

Constitution of the International Integrated Reporting Council

30 September 2015

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Vision

The IIRC's vision is to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

Mission

The IIRC's mission is to establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors.

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Introduction

The constitution of the International Integrated Reporting Council ('the IIRC' or 'the Organization') comprises three distinct, but related, component parts, as follows:

I. The Charter

The Charter governs the basis on - and the means by - which the Organization provides for the institutional embodiment of a shared, common interest in the widespread international adoption of Integrated Reporting <IR> expressed by a global coalition of parties whose representatives sit on the IIRC Council ('Council members'). The Charter includes provisions governing interactions with the operating company established for the purpose of coordinating and conducting related initiatives, activities and undertakings ('the Operating Company').

Revisions to the Charter require the approval of Council members.

II. The Articles of Association of the Operating Company

The articles of association govern the relationship between the members of the Operating Company (see below), as a private company limited by guarantee under English law.

Revisions to the articles of association require the approval of the Operating Company's members and, in some specific instances, also the approval of Council members.

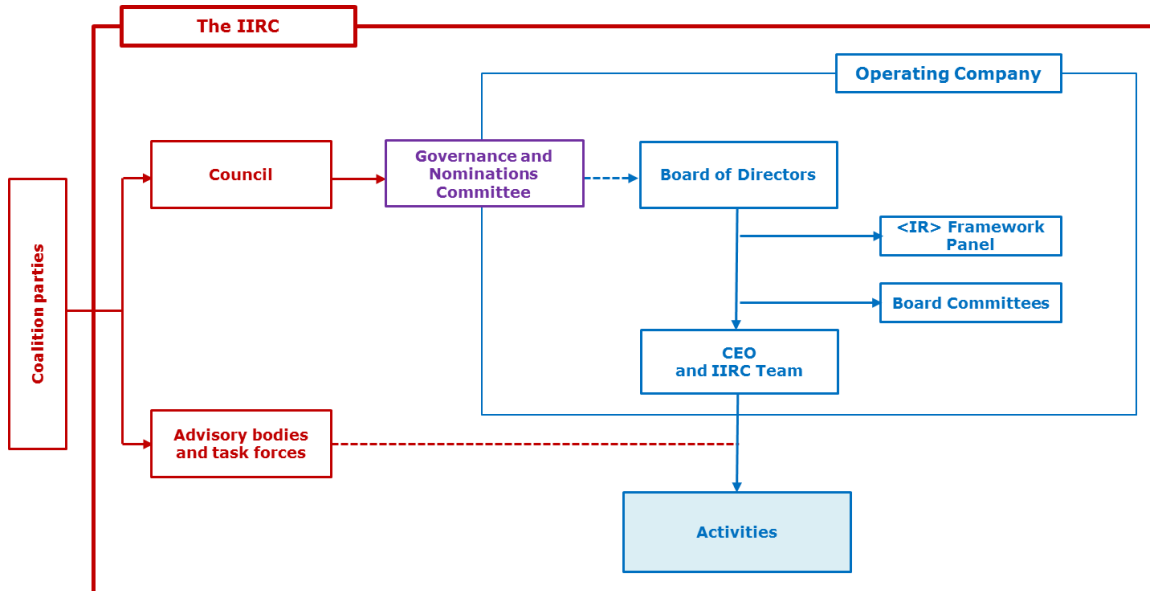
III. Annexes

The annexes include provisions governing the functioning of bodies established in accordance with the provisions of the Charter and/or the articles of association. They do not form part of the Charter or the articles, but are associated with both.

Reference to the constitution of the IIRC ('the Constitution') shall be deemed to include all three component parts, each of which is to be read and interpreted by reference to its context as a component part of the Constitution.

Constitution: Introduction

Structure of the IIRC



The Operating Company has been established to coordinate and conduct all initiatives, activities and undertakings of the IIRC. It provides the IIRC with the legal personality it otherwise lacks.

The members of the Governance and Nominations Committee are appointed by the Council. They serve - effectively as the Council's proxy and subject to the Council's direction if necessary - as members of the Operating Company. In that capacity, they enjoy such powers as are determined by law and the Operating Company's articles of association, including the power to appoint and remove the directors. They also advise the directors on governance issues.

The directors are responsible for the running of the Operating Company and its activities. They are subject to the general fiduciary duty to act in the company's interests and are required to account to the members of the Operating Company for their stewardship of it.

The directors may exercise all the powers of the company, subject to the law and the IIRC constitution, including the articles of association. This means they are responsible for any decision relating to the Operating Company, unless the law, the constitution or a previously passed special resolution of the members of the Operating Company states otherwise.

The directors appoint the Chief Executive Officer, who is responsible for the IIRC team.

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Constitution: Part I – The Charter

I. General provisions

1. Nature and objectives

- 1.1 The International Integrated Reporting Council ('the IIRC' or 'the Organization') embodies the shared, common interest of a global coalition of parties ('the coalition') in the adoption of Integrated Reporting <IR> on an international basis as a means to:
- a) Improve communication about value creation;
 - b) Advance the evolution of corporate reporting; and
 - c) Make a lasting contribution to financial stability and sustainable development.
- 1.2 The coalition comprises entities drawn from broad global communities, including business and other reporter entities; providers of financial capital; policy makers, regulators and exchanges; the accountancy profession; reporting framework developers and standard setters; civil society; and academia.
- 1.3 All initiatives, activities and undertakings of the Organization shall be coordinated and conducted through an operating company established for the purpose ('the Operating Company'), subject to the oversight of its directors (collectively 'the Board'), who shall have overall and final authority and responsibility for its affairs and governance, in accordance with law and the provisions of the Organization's constitution.

2. Purpose

- 2.1 The Organization shall serve as:
- a) The global authority and central lead and coordination (or 'umbrella') body on matters relating to Integrated Reporting <IR>;
 - b) The steward of the International Integrated Reporting Framework ('the Framework'); and
 - c) A global centre of excellence for more effective corporate reporting.

3. Principles

- 3.1 The Organization shall function as an independent, inclusive and market-led organization acting in the public interest.

4. Structure

- 4.1 In addition to the Operating Company, in which the legal rights, duties and responsibilities of the Organization shall be vested, there shall be within the Organization's structure:
- a) A Council ('the Council'), to serve as the primary forum for interaction with and between parties in the coalition and their exercise of influence over the Organization's ability to successfully deliver on its Organization's purpose and objectives;
 - b) A Governance and Nominations Committee ('the GAN Committee'), to monitor the Organization's governance arrangements and practices;
 - c) An International Integrated Reporting <IR> Framework Panel ('the <IR> Framework Panel'), to recommend the substantive content of any revision, modification or other update to the Framework to the Board for sign-off; and

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- d) A core team of dedicated management and staff ('the IIRC team'), established to provide a support and coordination function and secretariat in relation to the Organization's initiatives and activities, who shall be responsible to the Board.

5. Reporting

- 5.1 The Organization shall apply the fundamental concepts of Integrated Reporting <IR> and integrated thinking in its own activities and public reporting.
- 5.2 The Organization shall periodically produce an integrated report.

6. Vision and mission

- 6.1 The vision and mission of the Organization shall be as determined from time to time by the Board, acting in consultation with and with respect for the views of the Council.

7. Name

- 7.1 The name of the Organization shall be the International Integrated Reporting Council, or otherwise as determined by the Board, acting in consultation with and with respect for the views of the Council.

8. Duration

- 8.1 The Organization shall be of indefinite duration. Any decision to the contrary, including any decision to dissolve the Organization (other than by operation of law), or merge it with another entity, shall be taken by the Board, acting in consultation with and with respect for the views of the Council.

9. Legal form and domicile

- 9.1 The legal form and domicile of the Operating Company shall be that of a private company limited by guarantee registered in England and Wales, unless otherwise determined by the Board, acting in consultation with and with respect for the views of the Council.

10. Intellectual property

- 10.1 The Operating Company will maintain and develop a body of knowledge, tools and other intellectual property relating to Integrated Reporting <IR> in support of the Organization's purpose and objectives, including the Framework, any future revision, modification or other update thereto and related technical resources
- 10.2 The Operating Company shall be the custodian of the 'Integrated Reporting <IR>' brand, including related trademarks and logos, the integrity of which the Organization shall endeavour to protect and strengthen.
- 10.3 Any decision relating to transfer of intellectual property rights in the Framework, including as revised, modified or otherwise updated, or the 'Integrated Reporting <IR>' brand shall be made by the Board, acting in consultation with and with respect for the views of the Council.

11. Representative authority

- 11.1 Authority to make any commitment on behalf of the Organization and about its activities in an official, representative capacity is, unless otherwise agreed by the Board, reserved to the Chairman of the Board and the Chief Executive Officer (as hereafter defined) and those requested by them to act in such capacity.

