I. General Function and Purpose

This Charter shall govern the operations of the Investor Advisory Group (IAG), which has been established by the Public Company Accounting Oversight Board (PCAOB)\(^1\) to advise the PCAOB on matters concerning the PCAOB’s mission to oversee the audit of companies that are subject to the securities laws, and related matters, in order to protect the interests of investors and further the public interest in the preparation of informative, accurate, and independent audit reports, including investors’ perspectives on key areas of concern and potential emerging issues related to the PCAOB’s oversight activities.\(^2\)

The IAG’s objective is to provide the Board with the views of investors and their advocates on the PCAOB’s regulatory agenda, including: (i) advising the Board regarding matters related to the auditing profession of concern to investors; (ii) providing the Board with investors’ perspectives on current regulatory issues; and (iii) serving as a source of information, views, perspectives and recommendations to the Board on other matters regarding the PCAOB’s oversight activities from the point of view of investors.

---

\(^1\) In this Charter, the five-member Board described in Section 101(e)(1) of the Sarbanes-Oxley Act of 2002, as amended, is referred to as the “Board.”

\(^2\) The role of the IAG shall not ordinarily include technical drafting. Instead, the Board shall look to the IAG to provide advice and insight as to various matters in pursuit of the PCAOB’s mission.
II. Formation Authority

The IAG is established pursuant to Section 103 of the Sarbanes-Oxley Act of 2002, as amended (the “Act”), and PCAOB Rule 3700, which empowers the Board to convene such advisory groups as may be appropriate to make recommendations concerning the content of professional standards; and pursuant to Section 101 of the Act, which empowers the Board generally to perform such duties or functions as it determines necessary or appropriate to carry out its mission under the Act.

III. Description of Duties

The IAG shall function as an advisory body according to the procedures set forth herein and consistent with the Act. Its duties shall be solely advisory and shall extend only to the submission of advice or recommendations to the Board. Determinations of actions to be taken, and policy to be expressed with respect to matters within the Board’s authority upon which the IAG provides advice, shall be made solely by the Board. The IAG need not reach consensus on every issue, and may choose to provide the Board with differing, or a range of, opinions. The IAG should conduct its work with a view to furthering the PCAOB’s mission.

IV. Duration and Termination of the IAG and Subcommittees and Task Forces of the IAG

The IAG shall operate until such time that the Board, in its sole and absolute discretion, determines that its continuance is no longer in the public interest.

A subcommittee or task force of the IAG shall operate until such time that: (i) to the extent the subcommittee or task force was established at the direction of the Board, the Board, in its sole and absolute discretion, dissolves the subcommittee or task force; or (ii) to the extent the subcommittee or task force was established at the direction of the IAG Co-Chairs, the Board or the IAG Co-Chairs dissolve the subcommittee or task force.

V. Selection of IAG Members

The Board shall announce, via press release or other public notice, its solicitation of nominations from the public. The Board shall select IAG Members, in its sole and absolute discretion, based on nominations (including self-nominations) received from any person or organization; provided, however that no person shall be an IAG Member who currently is, or is closely related to, an employee (or Board Member or Commissioner, as the case may be) of the PCAOB or the U.S. Securities and Exchange Commission (SEC). Concurrent service on the IAG and one or more SEC advisory committees is permitted.
VI. Number and Qualifications of IAG Members

The IAG shall be composed of not more than 18 Members who can effectively represent the varied interests of investors.

Consistent with the requirements of PCAOB Rule 3700, IAG Members shall be individuals with relevant expertise and/or experience in investing in public companies (e.g., institutional investors; retail investors; pension fund managers; investor advocates; academics focusing on investment issues; individuals with expertise or experience regarding broker-dealers; or other relevant expertise). To enhance communication between the IAG and the Standards and Emerging Issues Advisory Group (SEIAG), the Board shall seek to have at least one SEIAG Member also serve on the IAG.

IAG Members shall be individuals of the highest integrity. Membership in the IAG shall be personal to the individuals selected to serve. While IAG Members may be employed or otherwise affiliated with other organizations, IAG Members shall serve in their personal capacities and not as representatives of particular employers. An IAG Member's duties and responsibilities, including attendance at meetings, may not be delegated to others.

