

CEO DENSIGN WHITE INTERNAL Q&A REVIEW (JUNE 2023)

FINANCES

Lack of full financial report for 2022

a) Why the report has not been yet prepared and presented?

The IMMAF year-end accounts have been prepared by our accountants and are being audited now by PwC. The audited report should be finalised by the end of June. There is no difference in timing of the audited accounts to previous years. In fact PwC work much faster than our previous auditors in Sweden.

b) Why was Vice President and Honorary President not allowed to audit IMMAF finances?

To my knowledge the honorary president and Vice President are not qualified auditors. The board had voted in favour of an independent audit facilitated by August Wallen which is what he had asked for. However, August Wallen on his next appearance in front of the board reported that he was not able to find independent auditors.

c) Who among the board members has the right to inspect financial documents and who is responsible for the selection of these people?

Any member of the board can inspect the finances and ask any questions they wish. Board members receive a full and complete financial report from the accountants at every board meeting. They also receive quarterly management reports. This is evidenced by all the board minutes.

d) Is IMMAF in a situation requiring declaring bankruptcy?

IMMAF has cashflow challenges, but we are not bankrupt.

Lack of information on the reasons for spending sponsorship funds for 2023, in 2022.

a) How does IMMAF intend to reduce debt?

We are reducing debt by reducing the number of contractors and reducing the cost of events by using less people from outside of the region where the events are hosted. We also have payment arrangements in place with some of our creditors. Ultimately IMMAF needs to find sponsors and to generate more revenue in other areas of our activity, such as hosting rights fees etc.

Lack of transparency of the Board's earnings and procedures for determining the Board salary?

a) What is each Board member monthly salary?

The board are volunteers and receive no salary. They can claim travel and daily per diem if for example they attend IMMAF events. The President is the exception because of the unique role that he has and the time that he commits to IMMAF. His remuneration was agreed by the board and all his expenses were signed off by the Vice President George Salfeldt.

b) Who sets Board members salary and on what basis is it determined?

As above.

c) What are the numbers for people employed on a permanent contract and how many people are paid as subcontractors?

The CEO is the only person on a permanent contract. All other workers are sub contractors. In 2022 IMMAF was paying around 18 sub contractors. Now this has been reduced to 10.

d) Do members of the Board have unlimited access to the account and company cards, are there monthly spending limits, if so what are the amounts for each Board member?-

IMMAF does not have company credit cards. Directors do not have any cards of any description. Board members do not have access to the IMMAF bank account. Payroll is managed by our accountant.

e) Who is responsible for financial discipline and control of expenses of the Board and IMMAF-

The IMMAF board are ultimately responsible for financial control of the Federation and any financial control mechanisms and policy. This is the main responsibility of any board.

Lack of information on the costs of subcontractors

a) What costs were generated by each subcontractor and why were certain contractors terminated?

Contractor cost are the highest cost to the IMMAF business which is no different to any other business. Staffing is expensive. MMA is one of very few sports where people are not prepared to work on a voluntary basis, especially those working events. They always expect to be paid a contractor fee. At one-point IMMAF had 100 people working at events at considerable cost and this was not a sustainable model.

b) What was the scope of duties of subcontractors and did they receive salary on basis of success fee/completed activities, or was it on a basis of a monthly salary?-

Our subcontractors were paid monthly on receipt of invoice. The core subcontractor team had weekly meetings with the CEO and the wider team also met weekly to discuss targets and objectives for the week ahead. However, it should be noted that Mr Goddard was regularly absent from these meetings and questioned why they were needed.

c) What effect does the termination of these contracts have on the functioning of IMMAF?

IMMAF has been working hard to make contingency plans for any gaps in the organisation caused by termination of some subcontractors. In some areas, notably MarComs, have seen a marked improvement with increased social media impact. We are delivering educational opportunities for coaches, referees and judges and cutmen but in a more cost-effective way for the Federations.

d) How did the negotiations and arrangements with Marc Goddard unfold, and what offer was made to him, was it accepted or rejected?