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II. Council

12. Role

- 12.1 The Council shall be the primary institutional forum for expression of the coalition's broad market view and collective voice, as well as the medium for its interaction and provision of advice, guidance and input on issues of relevance for the Organization, including:
- a) Its nature, objectives, purpose, vision and mission;
 - b) Its strategy and the means by which to deliver it; and
 - c) The exercise by the members of the Operating Company of their powers in that capacity, in which respect the members of the Operating Company undertake to ensure that:
 - i) Any given ordinary resolution shall be passed by the members of the Operating Company if so directed by the Council acting with the prior approval of one half of all Council members (excluding any suspended Council members), rounded up to the nearest whole number; and
 - ii) No special resolution may be passed by the members of the Operating Company without the prior approval of two thirds of all Council members (excluding any suspended Council members), rounded up to the nearest whole number.
- 12.2 Entities represented on the Council shall be the primary, though not exclusive, source from which to draw the advice, guidance, expertise, experience, resources and support required for achievement of the Organization's purpose and objectives, including via participation (in each case at an appropriate level of seniority) in such advisory groups and task forces as may from time to time be established to focus on specific aspects of the Organization's initiatives and activities.
- 12.3 The Council shall be provided with periodic updates on the Organization's progress and performance.

13. Composition

- 13.1 The Council will comprise designated representatives at board, senior executive or comparable level (each a 'Council member') of entities that:
- a) Demonstrate a commitment to direct, active involvement in the ongoing development and adoption of Integrated Reporting <IR>, or furthering and advancing the cause thereof;
 - b) Are, to the extent reasonably practicable, reflective of the Organization's international scope and broad global communities; and
 - c) Evidence a willingness to be represented on the Council.
- 13.2 Representatives at board, senior executive or comparable level of other entities may be designated as official Council observers, in which capacity they may attend Council meetings and participate in Council deliberations, but shall take no part in the Council's formal decision-making process. In principle, official observer status on the Council will be accorded only to individuals who are precluded - whether by the statutes, policy considerations or other proscription of, or relating to, the entity they represent - from being a full member of the Council.
- 13.3 There shall be no prescribed limit to the number of Council members.

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13.4 Any given individual may represent more than one entity on the Council, either simultaneously or at different times.

13.5 No entity may designate more than one representative on the Council at any given time, it being understood that designated representatives may themselves be represented by alternates as provided herein.

14. Appointment

14.1 Council members and official Council observers will be appointed by the Board, acting in consultation with and with respect for the views of the GAN Committee.

15. Chairman of the Council

15.1 The Chairman of the Council shall be an individual acting in an independent, non-representative capacity appointed by Council members upon the recommendation of the GAN Committee, itself acting in consultation with the Board.

15.2 The Chairman of the Council will be appointed for one or more terms of office not exceeding three years and shall hold office at the Council's discretion, provided that: (a) no individual's continuous service as Chairman of the Council shall exceed a period of six years, whereafter a period of three years shall elapse before he/she shall become eligible for further appointment in such capacity; and (c) no individual's service in such capacity shall exceed an aggregate of six years in any given nine-year period.

15.3 The Council may, on the recommendation of the Chairman of the Council acting in consultation with the GAN Committee, appoint one or more of their number as Deputy Chairman of the Council. Any Deputy Chairman of the Council will be appointed for one or more terms of office not exceeding three years and shall hold office at the Council's discretion, provided that: (a) no individual's continuous service as Deputy Chairman of the Council shall exceed a period of six years, whereafter a period of three years shall elapse before he/she shall become eligible for further appointment in such capacity; and (b) no individual's service in such capacity shall exceed an aggregate of six years in any given nine-year period.

16. Term of office

16.1 Unless otherwise expressly provided herein, Council membership shall be of no predetermined duration and shall terminate in accordance with the provisions hereof, provided that the entity that each Council member represents will, periodically and at least once every three years, re-confirm the Council member in his/her role.

17. Conditions and responsibilities of membership

17.1 Each Council member's appointment to and ongoing membership of the Council are subject to the entity by which he/she represents:

a) Respecting the provisions of the Charter; and

b) According to its capacity to do so, making a meaningful financial or other in-kind contribution to support delivery of the IIRC's purpose and objectives, the nature and level of any such contribution to be determined by reference to guidance determined by the Board, acting in consultation with and with respect for the views of the GAN Committee.

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17.2 Individual Council members will:

- a) Endeavour to participate in all Council meetings and contribute fully, frankly and constructively to its deliberations;
- b) Exercise independence of judgment, acting legally and in good faith to promote and protect the interests of the Organization, to the exclusion of their own personal and/or any third party interests;
- c) Use information received in their capacity as a Council member with due discretion and solely to the ends for which it was provided;
- d) Comply with any reasonable request for input and information, including submission of an annual declaration of material interests if deemed appropriate by the Board, acting in consultation with and with respect for the views of the GAN Committee; and
- e) Cause any alternate (as relevant) to respect these conditions.

18. Suspension and termination

18.1 The Chairman of the Council, acting in consultation with the Board, may suspend the membership of any Council member to the extent the entity he/she represents, or he/she as an individual, have failed to meet the conditions and responsibilities of Council membership. Any suspended Council member shall be excluded from Council proceedings until the situation giving rise to the suspension is rectified.

18.2 Council membership shall cease for any individual if:

- a) He/she notifies the IIRC of his/her intention to step down from the role;
- b) The entity that he/she was appointed to represent notifies the IIRC that he/she has ceased to be its designated representative; or
- c) The Chairman of the Council, acting in consultation with the Board, notifies him/her that he/she is not functioning effectively as a Council member and the Chairman of the Council is satisfied that reasonable efforts to rectify the situation have proved unsuccessful.

18.3 Any entity whose designated representative ceases for any reason to be a Council member may nominate a replacement for appointment, subject to due process as provided herein.

19. Council proceedings

19.1 The Council shall ordinarily meet at least twice a year.

19.2 The Board shall, in consultation with and with respect for the views of the Council, determine provisions governing Council proceedings, which may be annexed to this Charter, but shall not form part of it.

20. Payments to Council members

20.1 Council members shall not receive any financial or other benefit from the Organization for serving in such capacity.

20.2 Other than the Chairman of the Council, whose reasonable expenses when acting in such capacity will be borne by the Organization, Council members will bear all costs associated with serving in such capacity, unless otherwise agreed by the Board.

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III. Governance and Nominations Committee

21. Role

21.1 The GAN Committee will:

- a) Monitor - and advise the Board on - the standards and effectiveness of the Organization's governance arrangements, including risk management, accounting practices and audit requirements;
- b) Identify and nominate suitable prospective candidates for appointment as (i) Chairman of the Council; and (ii) directors; and
- c) Provide input to the Board on a consultative basis as otherwise required.

22. Composition

22.1 The GAN Committee will comprise:

- a) A Chairman; and
- b) One member drawn from:
 - i) Each of the following communities:
 - Business and other reporter entities;
 - Providers of financial capital;
 - Policy makers, regulators and exchanges;
 - The accountancy profession;
 - Civil society;
 - Academia; and
 - ii) Each of such other communities as may from time to time be designated by the Board, acting in consultation with and with respect for the views of the Council.

22.2 GAN Committee members will be individuals:

- a) At board, senior executive or comparable level drawn in principle from bodies of global influence relevant to the Organization's activities; and
- b) Drawn primarily, though not necessarily exclusively, from the Council's number. They shall, to the extent reasonably practicable, collectively reflect appropriate geographical, gender and diversity balance.

22.3 The Chairman of the Council, any Deputy Chairman of the Council and directors of the Operating Company are, while in office in such capacity, ineligible for appointment to the GAN Committee.

23. Appointment

23.1 GAN Committee members will be appointed by the Council on the Chairman of the Council's recommendation.

24. GAN Committee Chairman

24.1 The Council will designate the chairman of the GAN Committee ('the GAN Committee Chairman').

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25. Term of office

- 25.1 Individual GAN Committee members will be appointed for terms of office not exceeding three years, the length of any individual GAN Committee member's term of office to be determined by the Council upon his/her appointment. GAN Committee members' terms of office shall be staggered, such that the term of office of approximately one third of the GAN Committee members shall conclude each year.
- 25.2 GAN Committee members shall be eligible for re-appointment upon conclusion of any term of office, provided that: (a) no individual's continuous service as a GAN Committee member shall exceed a period of six years, whereafter a period of three years shall elapse before he/she shall become eligible for further appointment in such capacity; and (b) no individual's service in such capacity shall exceed an aggregate of six years in any given nine-year period.

