall March 12 – Item 3.3. The Board accepted changing the decision it had previously made and would support COLPAR's affiliation as an International Affiliate Member, provided a majority of South American NACs were in favour - The FAI HO had been tasked with informing COLPAR about the Board's decision and requesting additional information (statutes + statement that they would abide by FAI Statutes) - The EB also tasked the FAI HO with inviting the South American NACs to support COLPAR's affiliation – All tasks achieved by 13 April.

COLPAR Statutes and confirmation letter had been received on 18 April.

Guatemala : E-mail disapproving acceptance of COLPAR received from Dr. Quevedo on 16 April.

No further support from NACs received yet (as of today, only 6 out of 14 countries agreed).

No decision required at this stage; a reminder will be sent.

8.7. South-East Asia Air Sports Federation

Some Board Members had required more detailed information about the structure and activities of the abovementioned federation, chaired by Mr. Tengku Abdillah, President of NAC Malaysia – SRO would establish contact with Mr. Abdillah to ask for further information – In the meanwhile, the following message had been sent on 5 May by Mr. Ramel (Chair of CIAM F3 RC Aerobatics Subcommittee) to the CIAM Bureau :

Quote : "I'd like to inform you about my attendance at the 3rd Meeting of the South East Asia Air Sports Federation held in Thailand on May 04, 2012. This body is an affiliation of air sport associations in the 10 member countries of the ASEAN community comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam, some of them being NACs with active FAI memberships, while others are supposed to become FAI members in some future.

The task is to exercise mutual support of these associations as to develop air sport activities and air sport events, as well as to coordinate their representatives and activities. The sole base for all that is the FAI Sporting Code.

The FAI is about to enhance their presence in the area and announced to post a FAI-vice president South East Asia as to coordinate activities.

Present were high representatives from the NACs of Indonesia (FASI), Malaysia (MSAF), Philippines (3D ASAH) and Thailand (RASAT). Indonesia distributed a presentation of their activities (...) and I'd like to encourage the CIAM Chairmen to take notice and eventually address officials, competitors and organisers in their particular categories."

DECISION : The Board encouraged JG and RHU to gather additional information on the South-East Asia Air Sports Federation (statutes, aims, activities, cooperation with FAI, etc.) during their stay in China (Asian Beach Games).

8.8. Europe Air Sports

On 2 May, the FAI HO had received an invitation from EAS Secretary General to attend the EAS Board Meeting taking place in Köln (GER) on Thursday 21 June 2012.

Discussion : JG normally attended the annual meeting but would be representing FAI at the Asian Beach Games on the date in question; he expressed his wish for another Board Member to attend this meeting. BN was unable to attend. OL would confirm his availability by 21 May

8.9. Application from Turkey (TUR)

Turkey had asked to upgrade its membership from class 5 to 4 due to its increased activity.

DECISION : The Board agreed to the request. The item would appear early in the GC agenda. The FAI HO was instructed to ask for the balance of payments to be transmitted as soon as possible.

9. FAI Communication & Marketing

9.1. TV Production – Flying Aces Ltd

Ref. : Minutes EB Meeting 14/15 January 2012, items 8.1 and 8.2

On 18 January 2012, we received a registered letter from Me Ibarrola (Libra Law), a lawyer based at the MSI mandated by Jeff Zaltman (JZ) to follow up on the termination of the contractual agreement between FAI and Flying Aces Ltd (FAL) – The purpose of the 5-page letter was to list the reasons why FAL was not considering the FAI-FAL as terminated, and to activate the clause allowing both parties to meet and try to find an acceptable solution – Advice was sought from Me Morand – JG mandated JMB to represent the FAI – A meeting with JZ, his lawyer, Me Morand and JMB took place at Libra Law's Office on 7 February – During the meeting, Me Morand confirmed that the FAI considered the agreement as validly terminated, and that the payment of the annual rights fee had not been suspended - It became obvious that no consensus would be found between the parties on the reasons for terminating the agreement – Considering that, for the time being, the FAI had no other option to produce images in 2012 and that FAL might however provide services, we left the door opened to JZ, should he wish to submit a proposal for a simpler way of cooperating – On 20 February, JZ submitted a rather complex proposal – After consultation with Me Morand, and considering that a part of the FAL proposal might be of interest for the future FAI Agency, we asked for clarifications on specific items. JMB had informed JZ that the Board would not have the possibility to consider his proposal before its May Meeting.

In the meanwhile, the additional work relating to the partnership and to the creation of the FAI Agency had not allowed continuing discussions with the TV specialist with whom we had initiated talks in December – This might become a combined task of "FAME" and the FAI Communication Manager once the new company has been created.

The Board took note of the proposal but considered it was not suitable in the light of the new FAI company. The question of television production would fall within FAME's remit which could choose to provide Flying Aces with specific mandates if that was in line with FAME's business plan.

10. FAI Head Office

10.1. Head Office personnel

Situation / Ref. : Minutes EB ConfCall 9 March 2012

JMB reported on the successful introduction of Rob Hughes in his new position as FAI Senior Sports Manager – He reported on the situation with Mrs Gyps; the recruitment process for a replacement to Mrs GYPS had begun; cooperation with Mr. Sergi would be explored as synergies between the FAI and the Agency could be considered in terms of staff – This would be a replacement and not new staff position : The FAI staff budget had been reduced from 2010 to 2011 and would be under budget for 2012 - Our new IT Manager Visa-Matti Leinikki (VML) had joined the FAI on 1 May.

AOB asked for an activity (hours) survey among staff members. JMB had recorded his hours since arriving at FAI and would be in a position to report on his colleagues' activities at the end of the year.

11. Arrangements for Next Meetings

11.1. Meetings – 24-26 August 2012

Situation / Ref. : Minutes EB ConfCall 9 March 2012

According to the decision made in January and confirmed during the EB ConfCall in March, the EB August Meeting should take place in Lausanne – Bookings have been made accordingly – On 1 May, the Presidents of NAC USA and of the Academy of Model Aeronautics (AMA) invited the Board to hold its next meeting in Muncie, Ind. (USA) on or about 16 to 18 August 2012, and to combine the meeting with a visit to the annual International RC Helicopter Association Jamboree – RC and OL informed the Board that a change of dates would be difficult – JG and RH reported that they would be available to change the dates for the next meeting.

DECISION : The Board regretted that it was not possible to alter the date of the next meeting at this late stage and instructed JMB to decline on their behalf. The next meeting would be on 24-26 August in Lausanne. EB members would meet on Friday evening for a working dinner and the meeting would conclude at 1500 on Sunday.

The 4th EB meeting would be on Tuesday 16th October in Antalya (TUR).

12. Any Other Business

12.1. Invitation to stage the next Active Members' Presidents meeting in Montenegro.

The decision was postponed until the next EB meeting.

12.2. IATA response to FAI 'Top Level' letter

The Board noted the response from IATA to their 'Top Level' letter and were encouraged by its positive tone. This had already resulted in the first task for the new Airspace Expert Group.

12.3. FAME seed capital

RC proposed a motion that the initial FAME seed capital be transferred from FAI accounts into a separate temporary FAME account in order to demonstrate available shareholder cash to satisfy the legal requirements and enable the creation of the company. Once the company was duly registered this money would be transferred to FAME's bank account and would be fully available for expenses.

DECISION : The EB agreed unanimously.

13. Closing remarks

The FAI President thanked the Board members and staff for their dedication and efforts. He closed the meeting at 15:15.