

Minutes of the Verification Commission
Meeting on 3 September, 2012, Istanbul, Turkey

Present from the Verification Commission were Chairman Graham Boxall and Secretary Ruth Haring. Commission member Joran Aulin-Jansson was not in attendance but will arrive for the General Assembly. The Commission meeting was attended by FIDE Treasurer Nigel Freeman, Herman Hamers (NED), Willy Iclicki (MNC), Horst Metzging (GER), M. Zumbado (CRC) and FIDE VP Beatriz Marinello. African Continental President Lahkdar Mazouz appeared but did not remain for the meeting. Apologies for absence were received from Eva Perissou from the FIDE Secretariat.

The Chairman opened the meeting with a welcome and remarks about the work of the Verification Commission in Athens in June 2012, noting the report of the external auditor confirming that the accounts were duly audited for the year ending 31 Dec 2011 and in compliance with Swiss law.

The minutes from the meeting of 18 October 2011 were tabled. There were no matters arising. The meeting reviewed Annex 2 (Supplementary Notes to the Accounts 2011) in some detail and minor amendments were suggested and accepted.

The meeting reviewed the issues raised by the Commission in its report (Annex 5). It noted the position in relation to the President's account with FIDE and that surplus Chess in Schools expenditure had been reimbursed.

The Commission's report on the Moscow Office item was amended to replace the word 'final' with the word 'financial'. The Commission's recommendation for greater clarity and accurate recording of FIDE's commitments and obligations relating to the office in Moscow was accepted and endorsed.

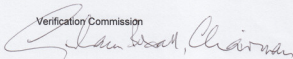
Discussion took place on the discrepancy between the requirements of Chapter 16 of the FIDE Statutes relating to Olympiad bids on the one hand and FIDE's actual experience of the implementation of the

Statutes' requirements on the other hand. The Commission's recommendation on the subject of reflecting bank guarantees and deposit liabilities in the annual accounts was accepted and endorsed. It was furthermore proposed that, where a bidder's commitment depended upon the performance of a third party, a written undertaking should be obtained from such third party prior to the acceptance of a bid. No firm conclusions were reached in relation to the defaults on payments of money due by the organizer of the Rostov Women's Grand Prix and the Tirana Women's Championship.

In relation to legal costs, the Treasurer informed the meeting that he believed that FIDE's liability for costs in relation to the cases generated by the proceedings at the General Assembly in Khanty-Mansiysk had now come to an end and anticipated that next year's accounts would show the return of a small proportion of those costs.

In relation to the year's deficit of 512,579 Euros in the income and expenditure account, the Treasurer expressed confidence that FIDE's resources would be replenished to some extent by its activities in the subsequent year and did not expect a foreseeable recurrence of the losses sustained in 2011.

Verification Commission



[Handwritten signature], Chairman