26. Responsibilities of membership

- 26.1 Individual GAN Committee members will:
- a) Endeavour to participate in all GAN Committee meetings and contribute fully, frankly and constructively to its deliberations;
 - b) Exercise independence of judgment, acting legally and in good faith to promote and protect the interests of the Organization, to the exclusion of their own personal and/or any third party interests;
 - c) Use information received in their capacity as a GAN Committee member with due discretion and solely to the ends for which it was provided; and
 - d) Comply with any reasonable request for input and information, including submission of an annual declaration of material interests if deemed appropriate by the Board, acting in consultation with and with respect for the views of the GAN Committee.
- 26.2 Each GAN Committee member shall, forthwith upon his/her appointment, become a registered member of the Operating Company, such membership to terminate forthwith upon his/her ceasing to be a GAN Committee member for any reason.

27. Termination

- 27.1 GAN Committee membership shall cease for any individual if:
- a) His/her appointment as a GAN Committee member comes to an end and is not renewed;
 - b) He/she notifies the IIRC of his/her intention to step down from the role; or
 - c) The GAN Committee Chairman, acting in consultation with the Chairman of the Council, notifies him/her that he/she is not functioning effectively as a GAN Committee member and the GAN Committee Chairman is satisfied that reasonable efforts to rectify the situation have proved unsuccessful.
- 27.2 The Chairman of the Council will appoint a replacement for any individual whose GAN Committee membership for any reason ceases mid-term, such appointment to be:
- a) Made from the same community as the GAN Committee member being replaced;

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- b) Conform to the criteria for appointment as a GAN Committee member provided herein; and
 - c) Subject to ratification by the Council at its next meeting.
- 27.3 To the extent any individual's GAN Committee membership ceases mid-term, his/her replacement shall serve out the balance of his/her term of office and shall be eligible for re-appointment upon conclusion of such term of office in accordance with the provisions hereof. The balance so served of the term of his/her predecessor shall be included in any calculation of such replacement's term of office for the purposes hereof.
- 28. GAN Committee proceedings**
- 28.1 The GAN Committee shall ordinarily meet at least twice a year.
- 28.2 The Board shall, in consultation with and with respect for the views of the GAN Committee, determine provisions governing GAN Committee proceedings, which may be annexed to this Charter, but shall not form part of it.
- 29. Payments to GAN Committee members**
- 29.1 GAN Committee members shall not receive any financial or other benefit from the Organization for serving in such capacity.
- 29.2 GAN Committee members will in principle bear all costs associated with serving in such capacity, provided that the Board may make provision on a case-by-case basis for reimbursement of GAN Committee members' reasonable expenses when serving in such capacity.

IV. Board of Directors

30. Role

- 30.1 The Board shall have final accountability, responsibility and related fiduciary duties as prescribed by law, by the Operating Company's articles of association, by this Charter and by good practice for the direction, oversight and control of the Organization's affairs, including initiatives and activities undertaken in support of its purpose and objectives, and interaction with its broad global communities and other third parties.

31. Composition

- 31.1 The Board will comprise:
 - a) Between six and nine independent directors, appointed in their individual capacity and not as a representative, nominee, or delegate of any specific entity or community; and
 - b) The Chief Executive Officer *ex officio*.
- 31.2 The number of independent directors required on the Board may be varied by decision of the Board, acting in consultation with and with respect for the views of the GAN Committee.
- 31.3 Directors will, to the extent reasonably practicable as determined by the GAN Committee:
 - a) Individually: (i) be highly respected individuals of appropriate calibre, international stature, recognition and profile; and (ii) with the exception of the Chief Executive Officer, serve in a non-executive capacity; and
 - b) Collectively: (i) evidence a suitable mix of appropriate professional

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backgrounds (including relevant professional disciplines) and experience relevant to Integrated Reporting <IR> and reflective of the Organization's broad global communities, and, specifically, business and other reporter entities and providers of financial capital; (ii) offer a geographically balanced and representative international perspective; and (iii) reflect appropriate gender and diversity balance.

31.4 The Chairman of the Council, Council members and GAN Committee members are, while in office in such capacity, ineligible for appointment to the Board.

31.5 For the purposes hereof, 'independent' in relation to any individual will mean free from any material interest or relationship, pecuniary or otherwise, in or with the IIRC or any other body that would, might or might be perceived to affect the independent exercise of the individual's judgment in the capacity of IIRC director, or otherwise compromise such individual's ability to function effectively in an independent capacity, it being understood that determination of any given individual's independence for the purposes hereof shall be at the ultimate discretion of the GAN Committee.

32. Appointment

32.1 Directors will be appointed in accordance with the Operating Company's articles of association upon the nomination of the GAN Committee.

32.2 The GAN Committee shall determine the process by which it identifies suitable nominees for appointment to the Board, which may at its discretion include public solicitation of nominations and a request to Council members for their input.

33. Chairman of the Board

33.1 The directors will appoint a chairman from among their number ('the Chairman of the Board').

33.2 The directors may appoint one or more of their number as Deputy Chairman of the Board, which position shall include the role of senior independent director.

33.3 The Chief Executive Officer is, while in office in such capacity, ineligible for appointment either as Chairman of the Board, or Deputy Chairman of the Board.

34. Term of office

34.1 Individual directors will be appointed for terms of office not exceeding three years, the length of any individual director's term of office to be determined upon his/her appointment by reference to a recommendation of the GAN Committee. Directors' terms of office shall be staggered, such that the term of office of approximately one third of the directors shall conclude each year.

34.2 Directors shall be eligible for re-appointment upon conclusion of any term of office, provided that: (a) no individual's continuous service as a director shall exceed a period of six years, whereafter a period of three years shall elapse before he/she shall become eligible for further appointment in such capacity; and (b) no individual's service in such capacity shall exceed an aggregate of six years in any given nine-year period.

35. Code of conduct and material interests

35.1 The Board, acting in consultation with and with respect for the views of the GAN Committee, will establish a code of conduct, conflict of interest policy and register of interests for directors.

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36. Directors' responsibilities

36.1 Individual directors will:

- a) Endeavour to participate in all Board meetings and contribute fully, frankly and constructively to its deliberations;
- b) Exercise independence of judgment, acting legally and in good faith to promote and protect the interests of the Organization, to the exclusion of their own personal and/or any third party interests;
- c) Comply with a code of conduct and such policies, including a conflict of interest policy, as are applicable to them;
- d) Use information received in their capacity as a director with due discretion and solely to the ends for which it was provided;
- e) Comply with any reasonable request for input and information; and
- f) Submit an annual declaration of material interests.

37. Review, evaluation and affirmation

37.1 All directors shall periodically be subject to a process of performance review and evaluation as determined by the Chairman of the Board, acting in consultation with and with respect for the views of the GAN Committee.

37.2 All directors will provide an annual affirmation of their readiness, willingness and capacity to continue in office.

38. Termination

38.1 Any director's appointment shall cease if:

- a) His/her term of office comes to an end and he/she is not re-appointed;
- b) He/she notifies the IIRC of his/her intention to step down from the role;
- c) The Chairman of the Board (or, in circumstances where the Chairman of the Board's appointment is at issue, the GAN Committee Chairman), acting in consultation as appropriate with other directors and the GAN Committee, notifies him/her that he/she is not functioning effectively as a director and the Chairman of the Board (or the GAN Committee Chairman as the case may be) is satisfied that reasonable efforts to rectify the situation have proved unsuccessful; or
- d) Otherwise terminated by operation of law, or in accordance with the Operating Company's articles of association.

38.2 The Chairman of the Board may, to the extent the number of directors would otherwise fall below the minimum level prescribed hereunder, co-opt a temporary replacement for any director whose appointment for any reason ceases mid-term. Any temporary replacement shall serve as a director until such time as the process for appointment of a permanent replacement is duly completed.

38.3 To the extent any director's appointment ceases mid-term and a permanent replacement is appointed, such permanent replacement shall serve out the balance of his/her term of office and shall be eligible for re-appointment upon conclusion of such term of office in accordance with the provisions hereof. The balance so served of the term of his/her predecessor shall be included in any calculation of such replacement's term of office for the purposes hereof.

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39. Board proceedings

- 39.1 The Board shall determine provisions governing Board proceedings, which may be annexed to this Charter, but shall not form part of it.

40. Board committees

- 40.1 The Board may appoint committees to support it in the discharge of its duties, obligations and responsibilities.
- 40.2 The Board will establish terms of reference for each such committee that set forth, all as the Board deems relevant and appropriate, its purpose, duties, powers, authority, anticipated outputs and outcomes, accountability, composition, appointment process, lifetime and operating procedures.

41. Payments to directors

- 41.1 The Board may make provision for:
- a) Payment of a stipend to independent directors, the quantum of any such stipend to be determined by the Chairman of the Board, acting in consultation with and with respect for the views of the GAN Committee; and
 - b) Reimbursement of directors' reasonable expenses when serving in such capacity.

