

AUDIT COMMITTEE CHAIRS' INDEPENDENT FORUM – CONSTITUTION

1. TITLE

The name of the Forum shall be AUDIT COMMITTEE CHAIRS' INDEPENDENT FORUM (“ACCIF”).

2. AIMS

The ACCIF's objective is to promote good governance in the public interest by enhancing the leadership of Audit Committee Chairs through the sharing of experiences and the establishment of best practice. In particular, the ACCIF will:

- 2.1. provide opportunities for members to meet and discuss topics or problems relating to Audit Committee Chairs.
- 2.2. express opinions from an Audit Committee Chair's viewpoint on important professional, economic or business matters and communicate those opinions as appropriate with the aim of influencing policy at national, European and international level as appropriate. In pursuing this aim, the approach will be selective and will develop views through consultation with members and members' efforts rather than through the work of a staff group.
- 2.3. provide a wider understanding of the responsibilities of, and important issues facing, Audit Committee Chairs.

3. MEMBERSHIP

- 3.1. Membership is personal not corporate (and is not transferable).
- 3.2. Membership is at the discretion of the Board. The Board shall consider each application for membership and shall, within a reasonable time, notify the applicant of its decision on the application.
- 3.3. Members of the ACCIF must hold, be expecting to hold, or have held within the recent past, a position as Audit Committee Chair of a FTSE 100 or FTSE 250 company (collectively referred to as the “FTSE 350”).
- 3.4. Current and former Audit Committee Chairs of FTSE350 companies shall be eligible for membership subject to rules 3.3 and 3.4 above. If an existing FTSE350 company falls out but remains within the top 400 FTSE companies, membership shall continue at the discretion of the Board. Audit Committee Chairs of other companies, including major UK-based subsidiaries of overseas companies shall be considered for membership so as to achieve a representative balance of UK industry and commerce at the discretion of the Board.
- 3.5. At the discretion of the Board, membership may continue after a member's retirement for a limited period.
- 3.6. The Board will keep a list of members, which will be confidential and will not be made available to third parties.

3.7. The Board may, at its discretion, terminate the membership of any individual: (i) whose membership subscription (in the event that subscriptions are charged by the ACCIF in accordance with rule 8.1) has not been paid in full to the ACCIF within 6 months of the due date for such subscription; or (ii) whose continued membership would in the reasonable opinion of the Board be harmful to the ACCIF and/or the promotion of its aims and objectives.

4. ENGAGEMENT WITH MEMBERS AND GENERAL MEETINGS

- 4.1. The ACCIF will engage with members primarily through (i) e-mail and web based consultation; (ii) discussion, networking and other events; and (iii) in General Meeting.
- 4.2. An Annual General Meeting shall be held by 30 June each year where, amongst other things, (i) the Board shall submit the annual accounts and a report of the activities of the ACCIF since the last Annual General Meeting; and (ii) the election/re-election of members of the Board shall be proposed in accordance with rule 5.4.
- 4.3. A General Meeting may be called at any time by the Board. Except as otherwise specified in this constitution, not less than 14 days' written notice shall be given to all members of the ACCIF (and the Board) of any General Meeting, such notice to specify the time, date, place and business to be transacted at the relevant meeting (including, in the case of a resolution to amend this constitution, the terms of the proposed amendment(s)).
- 4.4. All members are entitled to attend General Meetings in person.
- 4.5. No business shall be dealt with at any General Meeting unless a quorum is present. The quorum for a General Meeting shall be 5 members present in person.
- 4.6. The Chairperson of the Board or, in his/her absence, another member of the Board nominated by the Board shall preside as chairperson of a General Meeting (provided that, if neither the Chairperson nor such other Board member is present within 15 minutes after the time appointed for holding the General Meeting and willing to act, the members present shall elect one of their number to be chairperson).
- 4.7. Unless otherwise specified in this constitution, all matters at a General Meeting shall be determined by a simple majority of the votes cast by the members present and voting. If there is an equal number of votes for and against any resolution, the chairperson of the General Meeting shall be entitled to a casting vote. Voting shall be on a show of hands and each member shall have one vote.

5. BOARD

- 5.1. The ACCIF shall be managed by a Board of up to 15 members, including both FTSE 100 and FTSE 250 representatives. Each Board member shall, in exercising his/her functions as a Board member, act in the interests of the ACCIF and seek, in good faith, to ensure that the ACCIF acts in a manner which is in accordance with its aims and objectives (as set out in this constitution).
- 5.2. Subject to rule 5.6, the Board (and any Sub-Committees) shall comprise members of the ACCIF.

