



TERMS OF REFERENCE

FINANCE AND AUDIT COMMITTEE

1. Purpose

The Committee is to report and advise on the effective financial and risk management of ITTF, with the goal of achieving long-term financial growth and stability. It exercises oversight over ITTF's financial and audit aspects, including budgeting; financial reporting; investment of ITTF assets; finance- and risk-related policies; and the internal and external audit functions.

2. Definitions

For the purposes of these terms of reference

- 2.1.** "AGM" means the Annual General Meeting of ITTF, the supreme governing body of the ITTF that consists of the assembled representatives of the Associations.
- 2.2.** "Board" means the ITTF Board of Directors as elected by the AGM, a legislative authority of ITTF.
- 2.3.** "Committee" means the Financial and Audit Committee appointed by the Board on the recommendation of the Nominations Committee.
- 2.4.** "EC" means the executive body of ITTF.
- 2.5.** "Independent Members" means non-executive members who has never been a Board Member, or were Board members more than three years ago, and has no or comparatively minor business relationships with ITTF or any of its subsidiaries.

3. Composition of the Committee

- 3.1.** The Committee shall be composed of:
 - 3.1.1.** At least three Independent Members;
 - 3.1.2.** One Board member, appointed by the Board;
 - 3.1.3.** The Executive Vice-President in charge of Finance; and
 - 3.1.4.** One ITTF staff member who has no voting rights.
- 3.2.** The Chair of Committee shall be appointed by the Board, in odd numbered years, on the recommendation of the EC.



4. Meeting

- 4.1.** The Committee shall hold its meeting in a period prior to the Annual General Meeting, to ensure discussions following the audit can be conducted. The timing will vary year-to-year, dependent upon the date of the Annual General Meeting of the ITTF. All other business shall be conducted by correspondence.
- 4.2.** Every Committee member is expected to attend its meeting either in person or by teleconference, video conference, or any other form of audio or audio-visual communication.
- 4.3.** A Committee member who does not, within a reasonable specified period, express in writing an opinion on a written proposal circulated by or on behalf of the Chair shall be considered to have agreed to any resulting recommendation submitted in the name of the Committee.
 - 4.3.1.** Any reports or recommendations of such sub-committees shall be subject to endorsement by the full Committee before reporting to the AGM.
- 4.4.** Committee members may set up sub-committees among its members to deal with specific areas of work.

5. Responsibilities

The Committee is responsible for the following:

5.1. Annual audit of financial statements

- 5.1.1.** Review and present the annual audited financial statements and the annual report of its activities, with its recommendations to the AGM.
- 5.1.2.** Review:
 - 5.1.2.1.** the selection and appointment of auditors;
 - 5.1.2.2.** the scope and planning of the audit;
 - 5.1.2.3.** the audit fees;
 - 5.1.2.4.** any questions of resignation or dismissal of auditors;
 - 5.1.2.5.** the independence and objectivity of external auditors;
 - 5.1.2.6.** effectiveness of the external audit, the internal audit, and their collaboration; and
 - 5.1.2.7.** the adherence to requirement of commercial bookkeeping, accounting, and external audit under the Swiss Civil Code.

5.2. Financial management and control

- 5.2.1.** Review the annual and quadrennial budget before submission to the Executive Committee and AGM.



5.2.2. Review, monitor and advise regularly on ITTF's income and expenditure measured against the budget and the strategic and operational plans.

5.2.3. Review, monitor and advise on activities relating to lending, borrowing and investing.

5.3. Risk management

5.3.1. Review, monitor and advise on:

5.3.1.1. the effectiveness of the internal control system, including risk management, and report on the state of compliance.

5.3.2. compliance with applicable laws, regulations, standards, contracts and best practice.

5.3.3. the level and type of insurance coverage for ITTF and make recommendations to the board as require.

6. Authority

The Committee is authorised to seek any relevant information that it reasonably requires from the Board members and ITTF staff to discharge its duties within these terms of reference.

7. Experts and invited guests

The Committee may invite persons based on their expertise to its meetings as presenters, advisors or observers. The Chair of the Committee will approve of such invitations in advance.

8. Term

The term of the Committee is a period of four years, coinciding with the EC's term of office.