

# **THE FINANCE SECTOR NON-EXECUTIVE DIRECTOR FORUM**

## **CONSTITUTION**

## **Article 1: Name, Aims and Methodology**

### Name

1.1 The name of the organisation shall be *The Finance Sector Non-Executive Director Forum* (“*The NED Forum*”).

### Aims

1.2 The aims of the NED Forum are:

- To provide support for the non-executive director community in the finance sector in the Channel Islands.
- To promote the views of the non-executive director community in the finance sector in the Channel Islands.

### Methodology

1.3 The aims will be met through:

- (a) Conducting regular events in which its members can meet and exchange information;
- (b) Undertaking events which provide opportunities for continuing professional development and advancement of its members;
- (c) Engaging with the Guernsey Financial Services Commission and States of Guernsey and any other appropriate body, including:
  - a. Responding to consultations.
  - b. Having regular meetings to share information and provide feedback.
  - c. Lobbying, as required, on relevant topics.
- (d) Engaging with relevant industry bodies and to share information and as necessary support each other in areas of common interest.

1.4 The NED Forum is a not-for-profit and non-political organisation.

## **Article 2: Membership**

2.1 Membership of the NED Forum shall be open to all non-executive directors (“NEDs”) or prospective NEDs of finance industry entities, i.e. entities regulated by the Guernsey Financial Services Commission or the Jersey Financial Services Commission or other relevant regulatory authorities. (collectively “the regulatory authorities”)

2.2 NEDs include individuals that act as directors on client companies.

2.3 For the avoidance of doubt, prospective NEDs are those that are looking to become NEDs within the next twelve months.

- 2.4 All applicants are required to meet the eligibility criteria as agreed by the Executive Committee and must complete an application form certifying such eligibility.
- 2.5 All members must be in “good standing”, as expected by the relevant regulatory authority.
- 2.6 Membership is at the Executive Committee’s discretion.
- 2.7 Membership status shall officially begin with the registration by the Secretary of the successful applicant after approval by the Executive Committee.
- 2.8 A joining and/or membership fee may be set by the Executive Committee at the beginning of each calendar year.
- 2.9 The Executive Committee may terminate any individual’s membership:
  - 2.9.1 For non-payment of membership fees, where those fees remain unpaid for more than 30 days following the date that the membership fees fell due; or
  - 2.9.2 For conduct unsuitable as a NED provided that such a person has been given the prior opportunity in person or by written representations to explain their conduct.
- 2.10 A member in good standing shall have the right to attend and, when in attendance, to vote at Members Meetings of the NED Forum.
- 2.11 Any member of the NED Forum may terminate their membership at any time by written confirmation of such intention to the Executive Committee.
- 2.12 No member may hold more than one Officer role.

**Article 3: Officers and Executive Committee Members**

- 3.1 The Executive Committee shall consist of a Chair, Treasurer, Secretary and all executive committee members without portfolio. When relevant, it shall also include those duly elected for the above positions who are yet to take possession of the role.
- 3.2 The Officers of the Executive Committee shall be the Chair, Treasurer and Secretary.
- 3.3 The role of the Chair shall be to run the NED Forum during their term, which term shall run for two years.
- 3.4 The Executive committee shall meet regularly to: carry out the aim of the NED Forum through the methodology laid out in 1.3 and as deemed necessary by the Executive Committee.
- 3.5 The Executive Committee will report to the membership of the NED Forum on the transactions and activities of the NED Forum, as appropriate.
- 3.6 The Executive Committee shall be responsible for overseeing the day-to-day running of the NED Forum, including its finances. The Executive Committee shall be responsible for representing the NED Forum to sponsors, speakers, and members and for raising and maintaining the profile of the NED Forum.

