

EXECUTIVE COMMITTEE MEETING

Victor's Residenz – Hotel Rodenhof, Saarbrücken, Germany
09h00, Saturday 1 October 2016

MINUTES

1. President's welcome and opening remarks

The President welcomed all of the Executive Committee members and staff, and thanked the German Table Tennis Association for hosting the Executive Committee during the LIEBHERR 2016 Men's World Cup.

2. German TTA's Executive Board welcome

DTTB President, Mr. Michael Geiger introduced their EB members and thanked for the opportunity to raise few points for joint discussion with the ITTF EC.

- ITTF's plan and vision with TTX (urban table tennis): project is in initial stage, final equipment is under development, but Rio OG was proper time to launch to the media. It will be promoted from the bottom to top, targeting new generation of players, but with the aim of having top events in future. Test is planned during and connected to the 2017 WTTC in Düsseldorf, as promotional activities are foreseen in the city.
- Development of table tennis: DTTB suggested research on making the game more interesting and the rallies longer. Net height research is under discussion and the Athletes Commission proposes to create a Working Group on studying the service rules implementation.
- Future of World Cups: after their comments, DTTB was requested to submit proposal for the qualification and invitation system for the World Cups, the ITTF Future Event Working Group is reviewing the overall tournament structure, including the World Cups.
- ITTF-DTTB cooperation with ITTF Development Program: a meeting took place in Frankfurt between the German Sport Ministry (DOSB), DTTB and ITTF Deputy CEO on joint project plans in Africa, equipment assistance for several countries, and a refugee project on Syria-Turkey border.
- Furthermore better control on ITTF approved equipment and coordination of the calendar dates were also discussed.

3. Roll call

Thomas Weikert	President
Khalil Al-Mohannadi	Deputy President
Bruce Burton	Executive Vice-President
Patrick Gillmann	Executive Vice-President
Chérif Hajem	Executive Vice-President
Masahiro Maehara	Executive Vice-President
Melecio Rivera	Executive Vice-President
Petra Sorling	Executive Vice-President - Finance
Vladimir Samsonov	Athletes' Commission Chair

In attendance

Judit Faragó	CEO
Glenn Tepper	Deputy CEO
Raul Calin	Director (Operations & Olympic Games)
Steve Dainton	Director (Marketing)
Anders Thunström	TMS Managing Director
Claudia Vatheuer	Assistant to the President
Adham Sharara	Chairman & Honorary President (Agenda item 8.1)
Christian Veronese	Director (TMS) (Agenda item 8.1)
Susanne Gantenbein	Ernst & Young Tax Advisor (Agenda item 6.1.4)
Prof. Dr. Anne Jakob	Legal Advisor (Agenda item 8.1)

Absent with regrets

Shi Zhihao	Executive Vice-President
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4. Approval of the agenda

The Executive Committee approved the agenda completing item 7.7 with:

- 2016 Men's and Women's World Cup

5. Minutes

5.1. Approval of the minutes of the previous meeting (5 August 2016)

The CEO apologized for sending the minutes from the last meeting late. The President gave the members 48 hours to give their comments. The CEO was requested to recruit an additional staff or external person to be minute-taker in the future.

(The minutes were approved and published without amendment on 5 October 2016.)

5.2. Business arising from the minutes not otherwise covered by the agenda:

- There was no follow-up action after the discussion on eligibility rules at the previous meeting, as there was no decision taken in August.

5.3. Report and review of tasks from past EC meetings

- There were three items completed, two in progress and five remaining at the time of the meeting.
- It was agreed that an "Action List" will replace the Task List, summarizing the main decisions, to be distributed 2 weeks latest after the meeting as of 2017.

6. Operations Program

6.1 Financial operations

6.1.1 Audited Financial Statements

- The 2015 Financial Statements were received from the auditor firm, Ernst & Young duly signed on 28 September, and ready for worldwide distribution.
- The report was presented in USD.
- The final figures were according to the ones projected earlier, the net profit for the period was USD 391,000.
- Miscellaneous expenses to be specified in more details when the AFS will be

submitted to the AGM for approval.