V. <IR> Framework Panel

42. Role

- 42.1 The <IR> Framework Panel will:
- a) Recommend for Board sign-off any revision, modification or other update to the Framework, including draft versions thereof for public consultation; and
 - b) Provide input as requested on other guidance material relating to Integrated Reporting <IR> and integrated thinking that is developed under the auspices of, coordinated through, or issued by the IIRC.
- 42.2 The name of the <IR> Framework Panel may be revised by decision of the Board.

43. Composition

- 43.1 The <IR> Framework Panel will comprise a number of individuals to be determined by the Board who will, to the extent reasonably practicable as determined by the Board:
- a) Individually: (i) be of appropriate calibre, demonstrating a strong level of technical experience and expertise relevant to the development of the Framework and related technical resources; and (ii) demonstrate a sound appreciation of the Organization's purpose and objectives as the context in which such technical resources are developed; and
 - b) Collectively: (i) evidence a suitable mix of appropriate professional backgrounds (including relevant professional disciplines) and experience reflective of the Organization's broad global communities; (ii) offer a geographically balanced and representative international perspective; and (iii) reflect appropriate gender and diversity balance.

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44. Appointment

- 44.1 The Board will appoint the members of the <IR> Framework Panel and designate its Chairman.
- 44.2 The Board shall determine the process by which it identifies suitable nominees for appointment to the <IR> Framework Panel, which may at its discretion include public solicitation of nominations and a request to Council members for their input.

45. Qualified autonomy

- 45.1 The <IR> Framework Panel will operate autonomously under authority delegated to it by the Board.
- 45.2 The Board shall retain ultimate authority and responsibility for the Framework, which it will exercise by:
- a) Determining: (i) the remit and terms of reference for the <IR> Framework Panel in the context of the overarching purpose and objectives of the Organization; (ii) due process to be observed in the development of any revision, modification or other update to the Framework, which shall include provision for consultation with the Council and the Organization's broad global communities; and (iii) due process for development of other technical resources relating to Integrated Reporting <IR>;
 - b) Reviewing the <IR> Framework Panel's schedule of activity and related work plans and ensuring that its activities are adequately resourced;
 - c) Monitoring the <IR> Framework Panel's operations to satisfy itself that the <IR> Framework Panel operates within the parameters of its remit, adheres to its terms of reference and observes due process;
 - d) Taking such steps as it deems appropriate, including replacement of some or all of the <IR> Framework Panel members, to rectify any perceived shortcomings in the effective functioning of the <IR> Framework Panel; and
 - e) Approving any revision, modification or other update to the Framework on the recommendation of the <IR> Framework Panel, it being understood that the Board shall refer back to the <IR> Framework Panel for further consideration and re-submission any substantive amendments that it believes are required or advisable.

VI. Chief Executive Officer, management and staff

46. Chief Executive Officer

- 46.1 The Board will appoint a Chief Executive Officer with responsibility for the development and implementation of the Organization's strategy, operational issues and activities on such terms and conditions as the Board shall determine.
- 46.2 The Chief Executive Officer will be subject to the oversight of the Board, to which he/she shall be accountable through the Chairman of the Board.

47. Management and staff

- 47.1 The Chief Executive Officer will develop, lead and be responsible for the performance of the IIRC team, which will:
- a) Ensure the planning, coordination and execution of initiatives and

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activities undertaken in support of the IIRC’s purpose and objectives, including interaction with its broad global communities and other third parties; and

- b) Support processes relating to appointments to and proceedings of: (i) the Council; (ii) the GAN Committee; (iii) the Board and any committees it may establish; (iv) the <IR> Framework Panel; and (v) such other advisory groups and task forces as may from time to time be established to focus on specific aspects of the Organization’s initiatives and activities.

VII. Advisory groups and task forces

48. Purpose

- 48.1 The IIRC team will, as deemed appropriate in furtherance of the Organization’s purpose and objectives, from time to time establish advisory groups and task forces, from which to draw advice, guidance, expertise, experience, resources and support in relation to specific aspects of the Organization’s initiatives and activities.

49. Appointments

- 49.1 The IIRC team will appoint members of advisory groups and task forces.

50. Terms of reference

- 50.1 The IIRC team will establish terms of reference for each advisory group or task force that set forth, all as the IIRC team deems relevant and appropriate, its purpose, duties, powers, authority, anticipated outputs and outcomes, accountability, composition, appointment process, lifetime and operating procedures.

51. Oversight

- 51.1 The IIRC team will monitor the activities of each advisory group and task force on an ongoing basis.

VIII. Funding

52. Funding sources

- 52.1 The Board is responsible for the financial standing and affairs of the Organization, which shall derive its funding from a diverse range of sources as determined by the Board, including, but not limited to, cash and in kind contributions from supporter entities, including those represented on the Council.
- 52.2 The Organization’s funding shall be such that:
 - a) It is not dependent on any single entity, or any given community, for its funding; and
 - b) No entity can make its financial support contingent on any conditions that would unduly influence or compromise the Organization’s independence.
- 52.3 The foregoing does not preclude the possibility of linking funding received to specific initiatives or activities undertaken in furtherance of the Organization’s purpose and objectives.

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53. Transparency

- 53.1 The Board shall ensure transparency relating to the sources, levels and application made of the Organization's funding.

IX. Effective date, severance and revisions

54. Effective date

- 54.1 This Charter, or any specific provision thereof and any revision thereto, shall come into effect on such date as shall be agreed by the Board in consultation with and with respect for the views of the Council.

55. Severance

- 55.1 If any provision of this Charter is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Charter, which shall remain in full force and effect.

56. Revisions to the Charter

- 56.1 The Board will periodically review and re-evaluate the Organization's institutional arrangements and related requirements for revisions to the Charter, notably to the extent Integrated Reporting <IR> achieves widely recognized status as a reporting norm, with any concomitant perceived requirement for greater oversight by public interest bodies.
- 56.2 The Board, acting in consultation with and with respect for the views of the Council, shall establish criteria for determining that status as a reporting norm has been achieved.
- 56.3 Unless otherwise specified herein, revisions to this Charter require the approval of at least two thirds of all Council members (excluding any suspended Council members), rounded up to the nearest whole number, acting upon a recommendation of the Board.
- 56.4 No resolution for any amendment or revision to the provisions of the following articles of association of the Operating Company may be proposed without the prior approval of two thirds of all Council members (excluding any suspended Council members), rounded up to the nearest whole number, acting upon a recommendation of the Board: article 16.2; article 46.1; and article 47.1.
- 56.5 Any Council member's approval to any revision envisaged hereunder shall be valid if given either at a Council meeting (whether in person, by an alternate or via proxy), or in writing, including by e-mail.

57. Governing law and jurisdiction

- 57.1 This Charter is governed by the law of England and Wales, and any related proceedings are subject to the exclusive jurisdiction of the courts of England and Wales.
- 57.2 Endeavours shall be made to resolve any dispute relating to the interpretation of this Charter through negotiation and constructive discussion, failing which it shall be submitted for arbitration to the London Court of International Arbitration.

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Constitution: Part I – The Charter

X. Definitions

The following definitions are provided on an indicative basis for ease of reference. They do not form part of the Charter and may be revised as required and appropriate by the IIRC team under public notice to such effect.

<i>cause-driven</i>	Energies and resources focused on the cause of advancing adoption of Integrated Reporting <IR>.
<i>in person</i>	Physically present at a meeting, or participating via audio link, teleconference or comparable means.
<i>Integrated Reporting <IR></i>	A process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation.
<i>integrated thinking</i>	The active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term.
<i>International Integrated Reporting Framework</i>	The International Integrated Reporting Framework, first released in December 2013.
<i>market-led</i>	An approach based on the requirements of, reporting entities and providers of financial capital and other users of information generated through Integrated Reporting <IR>.