VII. Terms of IAG Members

Of the IAG Members appointed in 2022: (i) fifty percent shall be appointed for a term expiring on December 31, 2023 (“Cohort 1”); and (ii) fifty percent shall be appointed for a term expiring on December 31, 2024 (“Cohort 2”). Should the Board appoint an odd number of IAG Members in 2022, the Board may, in its sole and absolute discretion, adjust this allocation. In each case, the term of an IAG Member selected in 2022 shall begin on the date of the public announcement of the IAG Member’s selection by the Board.

Thereafter, each IAG Member shall be appointed for a two-year term to either Cohort 1 or Cohort 2. Terms of IAG Members in Cohort 1 shall begin on January 1 of even-numbered years and end on December 31 of the subsequent year. Terms of IAG Members in Cohort 2 shall begin on January 1 of odd-numbered years and end on December 31 of the subsequent year.

The Board shall have the authority, in its sole and absolute discretion, to remove any IAG Member at any time, for any reason, with cause or without cause. Following removal, resignation, or incapacity of any IAG Member, the Board may, in its sole and absolute discretion: (i) appoint a replacement to fill the vacancy for the remainder of the term of the cohort of the IAG Member who was removed, resigned, or incapacitated; or (ii) refrain from filling the vacancy, such that the vacancy shall remain open until the Board determines, in its
sole and absolute discretion, to fill it – in which case, regardless of when such appointment may occur, the end of such appointee’s term shall be concurrent with the end of the term of the cohort associated with the vacancy.

IAG Members, including those who are appointed to fill a vacancy left by the departure of another IAG Member before the end of their term, shall be limited to six consecutive years of IAG membership (other than those appointed in Cohort 2 in 2022, who shall be limited to seven consecutive years of IAG membership).

VIII. Ethical Standards

Each IAG Member is expected to:

(a) act in the public interest in connection with their participation in the IAG;

(b) assist the Board and staff in avoiding any actual or perceived conflicts of interest by refraining from improperly using their position on the IAG to influence Board Members or Board staff on matters directly affecting that IAG Member or their employer, business partners or clients; provided that this does not preclude an IAG Member from appearing or practicing before the Board on particular matters affecting their employer;

(c) recuse himself, herself, or themselves, or otherwise withdraw from, consideration of any matter before the IAG directly affecting such IAG Member, their employer, business partners or clients; provided that if recusal or withdrawal is not practical in either the IAG Member's or the Board's opinion, such IAG Member shall resign from the IAG;  

(d) keep confidential any information obtained during the term and scope of their IAG membership that has not been released, announced, or otherwise made available publicly by the PCAOB;

(e) include a disclaimer, in the event that a IAG Member issues a private publication or public statement concerning the work of the PCAOB or the IAG, indicating that the views expressed are their own and do not necessarily reflect the views of the PCAOB, Board Members, PCAOB staff, the IAG or other IAG Members; and

---

3 For purposes of this section, consideration of a matter before the IAG that affects an IAG Member’s employer, business partners, or clients to the same degree as similarly situated people or business organizations, does not constitute a “direct effect.”
(f) devote an adequate amount of time to the consideration of matters before the IAG, including reading distributed pre-meeting materials before meetings, regular attendance and active participation at meetings and, as applicable, active participation in IAG subcommittees and task forces.

In furtherance of these expectations, IAG Members shall comply with EC3, EC8(a), and EC9 — and, with respect to any private publication or public statement regarding the Board or the IAG or any of their activities, EC10 — of the PCAOB’s Code of Ethics (or equivalent applicable provisions in the event that the PCAOB’s Code of Ethics is amended). IAG Members must execute an Ethics Agreement indicating their consent to be bound by those provisions and to certify compliance therewith on an annual basis. IAG Members shall continue to be bound by the relevant Ethics rules and Ethics Agreements once their terms have ended.