- The detailed report was delayed due to new grouping in accounting, the EC expressed thanks to the Chairman, Adham Sharara, for his help in finalizing the report.

6.1.2 Olympic revenue: IOC was due to make the first part payment of USD 7,6 million of the IOC grant, minimum guaranteed 17,7 million. The second part is due at the end of 2016, the remaining smaller portion in 2017.

6.1.3 Internal financial policy implementation: the President referred to few recent cases with excessive travel expenses, as a result of late bookings and of high airfares to Rio in Olympic period. It was agreed that under good governance EC members could ask for assistance from the Director of Operations in booking the best flight options, or exercise better travel planning. On the other hand it was requested to make the meeting schedule well in advance or to consider to replace the personal attendance with online meetings in few cases.

6.1.4 Tax assessment by Ernst & Young: *deferred to item 8.1*

6.2 Governance and integrity

6.2.1 Code of Ethics and Code of Prevention of Manipulation

- As requested by the BoD, which gave the mandate to the EC, the draft version was submitted for consideration.
- The EC thanked Sara Sutcliffe (TT England CEO) for her help in editing and providing input to the draft.
- Bruce Burton (ITTF EVP) presented the concept and the key notes on each chapter, and explained that the document with this content (consistent with the IOC codes) could be approved in principle by the EC, but could not be implemented for the reason that there are several points conflicting with the ITTF constitution, and that the Ethics Commission has to be established by the ITTF BoD, so he proposed to follow the constitutional procedure and steps.
- Furthermore it was recommended to further refining some sections, which are very restrictive in the IOC code, and should not be the same by all means for the ITTF beside granting equal chances to candidates for instance in terms of elections.

1-EC-10-2016

The Executive Committee resolved to approve "in principle" the Code of Ethics and Compliance and the Code of Prevention of Manipulation of Competitions, and agreed on the following process:

- a) EC members were requested to give their final input by 20 October 2016.
- b) Final version to be forwarded to the ITTF Rules Committee Chair to review parts affecting the ITTF Constitution, to list them, and to present them as "propositions" to the 2017 AGM.
- c) Final version to be submitted to the 2017 AGM as a resolution for approval.
- d) After the AGM's approval, the ITTF Board of Directors appoints the Ethics Commission.

The President informed the EC, that he would announce officially his Presidential Candidacy during the LIEBHERR 2016 Men's World Cup in Germany.

- 6.2.2 Terms of Reference for Committees: the CEO and the Director of Operations work on submitting the updated ToRs for approval before the nomination process starts for committees. Changes are expected in few bodies, based on latest developments related to para division to be transformed into a committee, and the continental representation for junior activities.
- 6.3 Merit Award applications: the Director of Operations informed the EC that the application call would be sent out to the National Associations with the same criteria as for 2016, and the EC would make the decision at its first meeting in 2017. It was recommended that in the future PAC member position would also give points for the award criteria.
- 6.4 Membership recognition issues
- **Kenya** – After the Rio Olympics, NOCK was disbanded by the government, alleging mismanagement with responsibility passed to Sports Kenya to arrange a new constitution and elections. IOC has concerns over government interference and are investigating.
 - **Uganda** – Long running battle between NOC supported National Association (NA) and National Sports Council (government) supported National Association. NOC supported NA won a court case in June, but both groups continued to correspond. It was agreed by all parties that elections would be held after the Olympics. BoD member Tom Kiggundu is monitoring on behalf of ITTF and ATTF.
 - **Iran** – IOC has asked all IFs to monitor the election processes and statutes of Iran NAs. The election process was fine. ITTF have asked Iran for copy of the statutes.
 - **Egypt** - There has been issues relating to government interference in the NOC dating from 2014. IOC asked IFs to check the revised statutes of their NAs. ETTF provided the revised NA statutes to ITTF in September and with some small additions they were approved and in accordance with ITTF and IOC regulations.
- 6.5 Equipment infractions – LARC October 2016
- The Equipment Committee presented 3 cases of infringement of certain references of the Technical Leaflet T4 (illegal actions on racket coverings), and requested withdrawal of approval or authorization.
 - The EC decided by correspondence about each case on 27 September in order that the LARC 2016B could be published on time on 1st October.

