

Appointment of Audit Committee

Regulation 5.1(b)

A submission from the Chairman of the Constitution Committee

Purpose or Objective

To provide that the Audit Committee is appointed by the Executive Committee

Proposal

Amend Regulation 5.1(b) as follows:

- 5.1(b) The Audit Committee shall be appointed by ~~the Council on the recommendation of the~~ Executive Committee but no employee of the ISAF or its subsidiary and associated companies shall be appointed. In making the appointment the ~~Council~~ **Executive Committee** will take into account the need for experience in matters of finance and/or investment.

Current Position

As above.

Reasons

1. The Audit Committee, whilst independent, reports to the Executive Committee as the group with primary responsibility for finance. It is normal practice for boards of directors to make this appointment.
2. It is essential that a new Audit Committee is established immediately following a General Assembly, as they will be responsible for audit oversight for the accounts of the year about to end.