Marc Goddard was offered a new contract which would have remunerated him at the same level as before the termination of his original contract, but he was expected to deliver the work. Last year he was present at only 2 out of 8 IMMAF events and would not deliver courses unless paid additional money by the federations. We offered him a fee for each event attended and a fee for every course delivered. He asked, in addition, a monthly retainer which was agreed.

e) Did Marc Goddard end cooperation with IMMAF or did IMMAF terminate it?

Marc Goddard ended the co-operation with IMMAF and did not return the new contract he was offered.

f) On what basis was the brand manager earning and was this accounted for the effects of his work by the Board? What was the scope of Brand manager's duties? When will the new Brand manager be appointed?

The branding and social media work was mostly outsourced to a company called 'Shoot the Moon'. They did all the artwork and IMMAF logo's etc. The social media was done mostly by Uni4m Media who continue to do this work with improved results as was witnessed by the numbers achieved at the Serbia world championships. In this department we are saving money and getting better results.

Allegations of corruption related to the Green Hill contract

a) Who was responsible on behalf of IMMAF for concluding this contract?

The President of IMMAF is responsible for managing this sponsorship.

b) Why IMMAF chose this equipment and clothing supplier?

IMMAF chose this supplier because Greenhill was the only supplier that wanted to sponsor IMMAF. Other suppliers wanted IMMAF to pay for the equipment. Greenhill are providing free equipment for all IMMAF World Championships. So far, the value of this support is worth more than \$1 million. The agreement with Greenhill is for equipment only and not cash.

c) Is equipment and clothing produced under a sponsorship agreement, or does the

Tournament / IMMAF Organizer cover production and transport costs?

IMMAF has to pay for some events not under the Greenhill agreement, for example continental championships. In all cases IMMAF must pay for shipping, customs duty, and storage.

d) What are the benefits for IMMAF from this cooperation?

The benefits of this agreement with Greenhill are huge. Athletes have kit on arrival to the event which looks great on TV. We have no hygiene issues and safety issues as the equipment has been tried and tested over many years. All of the modifications research and development that we have suggested to the Greenhill manufacturers in terms of design of the glove and shinguard has been implemented. When we were in Las Vegas for the world championships in 2015/16 the Greenhill equipment was the only one approved by the NSAC. We provided other options such as Adidas for example and they were rejected.

e) Can other companies also officially supply equipment and clothing for IMMAF tournaments?

Yes they can if this is for events that are not covered by the Greenhill contract. This has already been happening for example during the Africa and Pan America championships where teams can provide their own clothing, however, the Greenhill safety/protective equipment still has to be used.

f) Did IMMAF receive any reports of corrupt suspicions regarding this contract and was any investigation conducted in this case?

IMMAF has never received any reports of corruption regarding this contract. As stated above there is no financial transaction between Greenhill and IMMAF. The president has, at every board meeting declared a conflict of interest because his son is the agent for Greenhill in the UK. This declaration can be seen in all of the IMMAF minutes from the time this agreement began.

Outstanding settlement with the Federation of Kazakhstan for the unrealized IMMAF tournament.

a) Did the Federation of Kazakhstan transfer / spend any funds in connection with the planned tournament in Kazakhstan?

Yes. IMMAF entered contractual arrangements with Kazakhstan to run the world championships in 2020 and the Asia championships. Non refundable deposits were received for both championships against the hosting right fees agreed in the contract.

b) Has IMMAF in the oral agreement / arrangements committed to reimburse of any funds in connection with cancelling of this tournament, if so, have these funds been returned?

Because of the Pandemic in 2020 Kazakhstan was not able to deliver the championships. Kazakhstan chose to postpone the events until such time as people were allowed to travel into the country.

c) Did Kazakhstan apply to IMMAF for a refund due to cancelling the tournament?