2-EC-10-2016

The Executive Committee ratified its decision of 27th September 2016 as follows for the 3 cases:

- a) All offended racket covering names and numbers were barred from authorization.

- b) All offended racket coverings were removed from the LARC until they pass the tests and not be allowed to have simplified procedures for one year.
- c) The two offended racket coverings names and numbers were barred from authorization, and to monitor correction for the two racket coverings with same name but different branding area.

7. Competition Program

- 7.1 Report on Rio 2016 Olympic and Paralympic Games – IOC debriefing – review and assessment of Rio 2016 Olympic Games is based on a questionnaire jointly developed by IOC and ASOIF. The Post-Games IF Debrief Report will be discussed with all Summer IFs on 21st October in Lausanne.
- 7.2 Future Event Working Group update was provided by the Marketing Director.
 - The external consultant, Deloitte LLP will submit their study with proposals after two meetings with the WG and after collecting data related to the ITTF competition structure.
 - Upon receiving the proposal for future competition concept, the financial implications have to be checked carefully.
 - The WG made two decisions at its last meeting in Rio: that there would be no overall structure change before 2020, and the WG recommends to maintain the ITTF BoD decision to have 72 men and 72 women teams at the 2018 World Team Championships.
- 7.3 Ranking Working Group update was provided by the President.
 - The new system was agreed by the group in principle with targeted starting date of January 2018.
 - There will be only bonus points based on the position reached, and with different weightings of the various events.
 - From January 2017 a test version will be running and published parallel with the official one, and this would be the base for the new ranking from 2018.
 - The special Team World Ranking is delayed for next year.
 - Detailed and final concept will be submitted to the next meeting.
- 7.4 2016 World Cadet Challenge and World Junior Championships update: for both top junior events the preparations were a bit delayed due to the busy working schedule of the Competition Manager in charge, related to his Olympic duties. Prospectus was published and last inspection took place and Junior Commissioners' invitations were sent out for the WJTTC in Cape Town.
- 7.5 LIEBHERR 2017 World Championships update
 - 7.5.1 Coordination visit: 8-member coordination group will travel to Düsseldorf right after the Men's World Cup under the leadership of the Deputy President, inspection visit and meeting will take place on 4-5 October.
 - 7.5.2 Competition schedule and playing system: schedule is almost finalized, confirmation is needed from the Host Broadcaster before publishing. The playing system will have one change only according to the recent BoD decision to reduce the Mixed Doubles main draw to 64 places

(instead of the previous 128).

7.5.3 ITTF meetings:

The meeting schedule was fixed and communicated to the organizers, with the Annual General Meeting taking place on 31st May and the Board of Directors meeting on 2nd June 2017.

7.5 2018 World Championships qualification system:

- The ITTF Future Event Working Group agreed at its last meeting and proposed to the EC to have the 72-teams system at the LIEBHERR 2018 World Team Championships in Halmstad/Sweden. This is in line with the 2016 BoD decision earlier this year, which was left open, pending the Working Group's recommendation.
- The number of teams are final (72 men and 72 women), a decision has to be made on how to allocate the continental (and other quotas) for the 2018 WTTC. The decision has to be made by the ITTF Board of Directors according to the ITTF Handbook regulation 4.1.9.3.
- The EC discussed the proposal to be submitted the ITTF Board of Directors for its next meeting in 2017, as well as listed the ITTF-Continental Championships, identified for the qualification criteria.
- The CEO was requested to inform the Continental Federations accordingly and provisionally, with special regard to the upcoming and future events which will take place before the 2017 BoD decision.

3-EC-10-2016

The Executive Committee resolved to submit the following proposal to the ITTF Board of Directors for its next meeting in 2017:

- a) To follow the same principle and system of qualification as in 2016, proportionally reducing the number of teams.
- b) Participation is guaranteed for the top 2 finishers of the 4th Division in 2016 (teams finishing on 73rd–74th places).
- c) Latin America and North America are considered as Pan-Am, because the 2017 Pan-Am Championships will serve as the qualification tournament for them.