International Integrated Reporting Council

Constitution: Part II – Articles of Association of the Operating Company

Company Number: 07746254

The Companies Act 2006

Private Company Limited by Guarantee

Articles of Association

International Integrated Reporting Council

Incorporated on 19 August 2011

I. Interpretation and limitation of liability

1. Defined terms

1.1 In the articles, unless the context requires otherwise:

“Annexes” means Part III of the constitution of the International Integrated Reporting Council, of which these articles form Part II;

“appointer” has the meaning given in article 35;

“articles” means the company’s articles of association;

“bankruptcy” includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

“chairman” has the meaning given in article 12;

“chairman of the meeting” has the meaning given in article 28;

“Charter” means Part I of the constitution of the International Integrated Reporting Council, of which these articles form Part II;

“Companies Acts” means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;

“director” means a director of the company, and includes any person occupying the position of director, by whatever name called;

“document” includes, unless otherwise specified, any document sent or supplied in electronic form;

“electronic form” has the meaning given in section 1168 of the Companies Act 2006;

“member” has the meaning given in section 112 of the Companies Act 2006;

Constitution: Part II – Articles of Association of the Operating Company

“ordinary resolution” has the meaning given in section 282 of the Companies Act 2006;

“participate”, in relation to a directors’ meeting, has the meaning given in article 10;

“proxy notice” has the meaning given in article 35;

“secretary” means the secretary of the company, if any, appointed in accordance with article 17 or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary;

“special resolution” has the meaning given in section 283 of the Companies Act 2006;

“subsidiary” has the meaning given in section 1159 of the Companies Act 2006;

“working day” means a day that is not a Saturday or Sunday, Christmas Day, Good Friday or any day that is a bank holiday under the Banking and Financial Dealings Act 1971 in the part of the United Kingdom where the company is registered; and

“writing” means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Unless the context otherwise requires, other words or expressions contained in the articles bear the same meaning as in the Companies Act 2006 as in force on the date when the articles become binding on the company.
- 1.3 In the articles, any reference to a provision of the Companies Act 2006 shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- 1.4 The headings used in the articles are included for the sake of convenience only and shall be ignored in construing the language or meaning of the articles.
- 1.5 In the articles, unless the context otherwise requires, references to nouns in the plural form shall be deemed to include the singular and vice versa.

2. Liability of members

- 2.1 The liability of each member is limited to £1 (one pound sterling), being the amount that each member undertakes to contribute to the assets of the company in the event of its being wound up while he/she is a member or within one year after he/she ceases to be a member, for:
 - a) Payment of the company’s debts and liabilities contracted before he/she ceases to be a member;
 - b) Payment of the costs, charges and expenses of winding up; and
 - c) Adjustment of the rights of the contributories among themselves.

II. Directors’ powers and responsibilities

3. Directors’ general authority

- 3.1 Subject to the articles, the directors are responsible for the management of the company’s business, for which purpose they may exercise all the powers of the company.

International Integrated Reporting Council

Constitution: Part II – Articles of Association of the Operating Company

4. Members' reserve power

4.1 The members:

- a) May, with the prior approval of two thirds of the Council (as defined in the Charter), rounded up to the nearest whole number; and
- b) Will, if so directed by a motion passed with the approval of two thirds of the Council (as defined in the Charter), rounded up to the nearest whole number,

by special resolution, direct the directors to take, or refrain from taking, specified action.

4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

5. Directors may delegate

5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- a) To such person or committee,
- b) By such means (including by power of attorney),
- c) To such an extent,
- d) In relation to such matters or territories, and
- e) On such terms and conditions,

as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6. Committees

6.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.

6.2 The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

III. Decision-making by directors

7. Directors to take decisions collectively

7.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

7.2 If:

- a) The company only has one director, and
- b) No provision of the articles requires it to have more than one director,

Constitution: Part II – Articles of Association of the Operating Company

the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

8. Unanimous decisions

- 8.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.
- 8.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it or to which each eligible director has otherwise indicated agreement in writing.
- 8.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.
- 8.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

9. Calling a directors' meeting

- 9.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.
- 9.2 Notice of a directors' meeting must be given to each director, but need not be in writing.
- 9.3 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

10. Participation in directors' meetings

- 10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
- a) The meeting has been called and takes place in accordance with the articles; and
 - b) They can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

11. Quorum for directors' meetings

- 11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- 11.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

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- a) To appoint further directors; or
- b) To call a general meeting so as to enable the members to appoint further directors.

12. Chairing of directors' meetings

- 12.1 The directors may appoint a director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the chairman.
- 12.3 The directors may terminate the chairman's appointment at any time.
- 12.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

13. Casting vote

- 13.1 If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- 13.2 The provisions of article 13.1 do not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14. Conflicts of interest

- 14.1 Subject to the provisions of article 14.2, notwithstanding the fact that a proposed decision of the directors concerns or relates to any matter in which a director has, or may have, directly or indirectly, any kind of interest whatsoever, that director may participate in the decision-making process for both quorum and voting purposes.
- 14.2 If the directors propose to exercise their power under section 175(4)(b) of the Companies Act 2006 to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.
- 14.3 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he/she has declared to the directors the nature and extent of any direct or indirect interest of his/hers, a director, notwithstanding his/her office:
 - a) May be a party to or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
 - b) May be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the company or body corporate in which the company is interested; and
 - c) Is not accountable to the company for any remuneration or other benefits which he/she derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

15. Records of decisions to be kept

- 15.1 The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

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16. Directors' discretion to make further rules

- 16.1 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.
- 16.2 For the purposes of the articles, provisions (as revised from time to time) contained in the Charter and the Annexes relating to the exercise of directors' powers, authority and decision-making, including requirements to consult with other individuals or bodies, shall constitute "rules" as defined herein.

17. Appointment of a secretary

- 17.1 The directors may appoint a secretary to the company for such period, for such remuneration and upon such conditions as they think fit. Any secretary so appointed by the directors may be removed by them.

IV. Appointment of directors

18. Methods of appointing directors

- 18.1 Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:
- a) By ordinary resolution; or
 - b) By a decision of the directors.
- 18.2 In any case where, as a result of death, the company has no members and no directors, the personal representatives of the last member to have died have the right, by notice in writing, to appoint a person to be a director.
- 18.3 For the purposes of article 18.2, where two or more members die in circumstances rendering it uncertain who was the last to die, a younger member is deemed to have survived an older member.

19. Termination of director's appointment

- 19.1 A person ceases to be a director as soon as:
- a) That person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
 - b) A bankruptcy order is made against that person;
 - c) A composition is made with that person's creditors generally in satisfaction of that person's debts;
 - d) That person is, or may be suffering from mental disorder and either:
 - i) He/she is admitted to hospital in pursuance of an application for admission for treatment under mental health legislation for the time being in force in any part of the United Kingdom; or
 - ii) An order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or which wholly or partly prevents that person from personally exercising any powers or rights which that person otherwise would have; or
 - e) That person has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and the directors make a decision to vacate that person's office; or

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- f) The members by ordinary resolution remove that person before the expiration of his/her period of office.

20. Directors' remuneration

- 20.1 Directors may undertake any services for the company that the directors decide.
- 20.2 Directors are entitled to such remuneration as the directors determine:
 - a) For their services to the company as directors; and
 - b) For any other service which they undertake for the company.
- 20.3 Subject to the articles, a director's remuneration may:
 - a) Take any form; and
 - b) Include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- 20.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

21. Directors' expenses

- 21.1 The company may pay any reasonable expenses which any director properly incurs in connection with his/her attendance at:
 - a) Meetings of directors or committees of directors;
 - b) General meetings; or
 - c) Separate meetings of the holders of debentures of the company; or
 - d) Otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

22. Alternate directors

- 22.1 Directors who are unable to participate in meetings of directors in person may not be represented by an alternate or by proxy.

V. Becoming and ceasing to be a member

23. Applications for membership

- 23.1 No person shall become a member of the company unless:
 - a) That person has completed an application for membership in a form approved by the directors; and
 - b) The directors have approved the application.

24. Termination of membership

- 24.1 A member may withdraw from membership of the company by giving notice to the company in writing; and upon receipt by the company of such notice, that member's membership is terminated immediately.
- 24.2 Membership is not transferable.
- 24.3 A person's membership terminates when that person dies or ceases to exist.

VI. Organization of general meetings

25. Notice of general meetings

- 25.1 Every notice convening a general meeting of the company must comply with the provisions of:
- a) Section 311 of the Companies Act 2006 as to the provision of information regarding the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting; and
 - b) Section 325(1) of the Companies Act 2006 as to the giving of information to members regarding their right to appoint proxies.
- 25.2 Every notice of, or other communication relating to, any general meeting which any member is entitled to receive must be sent to each of the directors and to the auditors (if any) for the time being of the company.

26. Attendance and speaking at general meetings

- 26.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 26.2 A person is able to exercise the right to vote at a general meeting when:
- a) That person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - b) That person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 26.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 26.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 26.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

27. Quorum for general meetings

- 27.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.
- 27.2 If and for so long as the company has one member only, one member entitled to vote on the business to be transacted, who is present at a general meeting in person or by proxy or, in the event that the member is a corporation, by corporate representative, is a quorum.
- 27.3 If and for so long as the company has two or more members, two members, each of whom is entitled to vote on the business to be transacted and is present at a general meeting in person or by proxy or, in the event that any member present is a corporation, by corporate representative, are a quorum.

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28. Chairing general meetings

- 28.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 28.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:
- a) The directors present, or
 - b) If no directors are present, the meeting,
- must appoint a director or member to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.
- 28.3 The person chairing a meeting in accordance with this article is referred to as “the chairman of the meeting”.