We have only in the last few days heard from Kazakhstan that they will not be able to host these championships after all. They have not asked for any refund from IMMAF.

Implementation and organizational fees

a) Who bears the costs of implementing the World Championship and European Championships, is it IMMAF or the host?

It depends on the ability of the host to pay. World championships since 2017 have been supported by countries like Bahrain, UAE in 2022 and Serbia in 2023. Continental championships are often only able to happen with financial support from IMMAF. In any case IMMAF always has unexpected charges that we need to pay for.

b) Does IMMAF charge a license fee from the national federation for enabling the organization of the tournament?

Most often the answer is no. Most host federations cannot afford a licence fee and cannot cover all of the operational cost of the event and IMMAF has to step in to help.

c) Are funds from registration fee owned by host of the tournament, or they are entirely transferred to IMMAF?

This depends on the agreement reached with the host. If IMMAF is covering the cost of the event then, obviously, the only way we can do that is by taking the participation fees. There are other occasions where we will be paid a hosting rights fee or instead of taking a hosting right fee IMMAF will take participation fees.

2. PROCEDURES

Breaking and bending voting rights procedures

a) Why were federations allowed to vote at earlier general meetings without payment of the membership fee, and this rule did not apply at the extraordinary general meeting?-

IMMAF has always had difficulty collecting membership fees. This has a big financial impact on the IMMAF debt register. When we had the General assembly this year in Serbia only about 10 federations had paid their membership. There was a strong opinion expressed by the meeting that we should adopt a tougher stance against those federations who were not paying, and this should include not allowing them to vote.

b) Why information regarding countries with the right to vote and countries among which 20% have the right to convene the general meeting was not available to the members in advance?

The members were notified in advance that an EGM had been called in accordance with the statutes having received one fifth of the members with voting rights. There is no requirement in the statutes to send the names of the individual federations since this should have no impact on the process.

c) Why the voting was conducted in the secret mode?

The statutes allow for secret ballots if that is the wish of at least two members federations. It is not uncommon in these kinds of meetings, to have secret ballots, for example, when we elect members to the board as happened in 2015.

d) Why was the platform equipped with appropriate voting software not used during the voting?

The Livestorm platform is very good and appropriate for this meeting. It was used successfully at the last EGM organised by IMMAF. We did not use the Livestorm polling facility since this would have allowed anyone in the meeting to vote even if they did not represent a member federation. Therefore, to protect the integrity of the vote it was decided to ask each member, and we know them all, to vote individually. All these votes are recorded in the Livestorm report should that information be needed in case of a legal challenge.

e) Why were the letters calling for an extraordinary general meeting not published after they were received, so that the member federations could read them in advance to the meeting?

We did not publish the letters in advance firstly because the letters were coming right up to the day of the meeting. Secondly, we did not want these members to be harassed and bullied as we had witnessed in recent weeks when a social media campaign was mounted against individuals within IMMAF.

f) How was the identity of voters confirmed in the extraordinary general meeting?

Everybody taking part were asked to register for the meeting and their names was visible in the participation tab on the platform.

g) Why was no evidence of membership payment from all federations presented as having voting rights?

A list of Federations with voting rights (those who had paid their fees) was presented to the meeting. It is not normal practice at any meeting for the Federation to provide evidence of payment.

h) Was there a double check regarding payments from countries that claimed to have made payments within the period which made them authorized to convene the general meeting?

Yes.

Was it also revised in accordance to the percentage of members who must express need of EGM?

No. Because at the time of receiving the letters calling for the EGM the number of paid members was only 23. The legal opinion from the Swiss lawyer was clear regarding the numbers required to trigger an EGM.

Reports of sexual harassment and safeguarding problems

a) When was IMMAF informed about the case of a national federation coach convicted of rape of a minor?

IMMAF was not informed until March of this year.

b) What steps and at what time did IMMAF take from obtaining this information?