The CEO was requested to inform the Continental Federation on the qualification system provisionally, noting that it is pending on BoD approval.

7.6 2016, 2017 and 2018 World Cups

- 2016 Men's and Women's World Cup: discussion took place how to avoid that top qualified or invited players withdraw from the title event, which was the case in 2016. It affected negatively especially the Women's World Cup, since the last minute cancellation left the field with 19 players only and without the No.1 seeded player.
- 2017 Men's World Cup: potential hosts in 2018 were asked if they were ready to bid for 2017, only Belgium offered to organize MWC with shorter notice in Liege, the city which already hosted the event in 2005 and

2008. Final and positive confirmation was expected after receiving local support to secure the event financially.

- 2017 Women's World Cup: one bid was received from TT Canada with city of Markham/Toronto, in the venue of the last Pan-American Games.
- 2018 Men's and Women's World Cup: 3 bids remained in contest for the MWC, Germany with city TBD, Brazil with Rio de Janeiro and France with Paris. It was agreed to make a preliminary inspection visit in Paris and to consult the title sponsor, LIEBHERR, before the decision on allocation. No bid was received yet for the WWC.

4-EC-10-2016

The Executive Committee resolved to allocate the organization of the LIEBHERR 2017 Men's World Cup to the Belgium TTF in Liege, and the 2017 Women's World Cup to TT Canada in Markham/Toronto.

7.7 Net height project

- A third offer was received late with the price quotation of EUR 41,000 (after the two original one with EUR 35,000 and USD 25,000) to implement the AGM resolution (research proposed by the Swiss TTF for net height project to measure with high speed cameras the length between the top of the net and the south pole of the ball during competitions).
- Discussions started with the proposer, the Swiss TTF to look for alternative study with less investment, but bringing the expected result.

8 Marketing and Promotion Program

6.1.4 Tax assessment by Ernst & Young: deferred to item 8.1

- The E&Y tax advisor, Susanne Gantenbein was invited at this point to make a presentation to the EC on Swiss tax assessment of ITTF's envisaged new commercial model.
- The study included a health check of the current commercial structure based on information collected from the ITTF CEO and Operation staff, giving a general overview with special regard to withholding tax and Swiss VAT perspective.
- From the health check a tax analysis of the future structure was presented with the same perspective and with the final conclusion that the situation would not be worse at least, if not even more beneficial.

8.1 ITTF-TMS cooperation - new agreement

- The EC entrusted the President, the Executive Vice President for Finance and the CEO to prepare the contractual termination agreement with TMS on ITTF taking back all its commercial rights as of 1 January 2017.
- It was agreed that the contract draft and possible tax implication if any would be checked with lawyers and with the auditors before signing.
- The EC members received the first contract draft on 18 September, and then the final contract draft on 28 September, after receiving input and comments from lawyers (legal advisor from Canada for TMS, and from Germany for ITTF).
- Annexes attached to the contract have to be finalized by 15 November 2016.

- The ITTF legal advisor, Prof. Dr. Anne Jakob was invited by the President and explained that the contractual termination was not complicated, as parties agreed, and mentioned some minor issues during the negotiations related to the applicable law (Ontario and/or Switzerland); to taking over employees; to the constitutional approval process, etc.
- The ITTF Chair & Honorary President, Adham Sharara – who was asked by the President to prepare the original first contract draft – made a presentation to the EC giving an overview of
 - the current status and background on previous negotiations,
 - the motivation for a change,
 - TMS actions,
 - benefit to the ITTF,
 - the negotiation and decision process.

He explained the tight timelines for ITTF to decide (another agency made an offer to TMS), and corrected a few misconceptions and rumors explaining that the ITTF would not pay buy-out fee to TMS if the agreement was approved, but reduces TMS' share to 15% instead of the 25% share if nothing were changed (current rate). The more beneficial share of income on existing contracts gives the ITTF an immediate gain of USD 5 million.