29. Attendance and speaking by directors and non-members

- 29.1 Directors may attend and speak at general meetings, whether or not they are members.
- 29.2 The chairman of the meeting may permit other persons who are not members of the company to attend and speak at a general meeting.

30. Adjournment

- 30.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.
- 30.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:
- a) The meeting consents to an adjournment; or
 - b) It appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.
- 30.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.
- 30.4 When adjourning a general meeting, the chairman of the meeting must:
- a) Either specify the time and place to which it is adjourned, or state that it is to continue at a time and place to be fixed by the directors; and
 - b) Have regard to any directions as to the time and place of any adjournment which have been given by the meeting.
- 30.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days’ notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):
- a) To the same persons to whom notice of the company’s general meetings is required to be given; and
 - b) Containing the same information which such notice is required to contain.

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- 30.6 If, at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved.
- 30.7 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VII. Voting at general meetings

31. Voting: General

- 31.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the articles.
- 31.2 On a vote on a resolution at a general meeting on a show of hands or on a poll, every member present in person, by proxy or (being a corporation) by corporate representative has one vote.

32. Written resolutions

- 32.1 Subject to article 32.2, a written resolution of members passed in accordance with Part 13 of the Companies Act 2006 is as valid and effectual as a resolution passed at a general meeting of the company.
- 32.2 The following may not be passed as a written resolution and may only be passed at a general meeting:
- a) A resolution under section 168 of the Companies Act 2006 for the removal of a director before the expiration of his/her period of office; and
 - b) A resolution under section 510 of the Companies Act 2006 for the removal of an auditor before the expiration of his/her period of office.
- 32.3 On a written resolution, every member has one vote.

33. Errors and disputes

- 33.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 33.2 Any such objection must be referred to the chairman of the meeting whose decision is final.

34. Poll votes

- 34.1 A poll on a resolution may be demanded:
- a) In advance of the general meeting where it is to be put to the vote; or
 - b) At a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.
- 34.2 A poll may be demanded by:
- a) The chairman of the meeting;
 - b) The directors;
 - c) Two or more persons having the right to vote on the resolution; or

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d) A person or persons representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution.

34.3 A demand for a poll may be withdrawn if:

- a) The poll has not yet been taken; and
- b) The chairman of the meeting consents to the withdrawal.

34.4 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman directs.

35. Content of proxy notices

35.1 Subject to the provisions of these articles, any person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting (the "appointer") may appoint a proxy to represent him/her at any general meeting.

35.2 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

- a) States the name and address of the member appointing the proxy;
- b) Identifies the person appointed to be that member's proxy and the general meeting in relation to which that person is appointed;
- c) Is signed by or on behalf of the member appointing the proxy, or is authenticated in such manner as the directors may determine; and
- d) Is received at an address specified by the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote; and any proxy notice received at such address less than 48 hours before the time for holding the meeting or adjourned meeting shall be invalid.

35.3 The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

35.4 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

35.5 Unless a proxy notice indicates otherwise, it must be treated as:

- a) Allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- b) Appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

36. Delivery of proxy notices

36.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.

36.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

36.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

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36.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

37. Amendments to resolutions

37.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- a) Notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
- b) The proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

37.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

- a) The chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
- b) The amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

37.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

VIII. Administrative arrangements

38. Means of communication to be used

38.1 Subject to the articles, anything sent or supplied by or to the company under the articles may be sent or supplied in any way in which the Companies Act 2006 provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the company, including sending or supplying any document or information to any person by making it available on a website.

38.2 Subject to the articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

38.3 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

38.4 A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be sent to him/her or an address to which notices may be sent by electronic means is entitled to have notices sent to him/her at that address, but otherwise no such member is entitled to receive any notices from the company.

38.5 If the company sends or supplies notices or other documents by first class post and the company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting.

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- 38.6 If the company sends or supplies notices or other documents by electronic means and the company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.
- 38.7 If the company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website.
- 38.8 For the purposes of this article 38, no account shall be taken of any part of a day that is not a working day.

39. Company seals

- 39.1 Any common seal of the company may only be used by the authority of the directors or any committee of directors.
- 39.2 The directors may decide by what means and in what form any common seal is to be used.
- 39.3 Unless otherwise decided by the directors, if the company has a common seal and it is affixed to a document, the document must also be signed by:
- One authorised person in the presence of a witness who attests the signature; or
 - Two authorised persons.
- 39.4 For the purposes of this article, an authorised person is:
- Any director of the company;
 - The company secretary (if any); or
 - Any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

40. No right to inspect accounts and other records

- 40.1 Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a member.

41. Provision for employees on cessation of business

- 41.1 The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

IX. Directors' indemnity and insurance

42. Indemnity

- 42.1 Subject to the provisions of article 42.2, a relevant director of the company or an associated company may be indemnified out of the company's assets against:
- Any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the company or an associated company;

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- b) Any liability incurred by that director in connection with the activities of the company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006); and
 - c) Any other liability incurred by that director as an officer of the company or an associated company.
- 42.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.
- 42.3 In this article:
- a) Companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
 - b) A “relevant director” means any director or former director of the company or an associated company.

43. Insurance

- 43.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant director in respect of any relevant loss.
- 43.2 In this article:
- a) A “relevant director” means any director or former director of the company or an associated company;
 - b) A “relevant loss” means any loss or liability which has been or may be incurred by a relevant director in connection with that director’s duties or powers in relation to the company, any associated company or any pension fund or employees’ share scheme of the company or associated company; and
 - c) Companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

X. Miscellaneous

44. Resolutions

- 44.1 The members shall pass any given ordinary resolution if so directed by a motion passed with the approval of one half of the Council (as defined in the Charter), rounded up to the nearest whole number.
- 44.2 No special resolution may be passed by the members without the prior approval of two thirds of the Council (as defined in the Charter), rounded up to the nearest whole number.

45. Rules

- 45.1 The directors may make such rules as they consider necessary or convenient for the proper conduct and management of the company and for the purposes of prescribing the classes of and conditions of membership. In particular, and without prejudice to the generality of the foregoing, the directors may make rules regulating:
- a) The admission and classification of members of the company, and the rights and privileges of such members, the conditions of membership and the terms on which members may resign or have their membership

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- terminated and the entrance fees, subscriptions and other fees or payments to be made by members;
- b) The conduct of members of the company in relation to one another, and to the company's officers and employees;
 - c) The setting aside of the whole or any part or parts of the company's premises at any particular time or times or for any particular purpose or purposes;
 - d) The procedure at general meetings and meetings of the directors and committees of the company (in so far as such procedure is not governed by the articles); and
 - e) Any and all other matters as are commonly the subject matter of company rules.
- 45.2 The directors must adopt such means as they consider sufficient to bring to the notice of members of the company all rules made under this article.
- 45.3 Any rules made by the directors under this article will be valid and binding as against all members of the company for so long as such rules are in force.
- 45.4 The company in general meeting may alter or repeal any rules made by the directors in accordance with this article.
- 45.5 Nothing in this article permits the directors of the company to make any rules which are inconsistent with or affect or repeal anything in the articles or in any resolution passed by members of the company or agreement to which Chapter 3 of Part 3 of the Companies Act 2006 applies.

46. Objects

- 46.1 The objects of the company are:
- a) The promotion of commerce; and
 - b) To create a globally accepted integrated reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format with the aim of helping with the development of more comprehensive and comprehensible information about organizations, prospective as well as retrospective, to meet the needs of a more sustainable, global economy.

47. Income, capital and assets

- 47.1 The following rules apply in relation to the income, capital and assets of the company:
- a) All of the income of the company must be applied in promoting its objects;
 - b) No dividends may be paid, or capital returned, to the members of the company; and
 - c) On the winding up of the company, all the assets that would otherwise be available to its members generally must be transferred to a body (whether or not that body is a member of the company) with objects which either:
 - i) Are similar to those of the company; or
 - ii) Consist of the promotion of charity and anything incidental or conducive to this.

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48. Revisions

- 48.1 All revisions to the articles must be made by special resolution.
- 48.2 Revisions to the provisions of the following articles additionally require the prior approval of two thirds of the Council (as defined in the Charter), rounded up to the nearest whole number: article 16.2; article 46.1; and article 47.1.

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Annex A: Provisions governing Council proceedings

1. Convening

- 1.1 The Council shall meet as convened by the Chairman of the Council, acting in consultation with the Board.
- 1.2 The Council shall meet within a reasonable period of time if so requested by the Board.

2. Agenda

- 2.1 The agenda for each Council meeting will be determined by the Chairman of the Council in consultation with the Chairman of the Board and the Chief Executive Officer.

3. Chairman

- 3.1 The Chairman of the Council will preside over every Council meeting. In his/her absence, Council meetings will be chaired by a Deputy Chairman of the Council, failing whom those Council members participating in any Council meeting will appoint one from among their number to preside over the meeting.

