AIPH Annexes to Regulations for Category A1 International Horticultural Exhibitions

~~Approved~~ To be considered by AIPH General Meeting ~~27 September 2022~~14 March 2023

International Association of Horticultural Producers

Horticulture House

19 High Street

Theale

Reading, RG7 5AH

United Kingdom

www.aiph.org

Annex VIII – Fees and Guarantees

Application fee:

Applicants for recognition of an exhibition by AIPH are bound to pay a non-refundable application fee to AIPH directly as the application is submitted or before the site inspection, whichever is soonest, in the amount of €50,000 (fifty thousand euro). This fee applies to any application for any year, including from cities that have already applied previously for a different date.

The application fee is non-refundable if the application is unsuccessful for any reason.

Financial Guarantee:

Upon conditional approval, Applicants are bound to pay a financial guarantee to AIPH in the amount of €100,000 (one hundred thousand euro), in case the application is supported by a Full Member Organization of AIPH in the country where the exhibition will be held, or of €250,000 (two hundred and fifty thousand euro), in case there is no Full Member Organization of AIPH from that country. The financial guarantee must be paid to AIPH within 30 days of approval, otherwise approval will be cancelled. Provided that the Expo Organizer has fulfilled all their obligations, including the submission of a final report (format as in Annex V) not later than ninety days after the closing date, AIPH will refund the following proportion of the financial guarantee to the organiser: € 50,000 (fifty thousand euros).

Formatted: English (United States)

Provided that the AIPH Member (that supported the original application) completes a report to review the Expo (in accordance with AIPH guidelines) within one year of the Closing of the Expo the following proportion of the financial guarantee will be paid to the AIPH Member one year after the Closing of the Expo: €50,000 (fifty thousand euros). These sums are inclusive of any applicable taxes.

Formatted: English (United States)

In case where an Expo is approved without the presence of a Full member Organization of AIPH from that country, and provided that the Expo Organizer has fulfilled all their obligations, including the submission of a final report (format as in Appendix V) not later than ninety days after the closing date, AIPH will refund the following proportion of the financial guarantee to the organiser: €100 000 (one hundred thousand euros).

If the application is withdrawn within one year of definitive recognition, 20% of the financial guarantee will be refunded by AIPH. If an application is withdrawn more than one year after definitive approval, AIPH will retain the whole financial guarantee.

License Fee:

For all exhibitions, the Expo Organizer is bound to pay to AIPH the specified license fee (See section 4).

The fee structure incentivizes early bid submission and reflects the increased risk and monitoring required for later approved Expos:

12-10 years before opening: €500,000

10-8 years before opening: €550,000

8-6 years before opening: €600,000

6-4 years before opening: €650,000

Less than 4 years before opening: €750,000

100% of the License fee is payable within 6 months of conditional approval or at least 6 weeks before the next AIPH General Meeting, whichever is soonest. In case the license fee payment is not satisfied, AIPH is free to open the applicant's intended Expo date to other applicants at the next meeting.

The License Fee is non-refundable, including for cancellation of the Exhibition and withdrawal of AIPH approval.

Gate Fee:

In the event that an A1 Exhibition collects a gate income that exceeds €40,000,000 (forty million euro) then any income above this will be subject to a 1% gate fee charge payable to AIPH within ninety days of the closing ceremony.

AIPH requires a declaration by an independent financial auditor, approved by a professional body, regarding the gate income collected by the Expo and the relevant payment to AIPH.

AIPH is registered for Value Added Tax (VAT) in the United Kingdom. Payment should be made following receipt of invoice which will include the addition of UK VAT for exhibitions organised in the European Union.

Commercial Activities Onsite - Royalty Fees:

The Expo Organizer must pay to AIPH a royalty fee for any commercial activity performed on site during the Expo by Participants, Concessionaires and Organizer Outlets such as F&B, Merchandising, Visitor Services, ticketed Events, Venues and Attractions and any other activity that generates revenues. This royalty fee will not apply to revenues from entrance tickets for the Exhibition.

Royalty Fees may be paid to AIPH according to Option 1 OR Option 2, agreed in the Expo Contract.

Option 1: Revenue-based Royalty Fee

The fee is set at a fix rate of 5% on the total income.

The Organizer is due to provide AIPH with a monthly statement of all commercial activities performed on site by the 7th day of the following month.

AIPH will then provide the Organizer with an invoice stating the amount equal to the 5% above mentioned calculated on the total income across all commercial activities.

The Organizer will proceed with the invoice payment after 7 days upon the invoice receipt.

Option 2: Minimum Guaranteed Royalty Fee

The Organizer may opt for a minimum guaranteed royalty fee solution equal to €400.000 (four hundred thousand euro). In this case, no other royalty fees for any commercial activity performed on site during the Expo are due to AIPH.

The Minimum guaranteed royalty fee will be then due for payment by the following times:

€ 150,000 (one hundred and fifty thousand euro) – 30 days before the Opening Ceremony

€ 250.000 (two hundred and fifty thousand euro) – 60 days after the Opening Ceremony

The Royalty Fee is non-refundable, including for cancellation of the Exhibition and withdrawal of AIPH approval.

AIPH may at any time and at its own discretion make use of a third party to conduct an audit to certify the declarations regarding the commercial activities performed and any other useful information for inspection purposes. The Organizer is required to fully cooperate and facilitate the aforementioned activities.

Formatted: English (United States)

Penalties:

In the event that any payment is not made by the due date then interest will be charged on outstanding debts. As AIPH finances operate from the United Kingdom the interest rate applied will be in accordance with the 2002 amendment to the UK Late Payment of Commercial Debts (Interest) Act 1998. This entitles AIPH to charge an 8% interest rate plus the Bank of England Base Rate. The interest charged will be the sum of these two interest rates.