- The importance of the timelines fixed in the contract was also highlighted.
- The President explained that once the contract is signed, the BoD will be informed first about the ITTF-TMS agreement, and all others after, on 10 October the latest. The information has to explain that the ITTF takes back all its commercial rights as of 1 January 2017. He confirmed that 2 TMS staff (Steve Dainton and Kimberly Koh) would have a new contract with ITTF; that the partners have to be assured the ITTF guaranteeing the same service to them as TMS did before.
- The EC thanked TMS for the long-time and successful cooperation.
- In reply to questions, it was confirmed by both parties that it was unlikely that a partner disagrees with TMS relinquishing the rights; that the Continental Marketing Agreements were not part of the termination agreement; that TMS would not compete with ITTF at events where ITTF owns all rights.

5-EC-10-2016

The Executive Committee unanimously approved that the ITTF and TMS enter into a new agreement by which the ITTF takes back all its commercial rights as of 1 January 2017 by terminating the current marketing agreement.

The decision was taken in full agreement with and in attendance of TMS.

The Executive Committee entrusted the President and the Executive Vice President for Finance to sign the termination agreement on 2 October 2016.

The detailed overview is attached to these Minutes.

- 8.2 Star-Awards Gala 2016, ITTF's 90th anniversary: there will be 3 players inducted in the Hall of Fame, and the ITTF's 90th anniversary will be celebrated with a video film and small memorial gift to all.

- 8.3 New web-site launch: new web-site was opened with the Olympic page for the Rio 2018 Olympic Games, the tournament section merge is planned for 18 October 2016 and the full transfer is expected to be finished by February 2017.
- 8.4 TTX-urban table tennis: - covered under item 2.

9 Development, Education & Training Program

- 9.1 Nepal Para TT Project: Following a 6 month evaluation of the 3 year project, involving 6 centers, it was realized that changes were needed in terms of management, coaches and centers to run more effectively this project. Another evaluation will be done in December following these changes.
- 9.2 Rough Diamonds: "Rough Diamonds" training camp is the next step in "ITTF Athlete Development Model" as a bridge between Hopes and WCC and was held at CTTC-Luxembourg in September. Twenty players, representing all continents (universality) and gender balance participated.
- 9.3 International Training Center Network: Applications for 2017 will be released in October.
- 9.4 IOC Athlete Career Pathway (ACP): Vladimir Samsonov and Zoran Primorac attended IOC ACP training in Lausanne in June, with the aim to be responsible for ACP education within ITTF. First ACP education for ITTF will be held at World Junior Championships or World Cadet Challenge or World Tour within 2016.
- 9.5 With the Future in Mind OG to YOG: With the end of quadrennial cycle, "With the Future in Mind" Olympic Solidarity Scholarship program will switch to YOG focus for 2017-18, before reverting to OG 2019-2020. IOC have agreed that there can be some crossover for the most talented athletes.

10 Professional Staff update

- 3 halftime positions were advertised through Global Sports Job in Development and Education & Training, having been understaffed for the last years: Development Projects Officer (DPO), Education & Training Project Officer (ETPO) and Coach Accreditation Scheme Officer (CASO).
- CASO has been delayed to 2017 pending further discussions with online companies.
- For DPO and ETPO 270 applications were received, with many high level from within table tennis, as well as other International Sports Federations, United Nations, and many with Sports Management Masters.
- A quality shortlist was made after analyzing all candidates, with interviews in Rio for those candidates already present there and Skype interviews for others immediately after Rio.
- Daniela Gomes, was unanimously chosen for both positions, by the interview panel comprising Petra Sorling, Glenn Tepper, Leandro Olvech and Polona Cehovin.
- Daniela worked for Portuguese Table Tennis Federation, completed Masters

study in Sports Administration in Portugal and in Lausanne, and worked for several years at FISA (International Rowing Federation).

- In transition period she will work halftime ITTF and FISA from 1 October to 31 December, and fulltime from 1 January 2017.
- Habiba Besic (Finance & Administration Manager – Lausanne) will be on maternity leave for about 5 months, starting in November, announcement will be sent in due time. Replacement of her duties is planned in-house with the help of the Operations staff in the transition period.