- 3.7 The role of the Treasurer shall be to manage the accounts of the NED Forum and be accountable therefore, and to provide a copy of these to their successor at the end of their term of office. The Treasurer shall be in charge of the NED Forum's cheque book, and all cheques shall be signed by any two authorised signatories. The Treasurer will be responsible for ensuring that invoices are sent out and paid as soon as possible, and for dealing with other expenses efficiently. The Treasurer shall collect membership money. The Treasurer shall prepare an annual financial statement for publication and distribution to members and adoption by Members at the Annual Members Meeting. The Treasurer shall keep the Chair and executive committee informed of the financial condition of the NED Forum on a continuing basis. The Treasurer shall dispense organisation funds in accordance with an annual budget approved by the executive committee. The role of the Secretary shall be to keep accurate minutes of all executive committee meetings, and any Members Meeting. They shall prepare an agenda in advance of each meeting and circulate the minutes of the previous meeting to all NED Forum members. The Secretary will act as an adviser to the Chair and Executive Committee members in the governance of the proceedings of the Executive Committee and of the organisation generally.
- 3.8 The Secretary shall ensure complete records of the members of the NED Forum are maintained, including their names, email address, postal address, place of work and position held. The Secretary shall keep the membership list updated and transmit this to the Treasurer.
- 3.9 Sub committees may be formed from time to time as required.

#### **Article 4: Executive Committee Meetings**

- 4.1 All members of the Executive Committee shall be notified of the time and place of each executive committee meeting at least one week in advance.
- 4.2 The quorum at an executive committee meeting shall be four executive committee members, including two Officers.
- 4.3 An Executive Committee Member may participate in an executive committee meeting through the medium of conference telephone, video or similar form of communications equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. An Executive Committee Member participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. All business transacted in this way by the Executive Committee is deemed to be validly and effectively transacted at a meeting of the Executive Committee although fewer than the required quorum may be physically present at the same place. The meeting is deemed to take place where the Chairperson of the meeting is.
- 4.4 Any matter requiring a vote at an executive committee meeting shall be decided by a majority of those present at any executive committee meeting unless otherwise specified by the Articles.
- 4.5 A resolution in writing signed by all the Executive Committee Members entitled to receive notice of an Executive Committee Meeting shall be as valid and effectual as if it had been passed at an Executive Committee Meeting duly convened and held and may consist of several documents in the like form each signed by one or more Executive Committee Members.

- 4.6 In the event of an Officer resigning or being removed from office, the Executive Committee may appoint a substitute at their discretion from the members.
- 4.7 The Executive Committee shall have power at any time, and from time to time, without the need for sanction of a Members Meeting, to appoint any Member to the Executive Committee either to fill a casual vacancy or as an additional Executive Committee Member. Any Executive Committee Member so appointed shall hold office only until the next following Members Meeting and shall then be eligible for re-election.
- 4.8 In the event that an Executive Committee Member fails to attend a minimum of four Executive Committee meetings in one calendar year, that Executive Committee Member shall, unless the Executive Committee in its absolute discretion direct otherwise, vacate their office as and Executive Committee Member with immediate effect.

#### **Article 5: Annual Members' Meetings**

- 5.1 Each year the Annual Member's Meeting (AMM) will held in accordance with Guernsey Company Law. Additional Members' Meetings shall be held as and when required.
- 5.2 The Secretary shall give a minimum 7 days' written notice of Members' Meetings.
- 5.3 The business to be transacted at an AMM shall be as laid down in the Articles of the Company, but will include the consideration of the previous minutes, the financial statements, the reports of the Executive Committee, and the election of Executive Committee Members.
- 5.4 The Officer posts to be elected every second year are those of Chair, Treasurer and Secretary.
- 5.5 An executive committee member, either Officer or non-Officer who is elected at an AMM, will assume that role immediately.
- 5.6 In the case of an AMM, the Secretary shall circulate the organisation's financial statements signed by the Treasurer and Chair.
- 5.7 The quorum at a Members' Meeting shall be 10 members including any proxies.
- 5.8 Every member either present in person or by proxy entitled to vote has one vote.
- 5.9 At any Members' Meeting a resolution put to the vote of the meeting shall be decided on a show of hands and shall also include the proxy votes cast.
- 5.10 A declaration by the Chairperson of a Members' Meeting that a resolution has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 5.11 Members' Meetings shall be chaired by the Chair or any other Executive Committee member.

