



ICGN

International Corporate Governance Network

Inspiring good governance & stewardship

Terms of Reference, ICGN Nomination Committee

1: Nomination Committee role

The Nomination Committee's role is identifying Board Governor candidates for election taking account of desired Board composition as aligned with ICGN's purpose and long-term strategic direction.

2: Nomination Committee composition, quorum, term of appointment and qualification

The Nomination Committee shall consist of not less than five and no more than seven persons in good standing who must either be individual ICGN members or an authorised representative, employee, board member or officer of a corporate ICGN member. This number includes the two non-voting Committee members appointed by the Board.

The Board is required under the Articles of Association to propose a Nomination Committee for approval, and individual election, by ICGN members each year. None of those proposed for election to the Nomination Committee shall already be Governors.

In addition, the Board is required under the Articles of Association annually to appoint two incumbent Governors (preferably the chair and vice chair of the Board) to serve on the Nomination Committee as non-voting members.

The quorum for a meeting of the Nomination Committee shall be four members of whom at least three shall not be a Governor.

The restrictions and requirements regarding tenure, qualification, and disqualification applicable to Governors shall also apply to members of the Nomination Committee.

3: Committee meetings and decision-making

The Committee meets by videoconference, teleconference and email, and in-person, at intervals throughout the year as determined by the Committee.

4: Committee succession planning

Annually, the Chair of the Nomination Committee shall poll incumbent Committee members to determine their interest in continuing to serve on the Committee.

The Chair of the Nomination Committee is responsible for proposing members to serve on the Committee with due regard to relevant expertise, regional balance, and broad experience to ensure the Committee addresses the perspective of the institutional investor community. Those invited to

join the Committee are drawn from the ICGN membership and are expected to participate in a majority of meetings, and attend at least annually one face-to-face meeting.

Potential Committee members are vetted by the Committee, endorsed by the Committee Chair and approved by the Board to be proposed to ICGN members for election.

5: Nomination Committee Chair

The Chair of the Nomination Committee is recommended by the ICGN Board of Governors and is approved by the Nomination Committee. The Nomination Committee Chair may not be a Governor.

6: Eligibility to stand for election to the Board of Governors

Members of the Nomination Committee (with the exception of incumbent Governors serving as non-voting members of the Committee) shall not be eligible to stand for election as a Governor whilst incumbent on the Nomination Committee.

7: Board input to the Committee's work

The Board, via its Governance Committee, will formally submit a 'Report on Preferred Board Composition' to the Nomination Committee. This report will include a framework for optimal board composition setting out the skills, experience, knowledge, industry affiliation or other attributes required to meet strategic priorities and in alignment with the ICGN Diversity, Equity & Inclusion Policy. This framework will be discussed with and used by the Nomination Committee to inform its remit in the identification and evaluation of potential Board candidates, taking into account both the immediate and future needs of the Board and the ICGN. The Board conducts an internal evaluation on an annual basis and conducts an external evaluation once every three years. The outcomes of these evaluations are reported to the Nomination Committee.

8: Invitation to nominate Board candidates

The Committee shall, each year, invite ICGN members to nominate candidates to serve on the ICGN Board as specified in the Articles of Association.

The invitation shall specify a deadline, after which further nominations shall not be considered for the current year. The deadline may be extended by approval of the Committee.

9: Recommendation of candidates for Governor

The Committee's role is to propose members for election to the ICGN Board.

The Committee shall make recommendations which take account of the following:

- ICGN's purpose and strategic direction;
- ICGN's Diversity, Equity & Inclusion Policy;
- Regional balance;
- The 'Report on Preferred Board Composition' from the ICGN Board to the ICGN Nomination Committee referred to in section 7 of these Terms of Reference;
- Whether a potential candidate is likely to be able to contribute meaningfully to the role of Governor as set out in the Board's "Governor Appointment Letter";

- Whether a potential candidate is likely to be able to meet the time commitments as set out in the Board’s “Governor Appointment Letter”; and
- The requirement as set out in the Articles of Association that the majority of those recommended for election must be investor representatives.

A Governor shall not participate in any discussion by the Nomination Committee about any proposal for their re-election as a Governor.

10: Report to the ICGN members

The Committee shall submit a report to be included in the Annual General Meeting papers, setting out the candidates recommended by the Committee for election to the Board of Governors and the other information specified in the Articles of Association.

The report shall be provided in draft to the ICGN Board for comments before being finalised by the Committee.

11: Board Chair and Vice-Chair appointment

The Nomination Committee Chair will manage the process for the nomination and appointment of the Board Chair and Board Vice-Chair.

Noting that, under the Articles of Association, appointments to the roles of Board Chair and Board Vice Chair are made by the Board, key aspects of the role of the Nomination Committee Chair are to understand who among the current Board members are willing to stand as nominees and to obtain feedback from current Board members on both individual availability and preference for identified candidates.

12: Candidate confidentiality

Candidates’ names remain confidential until the Nomination Committee submits them to the Board for inclusion in the resolutions to be proposed to the members for election in the AGM Notice.

13: Candidates other than those selected by the Nomination Committee

As set out in the ICGN’s Articles, in exceptional circumstances candidates (other than those selected for nomination by the Nomination Committee) can be proposed by at least 25 members present at the annual general meeting.

14: Sub-Committees

The Committee may establish a sub-committee if the Nomination Committee Chair deems it appropriate for the purposes of any particular work programme.

15: Conflicts of interest

Members of the Committee should disclose all (including potential) conflicts of interest (such as exploitation of any property, information or opportunity) arising through business or other

relationships to the Committee Chair and the ICGN Secretariat as soon as they become aware of the conflict or ought reasonably to have become aware of the conflict. Any disclosed conflicts of interest are reported to the Committee which decides whether the member is considered to be conflicted and in exceptional circumstance to the ICGN Board for it to determine whether or not any action is required to be taken.

In circumstances where a Committee member has a business or other relationship relating to a matter to be discussed at a meeting s/he must:

- declare an interest before discussion begins on the matter;
- withdraw from that part of the meeting unless expressly invited to remain;
- not be counted in the quorum for that part of the meeting; and
- withdraw during the vote and have no vote on the matter.

16. Confidentiality

Committee deliberations are confidential and Committee members should, at all times, maintain the Committee's confidentiality. It is the expectation of the Board, and an obligation of each member, that such confidentiality be maintained.

17. Contact

For more information about the ICGN Nomination Committee please contact Garvin Payne at garvin.payne@icgn.org