11 Athletes Commission report – *was advanced to be discussed after item 6 on request from AC Chair*

- Compliment was given to Rio organizers, especially to the table tennis Sport Management Team and congratulation was addressed to Ryu Seung Min for his election to the IOC Athletes Commission and becoming IOC member.
- It was proposed to create Working Group for service rule with the following composition: one EC member (Shi Zhihao - EVP in charge for AC), two athletes appointed by Vladimir Samsonov (AC Chair), one Competition Programme staff, Graeme Ireland (Technical Commissioner), one member from Rules Committee and one from URC.
- Very low participation at the China Open – ITTF World Tour was mentioned and discussion is proposed how to secure top players participation at top events.
- A new type of plastic ball (made of ABS) was used during the Asia-Europe Challenge match. Definition of plastic allows balls made of different types of material.

6-EC-10-2016

The Executive Committee resolved to create a Working Group for service rule with the composition proposed by the Athletes Commission, and requested the Director of Operations to coordinate the Working Group.

12 Anti-doping

- 12.1 IPC decision on Russia: due to suspension of the Russian NPC, qualified Russian players finally could not take part in Rio 2016 Paralympic Games. Out of 9 table tennis athletes only few could be replaced because of short time available. The IPC decision does not have an effect on ITTF-para events, as ITTF is non-IPC international federation.
- 12.2 Testing plan for 2017: will be submitted for next meeting, but the concept will be to reduce in-competition tests and to increase out-of-competition tests.
- 12.3 Doping Hearing Panel: the panel has to be composed of medical and legal experts, not holding any position in ITTF. Experts have to be recruited preferably by the end of the year.

13 Any other business

- 13.1 Next EC meeting will take place on 9 December, in Doha, Qatar, in conjunction with the 2016 ITTF World Tour Grand Finals.
- 13.2 Para TT Division had a positive meeting in Rio and discussion opened on possible transformation of the group to committee.

13.3 As an experiment, the URC coordinated to have new clothing, T-shirts of two different colors for the umpires officiating at the Men's World Cup instead of the traditional formal uniform.

14 Adjournment

There being no further business, the meeting adjourned at 17h15.

Thomas Weikert
President

Date

Current Status

- The ITTF and TMS have a Marketing Agreement for the period 2015-2020 with an automatic renewal for the period 2021-2024
- TMS has already secured for the period 2017-2020 a total of 22 commercial contracts, already signed by the ITTF, TMS and commercial partners, for an amount of around USD 45 million.
- Three of the secured contracts extend into the period 2021-2024 for an additional amount of more than USD 5 million.
- According to the existing current marketing agreement the income is shared between ITTF (75%) and TMS (25%).
- TMS invoices the commercial partners, services the commercial contracts and implements them.
- TMS receives the payments from the commercial partners and pays the ITTF 75% of the income received every month.
- A detailed Excel sheet is produced and sent by the TMS Managing Director to the ITTF CEO with copy to the President and Executive Vice President (Finance) every month showing the details of the income received for that month.

Motivation for Change

- Although the amount secured by TMS for the next 4 years is a record commercial income for the ITTF; it was felt by the ITTF Leadership that the income could be increased.
- One of the main ITTF sponsors, GAC Group of China, announced in July 2015 that they would not renew their sponsorship of the World Tour, representing a substantial loss of income in 2016 and following years for the ITTF and TMS.
- A new sponsor to replace GAC Group was not found by TMS.
- In order to strengthen its position, TMS informed the ITTF that it would try to partner with a top sports-marketing agency to enhance TMS' ability to increase the commercial income for the ITTF.

TMS ACTION

- TMS sought a partnership with one of the world's top sport-marketing agency.
- The agency showed immediate interest, and formal meetings were held and attended by TMS and ITTF officials.
- The agency made a formal 24-page cooperation offer to TMS on 31 July 2016.
- If the offer were accepted, they would implement the existing signed agreements and would seek new commercial agreements for TMS and ITTF.
- TMS would act as either a TT division of the agency or as a consultant to them.
- The agency would hire TT experts from TMS or ITTF to manage the TT commercial section.

BENEFIT to ITTF

- The ITTF would benefit from the agency's representation or sub-license through increased income on renewals, new sponsorships and the sponsorship of the World Tour, until 31 December 2024.
- In addition to the above, as of 1 January 2025, ITTF would receive an additional 5% income sharing for a total of 80%.