IMMAF contacted the Federation concerned and the coach was suspended with immediate effect from all IMMAF events. The safeguarding policy was reviewed and updated. The board and the membership were notified of the allegations and steps taken to mitigate further risk. The updated safeguarding policy was sent to every federation. The safeguarding policy is in the competition handbook and accessible on the IMMAF website and every federation will have to make a declaration that their staff are police checked to work with children. We intend to go further and ask for copies of the individual coach's police clearance.

c) Was an investigation initiated and who is conducting it, when conclusions and report being expected?

Yes, an investigation was initiated by Michele Verroken who is an IMMAF contractor. Subsequently the investigation was taken over by an independent investigator. It is now being conducted by Mr Joao Almeida who is the General Secretary of the Portuguese Olympic committee. We hope that the final report is finalised by the end of June.

d) Did IMMAF Board obtain (in 2020 and 2021) from two individual staff members information and evidence (via messenger), according to which staff members accused president of one of national federations of sexual harassment? If yes did Board/disciplinary committee took official steps against this person? Was there an official investigation in this case, if so who was responsible for it and is there an official report and decision on this matter?

I do not know if the board ever received such a complaint. As CEO I was made aware by the events Director of a complaint, but it was not made formally and therefore could not be passed on to the Disciplinary Committee.

e) Is it true that this person was appointed by the Board to the Disciplinary Committee, if so on what basis, and is he still a member of this committee?

No, this person was not appointed by the board but was elected to the position by the membership. This person has subsequently stepped down from the Disciplinary Committee.

f) When will the new head of the safeguarding committee be appointed? Is he a paid employee or does he work in the form of volunteering?

We do not have a safeguarding committee. We are intending to put one in place after we receive the report of the independent investigation into the safeguarding issue, and we will follow all recommendations that are made in the final report. Committee positions are not normally paid.

No response to indicated problems and inquiries from member federations.

a) What time do IMMAF representatives have to respond to standard queries sent by member federations?

We try to respond to all queries in a timely fashion.

b) Are direct contacts available to representatives of all committees so that member federations can directly contact with questions and concerns (safeguarding, antidoping, disciplinary, medical)?

Yes. Members can contact commission and committee members if they have any relevant questions or information to share. No-one in IMMAF is stopping that line of communication we would encourage it.

3. COOPERATION AND SPONSORING

Why was cooperation with UFC terminated and by who?

Co-operation with the UFC has not been terminated. We have weekly meetings with the UFC. There is still the possibility that they could sponsor IMMAF in 2024. However, if there is this continuing undermining of IMMAF by a minority of members this opportunity will diminish as will our recognition with SportAccord.

a) Has the new agreement with BRAVE CF been consulted with member federations? If not, does Board think it is appropriate not to consult such a major step?

The board are elected to make decisions on behalf of the members. If members are not happy with the board decisions, they can elect a new board. The board is responsible for the strategic direction of the Federation and all policy decisions. The CEO is responsible for delivering the strategy and implementing the policies. This is how a member federation works.

b) What are financial and non-financial benefits from this cooperation for IMMAF ?

This contract is for 12 months with options to renew it for a further period of time which is negotiable - The MOU is a collaboration between IMMAF and BRAVE CF to provided financial support, marketing and communications, branding, HR support and event support globally. To support IMMAF with commercial activities and to find sponsors.

c) What is the time does this contract cover?

One year from March 2023 to March 2024.

Lack of other sponsors/partners

a) Who is responsible for acquiring Sponsors at IMMAF? Is there a marketing department at IMMAF?

We have no one in house with the sole responsibility to secure sponsorship. However, we are in discussions with competent agencies and as stated above this is an area that BRAVE CF can also give their support.

b) Why was IMMAF based on sponsorship cooperation only with UFC for 10 years of existence?