4. Meetings

- 4.1 Meetings of the Council shall in principle require the physical presence of attendees, provided that if so determined by the Chairman of the Council, meetings may on an exceptional basis validly be held in which participation is via audio link, teleconference or comparable means, to address specific points that the Chairman of the Council, acting in consultation with the Board, considers to be of a pressing or urgent nature.

5. Quorum

- 5.1 There shall be no required quorum for any Council meeting.

6. Alternates, proxies, observers and guests

- 6.1 Council members are expected to make every effort to attend all Council meetings, but may:
 - a) With the prior agreement of the Chairman of the Council, be represented by a suitable alternate, with full authority to represent the Council member in all respects, including in any vote undertaken on any issue by the Council; or
 - b) Appoint the Chairman of the Council or any Council member as his/her proxy, with full power to exercise a vote on his/her behalf on any issue submitted to a vote by the Council. There shall be no limit on the number of proxies that the Chairman of the Council or any Council member may hold at any meeting.
- 6.2 Suspended Council members shall not be entitled to attend Council meetings.
- 6.3 Designated official observers may, with the prior agreement of the Chairman of the Council, nominate a suitable alternate to attend any Council meeting in their absence.
- 6.4 Directors shall be entitled to attend each Council meeting *ex officio* as observers.
- 6.5 Other than as provided in the Charter or herein, observers shall not be permitted at Council meetings, it being understood that guests may, with

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the prior agreement of the Chairman of the Council, attend all or part of any Council meeting to participate in deliberations on one or more specific agenda points.

7. Declaration of interests

7.1 Participants in any Council meeting shall declare any conflict of interest at the outset of any deliberation on the matter giving rise to it. Any participant declaring a conflict of interest shall not take part in any decision by the Council relating to the matter in question.

8. Decisions

8.1 The Council shall in principle operate on a consensual basis.

8.2 Failing full consensus, the Chairman of the Council, Deputy Chairman of the Council or other Council member appointed for the purpose by the Council, will present what he/she reasonably believes to be the majority view of the Council on any given issue under consideration, noting any significant dissenting views.

8.3 To the extent any issue is the subject of a formal motion for decision by the Council:

- a) Each Council member (excluding suspended Council members) shall have one vote.
- b) The Chairman of the Council, or other chairman of the meeting, shall be entitled to vote on any motion, including as designated proxy for other Council members and in the event of an equal number of votes being cast for and against any motion, shall have an additional casting vote.
- c) Unless otherwise provided by the Charter, decisions of the Council shall be validly taken:
 - If at a Council meeting, with the approval of a simple majority of those Council members present or represented (whether in person, by alternate or via proxy) at such meeting; and
 - Otherwise, with the approval in writing, including by e-mail, of at least fifty percent of all Council members (excluding suspended Council members), rounded up to the nearest whole number.

9. Minutes

9.1 The Chairman of the Council shall cause minutes to be taken of all Council meetings. Minutes shall be circulated to all Council members following each Council meeting and subject to review and approval by Council members at the next subsequent Council meeting.

9.2 Minutes of Council meetings shall be made publicly available.

10. Use of inputs

10.1 The IIRC may freely use any ideas, comments, material or other input of whatsoever nature provided by Council members, including for the purposes of furthering, developing, publishing, including within, distributing or implementing the Framework.

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Annex B: Provisions governing GAN Committee proceedings

1. Convening

- 1.1 The GAN Committee shall meet as convened by the GAN Committee Chairman, acting in consultation with the Chairman of the Council and the Chairman of the Board.
- 1.2 The GAN Committee shall meet within a reasonable period of time if so requested by the Council or by any director.

2. Agenda

- 2.1 The agenda for each GAN Committee meeting will be determined by the GAN Committee Chairman in consultation with the Chairman of the Council, the Chairman of the Board and the Chief Executive Officer.

3. Chairman

- 3.1 The GAN Committee Chairman will preside over every GAN Committee meeting. In his/her absence, those GAN Committee members participating in any quorate GAN Committee meeting will appoint one from among their number to preside over the meeting.

4. Quorum

- 4.1 The quorum for any deliberations of the GAN Committee shall be the physical presence or participation via audio link, teleconference or comparable means of at least fifty percent of GAN Committee members, rounded up to the nearest whole number.

5. Alternates, proxies, observers and guests

- 5.1 GAN Committee members who are unable to participate in person may not be represented in any proceedings of the GAN Committee by an alternate or by proxy.
- 5.2 The Chairman of the Council, the Chairman of the Board and the Chief Executive Officer shall attend each GAN Committee meeting *ex officio* as observers.
- 5.3 Other than as provided in the Charter or herein, observers shall not be permitted at GAN Committee meetings, it being understood that guests may, with the prior agreement of the GAN Committee Chairman, attend all or part of any GAN Committee meeting to participate in deliberations on one or more specific agenda points.

6. Declaration of interests

- 6.1 GAN Committee members shall declare any conflict of interest at the outset of any deliberation on the matter giving rise to it. Any GAN Committee member declaring a conflict of interest shall not count towards the requisite quorum for, and shall not take part in, any decision by the GAN Committee relating to the matter in question.

7. Decisions

- 7.1 The GAN Committee shall in principle operate on a consensual basis.
- 7.2 To the extent any issue is the subject of any formal motion for decision by the GAN Committee:
 - a) Each GAN Committee member shall have one vote.

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- b) The GAN Committee Chairman shall be entitled to vote on any motion and in the event of an equal number of votes being cast for and against any motion at a quorate meeting, shall have an additional casting vote.
- c) Unless otherwise provided by the Charter, decisions of the GAN Committee shall be validly taken with the approval of at least fifty percent of all GAN Committee members, rounded up to the nearest whole number, whether given at a quorate GAN Committee meeting, or in writing, including by e-mail.

8. Minutes

- 8.1 The GAN Committee Chairman shall cause minutes to be taken of all GAN Committee meetings. Minutes shall be circulated to all GAN Committee members following each GAN Committee meeting and subject to review and approval by GAN Committee members at the next subsequent GAN Committee meeting.
- 8.2 GAN Committee minutes shall be made available to Council members and directors.

9. Use of inputs

- 9.1 The IIRC may freely use any ideas, comments, material or other input of whatsoever nature provided by GAN Committee members, including for the purposes of furthering, developing, publishing, including within, distributing or implementing the Framework.

Annex C: Provisions governing Board proceedings

1. Convening

- 1.1 The Board shall meet regularly and as convened by the Chairman of the Board.
- 1.2 The Board shall meet within a reasonable period of time if so requested by any director.

2. Agenda

- 2.1 The agenda for each Board meeting will be determined by the Chairman in consultation with the Chief Executive Officer.

3. Chairman

- 3.1 The Chairman will preside over every Board meeting. In his/her absence, Board meetings will be chaired by a Deputy Chairman, failing whom those directors participating in a quorate Board meeting will appoint one from among their number to preside over the meeting.

4. Quorum

- 4.1 The quorum for any deliberations of the Board shall be the physical presence or participation via audio link, teleconference or comparable means of at least fifty percent of the directors, rounded up to the nearest whole number.

5. Alternates, proxies, observers and guests

- 5.1 Directors who are unable to participate in person may not be represented in any proceedings of the Board by an alternate or by proxy.
- 5.2 Other than as provided in the Charter or herein, observers shall not be permitted at Board meetings, it being understood that guests may, with the prior agreement of the Chairman of the Board, attend all or part of any Board meeting to participate in deliberations on one or more specific agenda points.
- 5.3 The Chairman of the Council shall be entitled to attend each Board meeting *ex officio* as an observer with the right to speak and be heard.

6. Declaration of interests

- 6.1 Directors shall declare any conflict of interest at the outset of any deliberation on the matter giving rise to it. Any director declaring a conflict of interest shall count towards the requisite quorum for, but shall not take part in, any decision by the Board relating to the matter in question.

7. Decisions

- 7.1 The Board shall in principle operate on a consensual basis.
- 7.2 To the extent any issue is the subject of any formal motion for decision by the Board:
 - a) Each director shall have one vote.
 - b) The Chairman of the Board shall be entitled to vote on any motion and in the event of an equal number of votes being cast for and against any motion at a quorate meeting, shall have an additional casting vote.
 - c) Unless otherwise provided by the Charter, decisions of the Board shall be validly taken:

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- If at a quorate Board meeting, with the approval of fifty percent of all directors then in office, whether or not participating at such Board meeting, rounded up to the nearest whole number; and
- Otherwise, with the approval in writing, including by e-mail, of all the directors then in office.