ITTF OPTION

- ITTF proposed to TMS the option for the ITTF to “take-back” all commercial agreements from TMS.
- TMS was open to this option, but informed the ITTF that negotiations with the agency were at an advanced stage and ITTF needed to make a decision at the Rio Olympic Games (EC Meeting) due to the deadline for the acceptance of the agency’s offer to TMS.
- In order for ITTF to take back all its commercial rights from TMS, the existing current agreement between the two parties would need to be terminated.
- The EC meeting in Rio was the deadline for the ITTF to decide if it wished to terminate the TMS agreement.
- If ITTF’s EC would not approve the take-back option, TMS would continue its negotiations with the agency with a deadline of 1 October 2016 to conclude an agreement.
- The ITTF President requested from Adham Sharara, ITTF Chair, to prepare an agreement “in principle” for the EC meeting in Rio.
- The agreement was accepted in principle by the EC in Rio.
- The ITTF President requested from Mr. Sharara to prepare a final agreement to be approved and signed at the following EC meeting on 1 October 2016.

TERMINATION AGREEMENT

- Mr. Sharara prepared a first draft of the Termination Agreement, referred to as “New Agreement”.
- Input to the first draft was provided directly by the ITTF (Thomas Weikert, Petra Sörling and Judit Farago) and by TMS (Anders Thunström and Christian Veronese).
- More drafts were produced based on the provided input, and a final draft was presented to Maître Nicholas Katsepontes (Canadian Lawyer, specializing in contract law) to verify and provide a legal opinion on the validity of the final draft according to Canadian Law because TMS is incorporated in Canada as a not-for-profit corporation.
- A letter by Mr. Katsepontes was provided to the ITTF president on 15 September 2016 confirming that the New Agreement was according to Canadian Law.
- The ITTF president referred the New Agreement to Dr. Anne Jakob (German Lawyer with extensive experience in international sport) for comment.
- Dr. Jakob provided a lot of input to the content of the New Agreement, of which most was incorporated, enhancing the agreement.
- On some items there were differences in opinions, but finally after several drafts a final New Agreement was produced and copies sent to the ITTF EC.
- The final New Agreement is dated 28 September 2016, 19h00 GMT.
- Investigation on the tax implications for ITTF was initiated with the help of the ITTF auditor, Ernst & Young, whose tax expert, Susanne Gantenbein had a meeting in Lausanne with Petra Sörling and Judit Farago, followed by a presentation to the ITTF EC in Saarbrücken on 1 October 2016. The health check and tax analysis had a conclusion that the new structure would not result in higher tax burden compared to the current situation.

APPROVAL OF TERMINATION AGREEMENT

- Mr. Katsepontes has provided a new legal opinion letter addressed to the ITTF president, dated 29 September 2016, confirming that the final New Agreement dated 28 September 2016 conforms to Canadian Law.
- The ITTF President sought approval of the New Agreement from the ITTF EC at its meeting on 1 October 2016.
- The termination agreement was approved by the EC and signed by ITTF and TMS on 2 October 2016.
- Consequently a legal opinion letter was received by the ITTF from Dr. Jakob confirming that the executed New Agreement (termination agreement) was according to Swiss Law.

BENEFIT to ITTF WITH THE NEW STRUCTURE

1. TMS is paying to ITTF an additional 10%, compared to the existing contract on all income already secured by TMS.
2. If TMS continues to invoice and collect the payments from the commercial contracts, then TMS would pay the ITTF 85% (\$42.5 million) of the income instead of 75% (\$37.5 million), which is an immediate gain of 10% (\$5 million)
3. If ITTF takes over the invoicing and collects the payments, as indicated in the New Agreement, then ITTF must reimburse TMS 15% of the income share instead of the current 25%.
4. Any income already received for the period 2017+ by ITTF and TMS will be deducted and payments adjusted.
5. There is NO “buy-out” fee from either party to the other.
6. This termination agreement is the initiative of the ITTF, with direct financial benefit to the ITTF, and with the agreement and cooperation of TMS.