Because UFC is a good fit. The sponsorship was needed to build the Federation to what it is today. Our athletes dream of one day fighting in the UFC and with our relationship this has become a reality for several IMMAF athletes. Over the years we had approached other big promoters who are competitors of the UFC and they were not interested in supporting IMMAF.

c) Will IMMAF seek to sign sponsorship agreements with other companies, both for individual events and long-term cooperation?

Yes: we are actively doing that now.

4. OTHER:

Cutman and referee

a) Who and how many people will be appointed to run the judges and referee section?

The referee section will be managed by the regulatory affairs committee which will comprise of at least one representative from each of the continental regions.

b) Will the cost of referee course change due to changes in the referee section?

Yes, we want to drastically reduce the cost so that as many people as possible can access the training and not just those who can afford to pay.

c) Is IMMAF going to start paying salary to referees during tournaments due to savings made on subcontractors? (which in our opinion will increase the level of verdicts and services performed during competition)-

We cannot give that commitment today, as IMMAF's financial resources remain limited. However, at the very least we want to cover flight and accommodation for big events such as world championships.

d) What is the current procedure for training and certification of referees?

We want to implement a progression ladder for all officials.

- ***A- Continental Referee/World championships***
- ***B- Continental Referee/International regional events***
- ***C- National certificate/ domestic competition***

e) What are the problems between the leaders of the Cutman section and the IMMAF Board, why did part of Cutman running the section gave up their role?

As far as I know there is no problem between the board and any cutpersons. We are aware that individuals who were close to Marc Goddard decided not to work the world championships. That is their own personal decision to make. We will train other people to fill those roles and during the Serbian world championships we did run a successful training session for cut persons.

f) Is IMMAF going to start paying for Cutman's work during tournaments due to the savings made? (In our opinion, this will increase the quality of work and shorten the time of service during tournament days)

Any person supporting IMMAF events can expect as a minimum a daily per diem, accommodation, and flights covered if the budget allows. I

g) Has IMMAF noticed the decreasing level of referee and Cutman service in tournaments?

We have noticed an increase in officials that want to work IMMAF events who did not have the opportunity before. The challenge we have is to raise the performance of these officials across the board. The standard did not fall overnight because of one person

having their contract terminated last November. The standard generally has been good, but it can improve further. This will be an ongoing project. Regular training and information and refresher training of officials is continuous and should never stop. That said, officials are human beings and will make mistakes and we need to accept that in the sports environment. Many sports are trying to use technology to eradicate or correct judging decisions, but this does not make the problem go away and VAR use in football for example does not have universal approval and the fans do not like it.

h) In Board opinion, does lack of contract fees, as well as admission of freshly trained personnel to work (without any experience) have an impact on worsening level of Cutman and referees services during international tournaments?

I cannot speak for the board but in my opinion contract fees will make no difference either way. We need to remember that IMMAF is an amateur body. We cannot be expected to pay officials in the same way that they are paid at a professional promotion. The problems that IMMAF is experiencing currently is as a direct result of trying to follow the professional model. We need to revert to the amateur model that other Olympic sports use and to recruit as many volunteers as possible.

i) Does IMMAF intend to follow the once set procedure, according to which, the national federation recommends a referee / cutman for an international course and shouldn't there be a restriction according to which national experience of individual has to be confirmed, (e.g. work on a minimum of 3 events before being able to participate in an international course)?

Agreed.

j) Does official protests during tournaments require reply in writing from referees, and if not why?

There is an official protest protocol that has been long established. What we cannot accept is that every decision, and especially split decisions, are systematically challenged. The head referee could write a reply to each protest, but he does not have time as the event is taking place in front of him to do that. In any case, these replies are best done after individuals have had time to calm down and take the emotion out of the situation. Maybe the head referee needs to time to look at videos of any contentious situations before responding. But as I have said before, officials are human and can and will make mistakes. To demand that every error is corrected on the spot is not reasonable or practicable.

We hope that in-depth and honest responses, given in the shortest possible time, containing all necessary evidence (if required by the case), will help to regain mutual trust between Board and national federations.