

TERMS OF REFERENCE - AUDIT COMMITTEE

Capitalised terms referred to in the following Terms of Reference are defined herein.

1. REMIT AND RESPONSIBILITY

1.1 The Audit Committee (the “**Committee**”) has been established by IDI Board, in accordance with Article 86 of the Members’ Agreement and Trust Deed of IDI, to act as a committee of the IDI Board in furtherance of the objects of IDI (“**IDI**”), which include the management and exploitation of the commercial rights of the ICC.

1.2 The Committee has been established to **assist and advise the IDI Board** in relation to the following matters:

- (a) Internal control, including but not limited to:
 - (i) Financial transactions and production of financial statements;
 - (ii) Internal control and risk management frameworks and implementation of audit recommendations;
 - (iii) Controls and processes covering IT systems and processes, including fraud prevention and business continuity;
- (b) Financial reporting, including but not limited to:
 - (i) Significant accounting and reporting issues, including recent professional and regulatory announcements;
 - (ii) Review the draft annual report and financial statements and make recommendations to the IDI Board;
 - (iii) Meet with management and the external auditors to review the financial statements, the results of the audit and to discuss key accounting policies;
- (c) External audit, including but not limited to:
 - (i) Review the external auditor’s annual audit plan;
 - (ii) Consider the independence of the external auditors and any conflicts of interest;
 - (iii) Review the performance of the external auditors at least every 3 years and make recommendations to the IDI Board regarding any change to the firm employed;
- (d) Internal audit, including but not limited to:
 - (i) Appointment/dismissal of the internal auditor;
 - (ii) Review the effectiveness of Internal Audit and the annual Audit Plan;
 - (iii) Review significant audit findings and action taken;
- (e) Laws and regulations of ICC, such as:

- (i) Compliance with internal and external regulations, including the ICC Code of Ethics;
 - (ii) Review any matters of non-compliance with management, including those which result in disciplinary action;
 - (iii) Review the results of any reviews by external authorities;
 - (iv) Ensure that all regulatory/compliance matters have been observed in the preparation of the financial statements;
- (f) Risk management and control, including but not limited to ensuring the IDI Board is kept aware of matters that may impact on the risk position of ICC

(together, the Committee's "**Areas of Activity**").

- 1.3 In the discharge of its remit and responsibilities in the Areas of Activity, the Committee shall have the authority to request from the ICC or any ICC member cricket federation (or any individual and/or third party as may be affiliated to or in any way connected with the ICC or any ICC member cricket federation) information in such form, whether verbal, written or otherwise recorded, as it may, in its absolute discretion, consider to be reasonably necessary for the proper discharge of its duties under these Terms of Reference.
- 1.4 In support of the Committee's activities, all ICC member cricket federations will (and to the extent that it is within their power, procure that such other individuals and third parties will) provide all such information and do all such things as are reasonably within their power to facilitate the discharge of the Committee's duties under these Terms of Reference.
- 1.5 The Committee shall have no autonomous decision-making powers and shall act as an advisory committee to the IDI Board.
- 1.6 Once the Committee has established the policies and practices to be implemented under paragraph 1.2 above, and the Executive Board has approved such policies and practices, the ICC management shall undertake the operational responsibilities and activities necessary to implement such policies and practices.

2. MEMBERSHIP

- 2.1 The membership of the Committee shall consist of the following:
- (a) a Chairperson; and
 - (b) no more than three additional Committee members, two of whom shall be independent of the ICC.
- 2.2 Subject to paragraph 2.3 below, the Chairperson and the Committee members shall be nominated by the ICC President and approved by the IDI Board on an annual basis at each meeting of the Annual Conference (for ratification by the Council) and shall be eligible for re-appointment at the end of that year. In making such appointments, the ICC President and the IDI Board shall have due regard to the necessary and desirable skills and experience required for the effective operation of the Committee. Each member should have an understanding of the business operations and areas of risk of the ICC, be financially literate and at least one member of the Committee must have accounting or related financial expertise. Members of the Committee need not be a director of ICC.

- 2.3 Independent members of the Committee shall be appointed for a term of three years. Such members may be re-appointed for a further period of three years provided that the maximum period of tenure shall be six years in total.
- 2.4 The ICC President and Chief Executive shall automatically be *ex-officio* members of the Committee. In addition, the ICC Internal Auditor will be an *ex-officio* member of the Committee. The Committee may, at its discretion, appoint additional individuals as *ex-officio* members of the Committee from time to time as it deems necessary.
- 2.5 For the avoidance of doubt, none of the members of the Committee will be entitled to appoint an alternate or proxy to act on their behalf.
- 2.6 Each Committee member and all *ex-officio* members of the Committee will undertake an induction process to ensure that they understand the role, responsibility and workings of the Committee and their duties to their fellow members of the Committee, the IDI Board and to the Council.
- 2.7 A Committee member will cease to be a member of the Committee in the following circumstances:
- (a) such individual resigns his/her appointment by providing notice in writing to the Chairperson of the Committee;
 - (b) where the IDI Board considers, in its absolute discretion and for whatever reason, that it is no longer appropriate for such individual to be a member of the Committee;
 - (c) where he/she is convicted of a criminal offence in any jurisdiction (other than an offence which is, in the opinion of the IDI Board, a minor offence); or
 - (d) the Committee member's term of appointment expires and he/she is not re-appointed.
- 2.8 In the case of paragraph 2.7(b) and (c) above, cessation of membership will take effect immediately upon written notice being provided to the individual concerned and the relevant individual will be replaced, pursuant to the criteria for appointment, as quickly as is reasonably practicable.
- 2.9 In addition to the above, the Committee may:
- (a) appoint the ICC's Chief Financial Officer, or any other appropriate person, to act as secretary to the Committee;
 - (b) utilise such other members of the ICC's management team (or other stakeholders within the sport of cricket) to assist the Committee as may be appropriate from time to time; and/or
 - (c) request other third party advisers to attend, present and speak at Committee meetings from time to time.