- 5.3. The Board shall have the power to appoint members of the Board, either to fill a vacancy between Annual General Meetings or as an addition to the existing members, subject to the maximum number of Board members set out in rule 5.1. Such co-opted Board members shall retire at the next Annual General Meeting but may seek re-election to the Board at that meeting.
- 5.4. Those members of the Board appointed by the Board and any other new Board appointees shall be re-elected or elected (as the case may be) by a simple majority of members present and voting at the next Annual General Meeting after joining the Board and the member so appointed will automatically retire from the Board at the Annual General Meeting three years following election. At the discretion of the Chairperson such automatic retirement may be postponed and the Board member may stand for re-election at the next Annual General Meeting to be reappointed for further three year appointments.
- 5.5. The Board may establish Sub-Committees, to be chaired by members of the Board to study and respond to issues relevant to members.
- 5.6. In order to maintain balance and diversity, the Board may invite other senior members of the business and financial community to be members of the Board (or any Sub-Committee thereof).
- 5.7. A Board member shall automatically cease to be a member of the Board if he or she:
 - (i) ceases to be a member of the ACCIF (except for members of the Board appointed in accordance with rule 5.6);
 - (ii) resigns by written notice to the Board;
 - (iii) receives notice signed by not less than three quarters of the other Board members stating that that person should cease to be a Board member (provided that the Board shall first invite and take into account the views of the Board member concerned);
 - (iv) has become physically or mentally incapable of acting as a member of the Board and is expected to continue to be so incapable for a period of more than six months (as evidenced by a written opinion addressed to the Board of a registered medical practitioner treating that person); or
 - (v) is absent (without permission of the Board) from more than three consecutive Board meetings.
- 5.8. The Board shall hold at least 3 meetings each year.
- 5.9. A Board member may, and the Secretary at the request of a Board member shall, call a Board meeting by giving notice of the meeting to each Board member.
- 5.10. The quorum for a Board meeting shall be 3 members (unless otherwise fixed by the Board). If at any time the number of Board members in office falls below the number fixed as the quorum, the remaining Board member(s) may act only for the purpose of filling vacancies or calling a General Meeting.
- 5.11. The Chairperson of the Board (appointed in accordance with rule 6) shall preside at every Board meeting at which he is present (and if he or she is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Board members present may appoint one of their number to be chairperson of the meeting).
- 5.12. A Board meeting may be held in person or through electronic means through which participants may communicate with all other participants.
- 5.13. Questions arising at a meeting shall be decided by a majority of votes. If an equality of votes arises, the chairperson of the Board meeting shall have a casting vote.

6. CHAIRPERSON

- 6.1. The Board shall propose a Chairperson who shall hold office for a maximum of two years. The Chairperson shall be elected by simple majority of members present and voting at the Annual General Meeting and shall automatically retire at the Annual General Meeting two years following election.
- 6.2. The Board may propose a Deputy Chairperson who shall hold office for one year. The Deputy Chairperson shall be elected by simple majority of members present and voting at the Annual General Meeting and shall automatically retire at the next Annual General Meeting.
- 6.3. The Deputy Chairperson will normally be proposed as Chairperson when that position becomes vacant.
- 6.4. The Chairperson will, *inter alia*, maintain and foster external contacts as the representative of the ACCIF, at senior levels in Government and relevant regulatory bodies, the civil service, political parties, the accountancy profession and industry generally.

7. SECRETARY AND TREASURER

- 7.1. The Board shall appoint a Secretary and Treasurer at its discretion. The Secretary will maintain the list of members, make arrangements for meetings and events, maintain the website, and conduct external correspondence with key contacts. The Secretary will also ensure that minutes are kept of all proceedings at General Meetings, Board meetings and meetings of any Sub-Committees of the Board. The Treasurer will collect any subscriptions and event attendance fees, pay expenses, maintain bank accounts and prepare accounts. The Secretary and Treasurer will be *ex-officio* members of the Board.
- 7.2. The accounts will be prepared in compliance with all applicable statutory requirements and (if required) independently reviewed or audited by an appropriate third party on an annual basis. The scope of the review/audit and the appointment of an independent body to undertake the review will be at the discretion of the Chairperson of the Board.

8. NOTICES

- 8.1. Any notice which is required to be given to a member of the ACCIF (or Board member) under this constitution shall be in writing. Such a notice may either be (i) given personally to the member; (ii) sent by e-mail to the member at the e-mail address last notified by him/her to the ACCIF; or (iii) sent by post in a pre-paid envelope addressed to the member at the address last notified by him/her to the ACCIF.

9. SUBSCRIPTION AND FINANCE

- 9.1. As an independent learned society, at the discretion of the Board, the ACCIF may be financed by subscriptions paid by members of the ACCIF. In that event, the subscription rate for each year shall be proposed by the Board and approved by a majority of the members present and voting at a General Meeting. Members must receive notice of the proposed subscription rate before such General Meeting.

- 9.2. Any accumulated funds of the ACCIF shall be used at the discretion of the Board in pursuance of its aims including the reimbursement of expenses incurred by members' companies and members individually in the administration of the Forum.
- 9.3. Members attending meetings may be asked to pay for costs of meeting including the food and drinks provided for them.

10. AMENDMENTS

- 10.1. This constitution may be amended at a General Meeting by a resolution passed by at least 75% of the members present and voting.

11. DISSOLUTION

- 11.1. If the Board determines that it is necessary or appropriate that the ACCIF be dissolved, it shall convene a General Meeting. Not less than 21 days' notice of the meeting (stating the terms of the proposed resolution) shall be given.
- 11.2. If a proposal by the Board to dissolve the ACCIF is confirmed by at least a 75% majority of those present and voting at the General Meeting convened under rule 11.1, the Board shall have the power to dispose of any assets held by or on behalf of the ACCIF. Any assets remaining after the satisfaction of any debts and liabilities of the ACCIF shall be applied to such charitable purposes as the Board may determine at its discretion.

This constitution was adopted on []

Signature	Name	Address	Position
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