## **Article 6: Extraordinary Members Meetings**

- 6.1 The Chair or 2 Officers or 3 executive committee members or 10 members of the NED Forum may call an Extraordinary Members' Meeting (EMM).
- 6.2 At least seven day's notice of an EMM shall be given to all members of the NED Forum.
- 6.3 An EMM shall have the power to:
  - 6.3.1 Require any Officer or non-Officer executive committee member to give an account of their actions;
  - 6.3.2 Remove any Officer or non-Officer executive committee member from office;
  - 6.3.4 Elect new Officers or non-Officer executive committee members in the event of a vacancy; or
  - 6.3.4 Alter the NED Forum's Constitution.
- 6.4 Any proposed action at an EMM shall be approved by a two-thirds majority of those members either present at the meeting or represented by proxy.
- 6.5 The Chairperson of the EMM shall be the Chair unless any business to be raised at the meeting concerns them directly, in which case any other Executive Committee member shall be the Chairperson. Should no Executive Committee member, for whatever reason, be able to act as Chairperson then the executive committee shall elect a Chairperson before the meeting is convened, such an election shall require a two-thirds majority vote of those present at the executive committee meeting.
- 6.6 Every member present either in person or by proxy entitled to vote has one vote.
- 6.7 At any Members' Meeting a resolution put to the vote of the meeting shall be decided on a show of hands and shall also include the proxy votes cast.
- 6.8 A declaration by the Chairperson of a Members' Meeting that a resolution has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **Article 7: Financial**

- 7.1 The finances of the NED Forum shall be administered by the Treasurer on behalf of the Executive Committee.
- 7.2 The Treasurer in conjunction with the Executive Committee shall be responsible for the setting of the NED Forum's annual budget.
- 7.3 The Executive Committee shall be ultimately responsible for the financial dealings of the NED Forum. The Executive Committee shall oversee the work of the Treasurer and be kept abreast of the income and expenditure of the NED Forum throughout the year and ensure that by the end of the year the account is still in credit.

- 7.4 The Treasurer shall be responsible for ensuring that all monies owing to the NED Forum are received and that all debts and invoices due from the NED Forum are paid promptly and by the end of their term.
- 7.5 The Treasurer shall keep complete/accurate financial statements throughout the term and ensure that a copy is given to the Executive Committee to present to the membership at the AMM.
- 7.6 The Treasurer shall also ensure that valid receipts are kept for every transaction that is made on the NED Forum's behalf.
- 7.7 In considering whether a proposed expense is reasonable, the Executive Committee should have regard to the scale of the expenditure in proportion to the potential benefits including the recruitment of new members and other relevant factors.
- 7.8 The NED Forum shall seek exemption from audit.

#### **Article 8: Elections**

- 8.1 Executive Committee members without portfolio shall normally be elected for terms of 2 years.
- 8.2 Elections will be held by a show of hands or by proxy votes cast for all positions at an AMM.
- 8.3 To stand for election, candidates must be members and have received nomination from two other members. Nomination forms are available from the Secretary
- 8.4 Executive Committee members may be co-opted during the year, having been proposed and seconded by members. The continuing appointment of such Executive Committee Members shall be ratified at the next AMM.
- 8.5 Should there be no candidates willing to stand for one of the Officer or non-Officer roles on the executive committee (with the exception of the Chair) then the outgoing member of the executive committee may stand in order to hold the same position for more than two consecutive terms.
- 8.6 The expiry of an Officer's term of office does not preclude them standing for re-election to the executive committee.
- 8.7 The elected Officer will be the member that receives a majority of the votes. If no member receives a majority of the votes, the member receiving the fewest number of votes will be removed from consideration and the voting will be repeated.

#### **Article 9: Dissolution of Organisation**

- 9.1 In the event that the NED Forum must disband due to dwindling membership, financial hardships or other reasons, the NED Forum will use its remaining funds to settle its outstanding debts. Funds remaining after settling all debts will be bequeathed to a local charity nominated by the executive committee.

#### **Article 10: Miscellaneous**

10.1 In the event of a member ceasing to be a member of the NED Forum, no reimbursement of the joining fee or annual fee (in whole or in part) shall be due to that member.