After executing an Ethics Agreement, IAG Members may be permitted to receive nonpublic PCAOB information relevant to a matter under consideration by the IAG or a subcommittee or task force thereof; provided, however, that (i) whether to provide IAG Members with nonpublic PCAOB information is in the sole and absolute discretion of, and must be authorized by, the Board; and (ii) all IAG Members involved in the particular deliberations to which the information relates are provided with substantially the same information as concurrently as practicable.

IX. Compensation and Reimbursement

IAG Members shall receive no compensation for their service. IAG Members incurring expenses in connection with their service may have related travel expenses reimbursed by the PCAOB, subject to the PCAOB’s travel and business expense reimbursement policy.

X. IAG Co-Chairs

The Board shall appoint either a Board Member or a PCAOB staff member as the Board-appointed IAG Co-Chair (removable at the sole and absolute discretion of the Board), and the IAG shall appoint an IAG Co-Chair (removable at the discretion of the IAG or Board). The Board-appointed IAG Co-Chair is not an IAG Member.

The IAG Co-Chairs shall be responsible for the IAG’s carrying out its meeting agendas.

XI. IAG Meeting Agendas

Meeting agendas shall be developed by the IAG Co-Chairs based on input from the Board and IAG Members.
XII. IAG Meetings

Nature of Meetings. The activities and meetings of the IAG shall generally be public. The IAG shall hold at least two public meetings per calendar year, as called by the Board or the IAG Co-Chairs, in consultation with the Board.

The Board or the IAG Co-Chairs in consultation with the Board, may hold additional ad hoc public or nonpublic IAG meetings (including nonpublic breakout sessions or executive sessions at otherwise public meetings), as necessary or appropriate. Unless otherwise directed by the IAG Co-Chairs in consultation with the Board, nonpublic meetings (including breakout or executive sessions) shall be closed to the public, but open to IAG Members, observers, invited experts, PCAOB Board Members, and PCAOB staff.

A majority of IAG Members shall constitute a quorum. Meetings of the IAG may be held at any location (or telephonically or by video conference), as determined by the IAG Co-Chairs in consultation with the Board. A PCAOB staff person designated by the Board-appointed IAG Co-Chair shall serve as secretary of each meeting and shall prepare minutes thereof, subject to review and approval by the IAG Co-Chairs. Following their approval, such minutes shall be distributed to all IAG Members and to all PCAOB Board Members.

Nonpublic information, as defined in EC9 of the PCAOB Ethics Code (or equivalent applicable provisions in the event that the PCAOB’s Code of Ethics is amended), may not be discussed at any such public meeting of the IAG absent advance Board approval.

Experts. The IAG Co-Chairs may, in consultation with the Office of the PCAOB Chair, invite PCAOB staff (for purposes of making presentations) or one or more external experts, to participate in any meeting of the IAG; provided that, any such external expert agrees to maintain the confidentiality of any nonpublic information they may receive (which shall not be provided to such expert absent Board authorization), pursuant to EC9 of the PCAOB Ethics Code (or equivalent applicable provisions in the event that the PCAOB’s Code of Ethics is amended).

Observers. A representative of the SEC shall be an observer at IAG meetings. The Board may designate additional observers, per meeting, as necessary or appropriate.

XIII. Subcommittees and Task Forces

Formation. A subcommittee of the IAG may be formed when consideration of a particular matter would benefit from focused attention by a subset of the IAG’s membership. A task force of the IAG may be formed when consideration of a particular matter would benefit from the regular participation of individuals who are not IAG Members. A subcommittee or task force of
the IAG may be established at the direction of the Board or the IAG Co-Chairs. The IAG Co-Chairs shall, in consultation with the Board and IAG Members, specify the topic to be investigated and, with respect to a task force, the nature of any non-IAG Member perspective(s) that the IAG desires to include in the task force. With respect to a task force, the IAG may recommend to the Board participants to serve on the task force who are non-IAG Members; appointments to a task force of non-IAG Member participants, if any, shall be subject to approval of the Board in its sole and absolute discretion.