8. Minutes

- 8.1 The Chairman of the Board shall cause minutes to be taken of all Board meetings. Minutes shall be circulated to all directors following each Board meeting and subject to review and approval by directors at the next subsequent Board meeting.
- 8.2 Board minutes shall be made available to Council members and GAN Committee members.

9. Use of inputs

- 9.1 The IIRC may freely use any ideas, comments, material or other input of whatsoever nature provided by directors, including for the purposes of furthering, developing, publishing, including within, distributing or implementing the Framework.

Annex D: Terms of reference of the <IR> Framework Panel

1. Role

- 1.1 As set out in the IIRC Charter, the <IR> Framework Panel ('the Panel') "will:
- a) *Recommend for Board sign-off any revision, modification or other update to the International Integrated Reporting Framework ('the Framework'), including draft versions thereof for public consultation; and*
 - b) *Provide input as requested on other guidance material relating to Integrated Reporting <IR> and integrated thinking that is developed under the auspices of, coordinated through, or issued by the IIRC."*

2. Composition

- 2.1 The Panel will comprise between 12 and 15 individuals who, as set out in the IIRC Charter "will, to the extent reasonably practicable as determined by the Board:
- a) *Individually: (i) be of appropriate calibre, demonstrating a strong level of technical experience and expertise relevant to the development of the Framework and related technical resources; and (ii) demonstrate a sound appreciation of the Organization's purpose and objectives as the context in which such technical resources are developed; and*
 - b) *Collectively: (i) evidence a suitable mix of appropriate professional backgrounds (including relevant professional disciplines) and experience reflective of the Organization's broad global communities; (ii) offer a geographically balanced and representative international perspective; and (iii) reflect appropriate gender and diversity balance."*

3. Appointment

- 3.1 As set out in the IIRC Charter, the "Board will appoint the members of the ... Panel and designate its Chairman."
- 3.2 The Chairman of the Panel may at the Board's discretion be a director of the IIRC, but if not a director of the IIRC, he/she will be invited to participate in discussions during meetings of the Board on matters relating to the Framework, or other guidance material relating to Integrated Reporting <IR>.

4. Term of office

- 4.1 Individual Panel members will be appointed for terms of office not exceeding three years, the length of any individual Panel member's term of office to be determined by the Board upon his/her appointment. Panel members' terms of office shall be staggered, such that the term of office of approximately one third of the Panel members shall conclude each year.

Panel members shall be eligible for re-appointment upon conclusion of any term of office, provided that: (a) no individual's continuous service as a Panel member shall exceed a period of six years, whereafter a period of three years shall elapse before he/she shall become eligible for further appointment in such capacity; and (b) no individual's service in such capacity shall exceed an aggregate of six years in any given nine-year period.

5. Panel members' responsibilities

- 5.1 Individual Panel members will:
- a) Endeavour to participate in all proceedings of the Panel and contribute

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fully, frankly and constructively to its deliberations;

- b) Exercise independence of judgment, acting legally and in good faith to promote and protect the interests of <IR>, to the exclusion of their own personal and/or any third party interests;
- c) Use information received in their capacity as a member with due discretion and solely to the ends for which it was provided; and
- d) Cause any alternate (as relevant) to respect these conditions.

6. Termination

- 6.1 Any Panel member's appointment shall cease if:
 - a) His/her term of office comes to an end and he/she is not re-appointed;
 - b) He/she notifies the IIRC of his/her intention to step down from the role;
 - c) The Chairman of the Panel, acting in consultation with the Board, notifies him/her that he/she is not functioning effectively as a member of the Panel and the Chairman of the Panel is satisfied that reasonable efforts to rectify the situation have proved unsuccessful.
- 6.2 The Board will appoint a replacement for any individual whose Panel membership for any reason ceases mid-term, such appointment to be subject to ratification by the Board at its next meeting.
- 6.3 To the extent any Panel member's appointment ceases mid-term and a permanent replacement is appointed, such permanent replacement shall serve out the balance of his/her predecessor's term of office and shall be eligible for re-appointment upon conclusion of such term of office. The period so served shall be excluded from any consideration relating to term limits as provided herein.

7. Panel task forces

- 7.1 The Panel may appoint task forces (working groups, sub-committees, advisory panels and the like) to support it in the discharge of its duties, obligations and responsibilities.
- 7.2 The Panel will establish terms of reference for each such task force.

8. Payments to members

- 8.1 Panel members shall not receive any financial or other benefit from the IIRC for serving in such capacity.
- 8.2 Panel members will in principle bear all costs associated with serving in such capacity, provided that the Board may make provision on a case-by-case basis for reimbursement of Panel members' reasonable expenses when serving in such capacity.

9. Qualified autonomy

- 9.1 As set out in the IIRC Charter, the Panel "*will operate autonomously under authority delegated to it by the Board. The Board shall retain ultimate authority and responsibility for the Framework, which it will exercise by:*
 - a) *Determining: (i) the remit and terms of reference for the Panel in the context of the overarching purpose and objectives of the Organization; (ii) due process to be observed in the development of any revision, modification or other update to the Framework, which shall include provision for consultation with the Council and the Organization's broad global communities; and (iii) due process for development of other*

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technical resources relating to Integrated Reporting <IR>;

- b) Reviewing the Panel's schedule of activity and related work plans and ensuring that its activities are adequately resourced;*
- c) Monitoring the Panel's operations to satisfy itself that the Panel operates within the parameters of its remit, adheres to its terms of reference and observes due process;*
- d) Taking such steps as it deems appropriate, including replacement of some or all of the Panel members, to rectify any perceived shortcomings in the effective functioning of the Panel; and*
- e) Approving any revision, modification or other update to the Framework on the recommendation of the Panel, it being understood that the Board shall refer back to the Panel for further consideration and re-submission any substantive amendments that it believes are required or advisable."*

10. Reporting

- 10.1 The Chairman of the Panel, failing whom the Deputy Chairman or another Panel member, shall periodically report to the Board on the Panel's activities.

11. Provisions governing Panel proceedings

11.1 Convening

- 11.1.1 The Panel shall meet as convened by the Chairman of the Panel.
- 11.1.2 The Panel shall meet within a reasonable period of time if so requested by the Board.

11.2 Agenda

- 11.2.1 The agenda for each Panel meeting will be determined by the Chairman of the Panel in consultation with IIRC staff.

11.3 Chairman

- 11.3.1 The Chairman of the Panel will preside over every Panel meeting. In his/her absence, Panel meetings will be chaired by a Deputy appointed by the Board, failing whom those Panel members participating in any quorate Panel meeting will appoint one from among their number to preside over the meeting.

11.4 Quorum

- 11.4.1 The quorum for any deliberations of the Panel shall be the physical presence or participation via audio link, teleconference or comparable means of at least fifty percent of Panel members, rounded up to the nearest whole number.

11.5 Alternates, observers and guests

- 11.5.1 Panel members are expected to make every effort to attend all Panel meetings, but may, with the prior agreement of the Chairman of the Panel, be represented by a suitable alternate, with full authority to represent the Panel member in all respects other than in any vote undertaken by the Panel.
- 11.5.2 Each Panel member may invite a technical adviser to meetings of the Panel. Technical advisers may, at the discretion of the Chairman of the Panel, be invited to speak.

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11.5.3 Guests may, with the prior agreement of the Chairman of the Panel, attend all or part of any Panel meeting. Guests may, at the discretion of the Chairman of the Panel, be invited to speak.

11.6 Decisions

11.6.1 Subject to the requirements of Due Process, to the extent any issue is the subject of a formal motion for decision by the Panel:

- a) Each Panel member shall have one vote.
- b) The Chairman of the Panel, or other chairman of the meeting, shall be entitled to vote on any motion, and in the event of an equal number of votes being cast for and against any motion, shall have an additional casting vote.
- c) Decisions shall be validly taken:
 - If at a quorate Panel meeting, with the approval of a simple majority of those Panel members present or participating by other means at such meeting; and
 - Otherwise, with the approval in writing, including by e-mail, of at least fifty percent of all Panel members, rounded up to the nearest whole number.

11.7 Minutes

11.7.1 The Chairman of the Panel shall cause minutes recording significant decisions and discussions to be taken of all Panel meetings. Minutes shall be circulated to all Panel members following each Panel meeting and subject to review and approval by Panel members at the next subsequent Council meeting.

11.7.2 Minutes of Panel meetings shall be made publicly available.

11.8 Use of inputs and consultation

11.8.1 The IIRC may freely use any ideas, comments, material or other input of whatsoever nature provided by members, including for the purposes of furthering, developing, publishing, including within, distributing or implementing the Framework.

11.8.2 To the extent that such ideas, comments, material or other input that are not available to the public, they should not be used by Panel members as a basis for comment to the media and should not be provided to third parties

11.8.3 Members are not authorized to make public statements on behalf of the IIRC generally, or the Panel, the Board or the Council specifically.