For the avoidance of any doubt, the individuals described in paragraphs 2.9 (a), (b) and (c) will not be regarded as members of the Committee and will not have any entitlement to vote.

3. MEETINGS

- 3.1 Committee meetings will take place in person and at such venue and with such frequency as the Chairperson (in consultation with the other Committee members) shall determine necessary, save that the Committee shall meet, in full, on not less than two occasions in any twelve month period. Where necessary and practicable, such meetings may also take place via telephone/video conference.

- 3.2 The Committee shall meet with the external auditors of the ICC at least once each year without management present.
- 3.3 All Committee members (or their respective alternates) shall be entitled to attend each Committee meeting and the quorum at any meeting will be a majority of Committee members entitled to vote at meetings. All members of the Committee (including the Chairperson) shall be treated as being present in person at a meeting where he/she is in continuous communication with the meeting either in person or by telephone/video conference. Such a member will be counted in the quorum of the meeting and shall be entitled to vote. A duly convened Committee meeting at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 3.3 The agenda and conduct of such Committee meetings will be at the absolute discretion of the Chairperson (in consultation with the other Committee members) and the Committee secretary will circulate a meeting agenda and supporting documents to the Committee members and other attendees, as appropriate, a reasonable period in advance of each Committee meeting. Minutes of each meeting will be prepared by the Committee secretary as soon as reasonably practicable after each Committee meeting, circulated for comment and approved at the subsequent Committee meeting.
- 3.4 The Committee is a working committee and attempts should be made to reach a consensus, so that voting will not usually be required. However, on occasions where consensus cannot be reached, then the Committee will resolve such issues by voting. The following individuals only shall be entitled to vote:
- (a) the Chairperson; and
 - (b) the Committee members.
- 3.5 For the avoidance of doubt, all third party advisers, members of the ICC's staff or *ex officio* Committee members will have no right to vote.
- 3.6 Resolutions shall be passed by a simple majority vote. In the event of a dissenting vote being recorded, then, to the extent that such dissent relates to any recommendations or report that are subsequently put to the IDI Board, then such dissenting opinion(s) must be presented simultaneously to the IDI Board for it to consider at the same time that the relevant recommendations and/or report are presented.
- 3.7 The Committee may agree separate procedural rules to regulate its business and meeting procedures provided that such rules shall not be in conflict with the memorandum and articles of association of IDI.

4. REPORTING / PERFORMANCE OF DUTIES

- 4.1 The Committee shall report to IDI Board on a regular basis as and when required by the IDI Board or when the Committee considers it necessary to report on a specific matter in advance of the next scheduled reporting date. In particular, the Committee shall ensure that the IDI Board is aware of matters which may impact significantly on the financial condition of the ICC.
- 4.2 All matters discussed, papers prepared and materials disclosed as part of the Committee's activities are strictly confidential and shall not be disclosed to any third party (other than directors of the IDI Board) without the consent of the Chairperson unless it is required by law or such information is already within the public domain, such obligation remaining even after any relevant period of appointment has expired.

- 4.3 All information provided to the Committee shall, unless otherwise agreed with the Chairperson in advance, become and remain the property of IDI even after any relevant period of appointment has expired.
- 4.4 In performing their duties and functions described in these Terms of Reference, each Committee member will act in the best interests of the game of cricket, in accordance with their fiduciary duties and in accordance with their individual responsibilities under the ICC's Code of Ethics.

5. GENERAL PROVISIONS

- 5.1 The Committee may, with the approval of the ICC President or Chief Executive, obtain such external third party professional advice (eg from experts, consultants, lawyers etc) as it deems reasonably necessary to assist in the proper performance of its duties and functions set out in these Terms of Reference. IDI shall be fully responsible for any such costs and expenses properly incurred directly or indirectly by any such third party.
- 5.2 The members of the Committee shall be entitled to have all reasonable costs and expenses that they incur (or such other fees and allowances as may be determined by the IDI Board from time to time) reimbursed by the IDI.
- 5.3 The ICC hereby agrees to indemnify and keep indemnified each member of the Committee from and against all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Committee member in such capacity, provided that such indemnity shall not extend to those liabilities, obligations, losses, damages, suits and expenses which have been incurred as a result of any negligence, fraud or wilful misconduct of the Committee member.
- 5.4 These Terms of Reference will be reviewed as and when required from time to time by the ICC's Governance Review Committee (taking into account any comments, feedback and/or amendments suggested by the Committee itself) to ensure that they remain fit for purpose.
- 5.5 These Terms of Reference shall be governed by and construed in accordance with English law. If any dispute arises in relation to the interpretation or application of these Terms of Reference, then such dispute will be determined by the ICC Disputes Resolution Committee. For the avoidance of doubt, no disputes, appeals, questions or interpretation or any other matter in relation to these Terms of Reference shall be submitted to any other process other than as set out in this paragraph 5.5.
- 5.6 These Terms of Reference are approved by the IDI Board on 10 October 2011 and will come into full force and effect immediately upon such approval. Any subsequent amendments to these Terms of Reference must be approved by the IDI Board.

10 October 2011