



AUDIT, RISK & INVESTMENT COMMITTEE TERMS OF REFERENCE

ADOPTED BY THE ISU COUNCIL ON 4 JULY 2025

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1 STATUS AND ROLE

- 1.1 The Audit, Risk and Investment Committee (the "Committee") is established in accordance with Articles 12 f), 33.5 and 34 of the Constitution to provide independent oversight and guidance in the areas of financial reporting, internal controls, risk management, compliance, and investments.
- 1.2 The Committee oversees the external auditors who are appointed by the Congress and supports the Council in fulfilling its responsibilities to safeguard the ISU's financial integrity and sustainability of the ISU's operations and assets and reports to Congress on its activities.

2 COMPOSITION

- 2.1 The composition of the Committee is set forth in Article 33.5 of the Constitution.
- 2.2 The Committee shall be composed of at least three (3) persons with appropriate qualifications and background nominated by the Council and approved by the Congress. Members may submit to the Council persons for consideration for the position in accordance with the Electoral Code.
 - 2.2.1 Committee members should possess relevant experience in finance, accounting, risk management, audit, or investment management.
 - 2.2.2 At least one member should be a qualified accountant or have significant international financial experience and expertise.
- 2.3 The process for nomination by the Council and approval of the Committee members by the Congress is set out in the Electoral Code.
- 2.4 The Committee members shall elect their chairperson.

3 TERM

- 3.1 The term of office of the Committee chairperson and members is four (4) years.

4 ELIGIBILITY

- 4.1 ISU Office Holders and persons holding an office in, or employed by, or having any kind of conflict of interest with respect to their relationship or position with a Member are ineligible for appointment to the Committee.

5 POWERS AND RESPONSIBILITIES

- 5.1 The Committee is an ISU Body which is authorized to:
 - 5.1.1 Access all relevant information and personnel within the ISU.

- 5.1.2 Request the Council to engage external advisors, including auditors and legal counsel, as needed.
- 5.1.3 Refer matters within its scope of responsibility to the Skating Integrity Unit for investigation.
- 5.2 The chairperson and committee members must comply at all times with the ISU Constitution, ISU Regulations, the ISU Code of Ethics as well as with all Congress and Council decisions.
- 5.3 The Committee's responsibilities cover the following areas:
 - 5.3.1 Audit and Financial Reporting
 - Review and recommend to Congress approval of the ISU's annual financial statements.
 - Oversee the integrity of financial reporting and compliance with applicable accounting standards and regulations.
 - Monitor the effectiveness and independence of the external auditors.
 - Review the scope, findings, and management responses of internal and external audit reports.
 - With the authority of the Council and in collaboration with the Chief of Finance, carry out, at least once every eight (8) years, a tender process to select external auditors.
 - Make recommendations to the Council to propose appointment of external auditors for vote by Congress.
 - 5.3.2 Risk Management and Internal Controls
 - Review the ISU's risk management framework and policies.
 - Monitor the effectiveness of internal controls and the risk register.
 - Oversee the ISU's compliance with legal and regulatory obligations.
 - Where appropriate, review ISU's exposure to exchange risk and the hedging strategies
 - Review significant findings of the Skating Integrity Unit from its investigations, whistleblower reports, or compliance reviews.
 - 5.3.3 Investment Oversight
 - Review regularly the ISU's investment strategy and policies and recommend any updates to the Council.
 - Receive regular updates from the Outsourced Chief Investment Officer (OCIO) appointed by the Council.
 - Receive portfolio performance reports, review asset allocation, investment performance, and compliance with the ISU's investment policy.

- Meet quarterly with ISU OCIO to discuss performance of investment portfolios and managers.
- Ensure alignment of investments with the ISU's ethical values, liquidity needs, and long-term sustainability.
- Assess exposure to financial risk, including currency, market, and credit risks.

5.3.4 Budgetary Oversight

- Review budgets and projections submitted to the ISU Congress.

5.3.5 Governance and Reporting

- Report to Council on the Committee's activities, findings, and recommendations.
- Evaluate its own performance and review annually the adequacy of these Terms of Reference.
- Advise on financial governance and recommend improvements to ensure accountability and transparency.

6 **CHAIRPERSON**

- 6.1 The chairperson represents the Committee at Congress and at Council meetings when invited.

7 **MEETINGS OF THE COMMITTEE**

- 7.1 The Committee shall undertake its work at meetings of the Committee and in between meetings by electronic or other means of communication, in order to keep members apprised of relevant matters.
- 7.2 The Committee shall meet at least three (3) times per year and additionally as needed.
- A quorum shall consist of a majority of members.
 - Meetings may be held in person, via teleconference, or other electronic means, with priority given to videoconference meetings.
 - The Committee may meet privately with auditors, legal advisors, or senior management when necessary.
- 7.3 The Committee will normally meet in the presence of the ISU Chief of Finance who will take minutes or nominate a minute taker from the ISU Office. The Committee may also meet privately. The Committee may invite the Director General and other ISU Office staff to attend and present at meetings.

7.4 The agenda for a Committee meeting shall be set by the Chief of Finance on behalf of the chairperson. Any other Committee member may request the inclusion of items on the agenda at any time.

7.5 Committee meetings may be called at any time by the chairperson or at the request of at least the majority of Committee members. Notice of a Committee meeting shall include the date, time, kind and/or location, the agenda, as well as any proposal(s) for Committee discussion/decision and related material.

8 DECISION-TAKING PROCESS

8.1 Each Committee member present (in person or by any means of communication) at a Committee meeting will have one vote on each motion, except a Committee member may not cast a vote on any matter in respect of which they have a conflict of interest. Voting by proxy or by letter is not permitted.