**Participation.** Unless otherwise specified, any subcommittee of the IAG shall comprise those IAG Members selected by the IAG and any task force shall comprise all IAG Members who wish to be involved in carrying out a task. No person shall be appointed to a task force who currently is, or is closely related to, an employee or Board Member of the PCAOB, or the SEC; provided, however, that concurrent service on one or more SEC advisory committees and one or more task forces is permitted. All non-IAG Member task force participants shall be subject to the provisions of Sections VIII and IX of this Charter.

**Leadership.** The IAG Co-Chairs shall appoint, in consultation with the Board, a leader of the subcommittee or task force of the IAG from among the subcommittee or task force members who shall carry out the IAG Co-Chairs’ responsibilities for scheduling meetings, arranging resources, etc., to carry out a task, and who shall preside at subcommittee or task force meetings. In the event of a joint IAG-SEIAG task force, the PCAOB Chair, in consultation with the Board, shall designate a single leader from either the IAG or the SEIAG, who shall carry out the responsibilities of the (Co-)Chairs of both advisory groups.

**XIV. Subcommittee and Task Force Meetings**

Subcommittees and task forces may hold ad hoc public or nonpublic meetings (including nonpublic sessions at otherwise public meetings), as necessary or appropriate, as called by the IAG Co-Chairs, or the subcommittee or task force leader in consultation with the IAG Co-Chairs. A majority of the subcommittee or task force members shall constitute a quorum.

Subcommittee and task force meetings may be held at any location (or telephonically or by video conference), as determined by the IAG Co-Chairs or the subcommittee or task force leader in consultation with the IAG Co-Chairs. A PCAOB staff person designated by the subcommittee or task force leader, in consultation with the Board-appointed IAG Co-Chair, shall serve as secretary of each meeting and shall prepare minutes thereof, subject to approval by the subcommittee or task force leader. Following their approval, such minutes shall be distributed to all IAG Members and to all PCAOB Board Members. Nonpublic information may not be discussed at any public subcommittee or task force meeting absent advance authorization from the Board. Unless otherwise directed by the IAG Co-Chairs in consultation with the Board, nonpublic subcommittee or task force meetings (including nonpublic sessions
at otherwise public meetings) shall be closed to the public, but open to IAG Members, observers, invited experts, PCAOB Board Members, and PCAOB staff.

Experts. A subcommittee or task force leader may, in consultation with the IAG Co-Chairs and with the Office of the PCAOB Chair, invite PCAOB staff (for purposes of making presentations) or one or more external experts, to participate in any subcommittee or task force meeting; provided that, any such expert agrees to maintain the confidentiality of any nonpublic information they may receive (which shall not be provided to such expert absent Board authorization), pursuant to EC9 of the PCAOB Ethics Code.

Observers. The Board may designate observers at any meeting of a subcommittee or task force of the IAG, as necessary or appropriate.

XV. Notice of Meetings

The IAG Co-Chairs, through PCAOB staff, shall give each IAG Member, subcommittee member, or task force member, as the case may be, written notice of each meeting not later than two weeks before the date of the meeting.

XVI. Voting

IAG Meetings: An IAG Member must be participating in a meeting, in person or by telephone or similar mode of communication, to cast a vote. When a decision or recommendation of the IAG is required, one of the IAG Co-Chairs shall request a motion for a vote. Any IAG Member may move for a vote. IAG action based on a vote requires a simple majority of the votes cast at a meeting at which there is a quorum.

Subcommittee and Task Force: Only subcommittee or task force members shall have the right to move for a vote or cast a vote. A subcommittee or task force member must be participating in a meeting, in person or by telephone or similar mode of communication, to cast a vote. When a decision or recommendation of the subcommittee or task force is required, the subcommittee or task force leader shall request a motion for a vote. Any subcommittee or task force member may move for a vote. Subcommittee or task force action based on a vote requires a simple majority of the votes cast at a meeting at which there is a quorum.

Any subcommittee or taskforce shall report to the IAG on any action taken.
XVII. Robert’s Rules of Order

Robert’s Rules of Order shall apply to IAG, subcommittee, and task force meetings, except as otherwise provided in this Charter.

XVIII. Amendments

This Charter may be amended from time to time at the sole and absolute discretion of the Board.