



# Sponsorship

## Tips and Guidelines

Sponsorship is a way for you to promote a brand in exchange for either payment or goods (clothing, equipment, etc). Before you start talking to potential sponsors, there are some key things to consider.

### What does a good sponsorship deal look like?

A good sponsorship agreement clearly states:

- what you have to do, and what the sponsor has to do;
- how much and when you will be paid;
- whether the sponsorship is exclusive or non-exclusive (sponsors should pay you more for exclusive rights);
- what happens if you are unable to compete, or are injured for a period of time, or retire; and
- what happens to any marketing material at the conclusion of your agreement.

The sponsorship agreement should also be clear about what you *cannot* do. A sponsor may want to restrict the types of other sponsorships you have, or stop you engaging in conduct that may adversely impact their brand.

### What kind of things might I have to do for a sponsor?

There are many different obligations that you might be able to negotiate in order to be sponsored. Some common ones include:

- wearing the sponsor's brand – either when competing, training, or at all times;
- mentioning the sponsor in tweets, posts, or other media and social media;
- appearing in advertisements;
- thanking the sponsor publicly;
- the sponsor using your image or likeness, or a quote from you, in association with their brand;
- guest speaking, or doing athlete appearances at various functions for the sponsor; or
- other endorsements of the sponsors brand as appropriate.

### How and when do I get paid?

Sponsorships are usually for either money or goods. Either way, you should ask to have sponsorship payments up front, or at least at regular intervals across the agreement. If payment is not received until after you have completed your obligations, there is a risk that the sponsor may fail to pay you. Also consider:

- You may be able to negotiate incentive payments for achieving certain milestones (eg - a particular result in an event, or a certain ranking).
- You should watch out for any provisions in a sponsorship agreement that allow for withholding or suspension of payments (e.g. during prolonged absence from competing).
- Any non-cash benefits to be provided to you should be clearly described. You may be liable for tax in respect of these, and should seek independent advice.



## Can you comply with your obligations?

You should carefully consider whether you can do the obligations you have to do under the agreement. If you can't, you may be in breach. Consider:

- how the sponsorship may impact your training or competition schedule (e.g. are the athlete appearances too close to an event? Does the work you have to do for the sponsor impact on your training?)
- any other restrictions that may impact you entering into or providing benefits to a sponsor (e.g. restrictions on you being sponsored due to conflict with club or sport sponsors).

## How can a sponsor use my image or likeness?

Your sponsor might want to use pictures of you to promote their brand. The agreement should be clear about this, and where images can be used. You may want to limit this to certain things, or have an approval right over their use.

If the sponsor takes pictures of you to promote their brand, the sponsor is likely to own or control these pictures. If you also want to use them, you may need to seek a licence from the sponsor. This can be set out in the agreement too.

If you and the sponsor develop a new brand based on your image and reputation, consider who will be the owner of this brand – you or the sponsor?

## How long are sponsorship agreements?

Sponsorship agreements can be of any duration, but are usually 1 - 3 years long. A sponsor may seek an option to renew the sponsorship agreement at the end of the term. You should ensure that any such renewal is appropriate and does not automatically rollover.

## What if my sport has a sponsor, but a rival brand wants to sponsor me?

If your sport or club has existing arrangements with sponsors, or rules and regulations about sponsorship, you may be prevented from entering into your own arrangement. This all depends on the type of sponsorship and regulations in place. Prior to entering into any agreement, you should check any restrictions with your club or sport.

## Can an agent sign a sponsorship agreement on my behalf?

This will depend on your arrangements with that agent. An agreement can let an agent enter into sponsorships on your behalf, however it is good practice to ensure this does not happen without your written approval. This approval allows you to ensure you are comfortable with the terms of the agreement, including the sponsor's brand, length of the agreement, and financial terms.

## Some questions to ask prospective sponsors:

1. Who else do you sponsor? Are you familiar with other sponsorship agreements in place within my sport?
2. What are the terms and obligations under the agreement? What do you require from me, and what may cause you to terminate the agreement?
3. What happens if I am injured or otherwise unable to compete for a period of time?
4. How long does the sponsorship run for, and what happens when it ends?
5. What happens if I need to terminate the agreement?
6. How will sponsorship payment be managed? What type of payments will I receive and when?
7. How will you use my image and likeness? Will you ask my approval first?
8. Can I access and use any images or other material produced under the agreement?

## What next?

Contact the Athlete Wellbeing & Engagement Manager in your sport for further information on sponsorship agreements.

The information in this guideline was produced by the AIS in conjunction with the sports law team at Hall & Wilcox Lawyers. It is not legal advice.