8.2 The Committee may decide on recommendations or proposals for decision by circular vote, by email or other appropriate technological means.

8.3 In the event of a tie in the vote, the chairperson will have the deciding vote.

9 MINUTES

9.1 A representative of the ISU Office will take minutes of every Committee meeting, noting the names of persons present and all motions considered, and all decisions taken at the meeting. The minutes will be finalised by the chairperson with the assistance of the ISU Office and sent to Committee members within fourteen (14) days of the meeting and will be approved at the next meeting. Once agreed, minutes of Committee meetings (or summary thereof) will be distributed. The finalised minutes of Committee meetings must be sent to the ISU Office for further distribution on a need-to-know basis.

9.2 Subject to Article 9.1, documents, information, discussion, recommendations, or decisions made at a Committee meeting or otherwise exchanged or agreed in connection with the Committee's work shall remain confidential. Committee members, as well as any invited participants or observers, are required to maintain confidentiality of all such information. They shall not disclose any confidential information to any third party without the prior written consent of the chairperson or as required by ISU Regulations or applicable law.

10 INDEPENDENCE, NEUTRALITY, COLLEGIALLY AND COLLECTIVE RESPONSIBILITY

- 10.1 The Committee operates on the principles of independence, neutrality, collegiality and collective responsibility.
- 10.2 Once a decision is made by the Committee, all members are collectively responsible for and shall support and uphold the decision, irrespective of their personal views or individual votes.
- 10.3 While robust discussion and debate are encouraged within Committee meetings to ensure thorough consideration of all viewpoints, any dissenting opinions shall remain confidential and not be disclosed outside the Committee.
- 10.4 Members of the Committee acknowledge that their commitment to the above principles is essential for the effective functioning of the Committee and the credibility of its decisions. Any breach of this principle may be addressed through appropriate internal procedures.
- 10.5 Members must disclose any conflicts of interest and recuse themselves from discussions or decisions where such a conflict exists.

11 VOLUNTEER STATUS AND EXPENSES

- 11.1 Committee members act as such in a voluntary capacity and will not be compensated for their work as a Committee member, beyond the published indemnities fixed by the Council. The ISU will reimburse travel and designated out-of-pocket expenses for each Committee member in accordance with ISU's published policies.
- 11.2 The ISU will arrange travel and accommodation for Committee members when they are conducting Committee business in accordance with relevant ISU policies in force.

12 LIAISON WITH ISU OFFICE AND ADMINISTRATIVE SUPPORT

- 12.1 The ISU Chief of Finance shall act as the primary liaison between the Committee and the ISU, and is responsible for secretarial, administrative and operational needs and requirements of the Committee.

13 RESIGNATION OR REMOVAL

- 13.1 Should the chairperson or a member of the Committee resign prior to the expiry of their term of office, they will notify the chairperson, the President and Director General at the earliest opportunity and make best efforts to handover any ongoing matters.

- 13.2 A Committee member or chairperson may be removed from the Committee by the Council prior to the expiry of their term of office if they:
 - 13.2.1 have committed a serious breach of the ISU Constitution and/or ISU Code of Ethics.
 - 13.2.2 have engaged in conduct that brings or is likely to bring the ISU into disrepute.
 - 13.2.3 have failed to fulfil their duties and responsibilities as a member of the Committee.
 - 13.2.4 have been convicted of a criminal offence.
 - 13.2.5 are unable to perform their duties due to physical or mental incapacity.
- 13.3 If a position on the Committee becomes vacant, whether by resignation, removal or otherwise, such a vacancy may be replaced by the Council, until the next electoral Congress.

Appendix - Definitions

For purposes of the ISU Constitution and Regulations, provided the context so permits:

- a. the singular shall include the plural and vice-versa;
- b. the feminine gender shall include the masculine and vice-versa;
- c. references to natural persons shall include any legal person or corporation.

“Athlete Support Personnel” means any coach, team leader, trainer, manager, agent, team staff, federation official, technician, medical, paramedical personnel, choreographer, parent or any other person working with, treating or assisting a Skater participating in or preparing for sports Competition.

“Internal Control System” / “SCI” means measures, which are adapted to regular risk assessment designed to help monitor important internal business processes in order to achieve corporate goals, to safeguard process security and to identify or prevent errors and irregularities. The SCI includes policies and internal regulations concerning the limitation of the powers and responsibilities of the President, Vice-Presidents, individual Council members, Director General and the ISU Office.

“ISU Communications” are the official means of publication of general decisions of the Council.

“ISU Events” are Competitions enumerated and described in Article 1 of the Competition and Event Regulations.

“ISU Office Holders” are:

- President, Vice Presidents and Council Members
- Director General
- Chair persons and members of the Technical, Athletes and Elections Committees.

“ISU Officials” are all persons, other than ISU Office Holders and ISU staff, having a special role in overseeing and upholding the rules of Competitions falling under the application of the Competition and Event Regulations. ISU Officials includes, but is not limited to, Judges, Referees, Assistant Referees, Assistant Referees Video, Starters, Competitors' Stewards, Sport Experts, Technical Controllers, Technical Specialists, Data & Replay Operators, OAC members, and Doping Control Officers and Chaperones.

“ISU Regulations” are sets of rules subordinate to the ISU Constitution adopted by the Council to provide for a consistent non-contradictory legal order of the ISU. If an ISU Regulation contains a section which must be approved by the Congress, it is adopted by the Council pending approval of that section by the next-following Ordinary Congress.

“ISU Sports” shall be defined as all sports disciplines that involve racing or artistic performances on ice skates, conducted on ice, as well as any e-sports, electronic, e-gaming or any other digital simulation of these sports.