

ICGN Board Charter

1. ICGN Vision

ICGN's vision is to be a leading voice for the highest standards of corporate governance and investor stewardship.

2. ICGN Purpose

Led by investors responsible for assets under management of over \$59 trillion, and bringing together companies and stakeholders, ICGN advances the highest standards of corporate governance and investor stewardship worldwide in pursuit of long-term value creation, contributing to healthy and sustainable economies, society, and environment. This is achieved through a comprehensive international work programme based around three core activities:

- **Influence:** Promoting ICGN Principles as investor-led global standards for governance and stewardship and influencing public policy and professional practice.
- **Connect:** Delivering high-quality global events and webinars with unrivalled opportunities for networking, knowledge-sharing and collaboration.
- **Inform:** Enhancing professionalism in governance and stewardship practice through information and education.

3. ICGN Values

Often company values are defined with an internal employee focus. ICGN's company values reflect this but also describe the fundamental beliefs and behaviours that we encourage ICGN Members to adopt. ICGN's values are as follows:

- **Standards:** ICGN Principles present a market-based, international framework for the highest standards of corporate governance and investor stewardship.
- **Investor-led:** our work programme is led by investors who leverage their knowledge and influence to preserve and enhance long-term corporate value.
- **Accountable:** we acknowledge that rights bestow responsibilities and encourage fairness, integrity, transparency and accountability for all actors within the investment chain.
- **International:** we provide a global investor perspective to positively influence national regulatory developments and professional market practice.
- **Inclusive:** our members are senior governance and stewardship professionals who respectfully and constructively engage in a common objective to preserve and enhance long term corporate value.

4. Board composition and process

ICGN Governors will be fully paid-up members of ICGN elected by members of ICGN or co-opted by the Board of Governors (“the Board”) under the company’s Articles of Association.

The Board will be comprised of a maximum of 12 Governors. The Board will be a diverse group of individuals who are appointed in alignment with ICGN’s purpose, strategy and Diversity, Equity and Inclusion (DEI) Policy to ensure effective decision-making.

It is recognised that institutional investors are an integral part of the ICGN’s history and their majority representation on the Board is therefore of major importance.

The Board will agree on the collective attributes required to achieve the ICGN’s purpose and strategy and fulfil the Board’s responsibilities and key roles. This is defined annually in a report submitted to the Nomination Committee which outlines preferred candidate attributes for the year ahead, taking account of overall board balance outlined in ICGN’s DEI Policy. The Chair then liaises with the Nomination Committee to ensure that the Board’s agreed preferred candidate attributes are considered by the Nomination Committee.

The Board will meet regularly (usually 6-8 meetings annually) and the Governors will allocate sufficient time to perform their duties effectively.

The Chair will meet with the Chief Executive Officer (CEO) prior to each Board meeting to determine a draft board agenda which is then distributed to all Board Members who are invited to make further recommendations. The final agenda is decided by the Chair.

The quorum for Board meetings is five Governors in attendance. Resolutions are approved by a majority of votes in favour. In the case of an equality of votes, the Chair is entitled to a casting vote in addition to any vote he or she might have.

The Chair will regularly hold meetings with Governors without the CEO or other members of management present.

The Articles of Association govern the regulation of Board and Committee meetings.

Governors may, with the consent of the Chair, seek independent professional advice at the expense of the Company on any matter connected with the discharge of their role. If appropriate, a copy of any advice so received will be made available to all Governors.

5. Changes to a Governor’s affiliation

When a Governor’s principal occupation, affiliated employer, or geographic location changes substantially from the position he or she held when originally invited to join the board, the Governor will tender a letter of resignation to the board. The Governance Committee will evaluate whether to accept the resignation based on whether the individual continues to satisfy the board membership criteria considering his or her new status.

The procedures for dealing with a change in Governor affiliation is as follows:

- Board members should disclose any change in affiliation to the Governance Committee within 30 days of the change taking effect;
- Board members should disclose the ownership (in general terms, sufficient to determine control) of their affiliated organization once a year, concurrent with their affirmative representation of independence;

- Individuals serving on the ICGN Board must be fully paid up ICGN Members; only retired individuals can benefit from an 'individual' ICGN membership category rate; all others must ensure that the new employer pays for ICGN Membership. This must be received within 30 days of the start of the new employment. Should membership fees not be paid within 90 days or prior to the next AGM whichever is the soonest, the individual must retire from the ICGN Board;
- Upon disclosure by a board member of a change in affiliation or relevant change in control of his or her organization, the Governance Committee should determine whether or not the director in question should remain on the board, taking into account the overall board composition requirements as prescribed in the Nomination Committee Report received at the ICGN AGM and vote to this effect;
- The Governance Committee should provide the results of this vote as a recommendation to the full board for discussion and approval.

6. Board evaluation

There will be an evaluation of the effectiveness of the Board, the Governors individually, or both, annually in alignment with ICGN's long-term strategy, succession planning and DEI Policy.

Governor tenure is reviewed by the Nomination Committee annually and director re-election is contingent on a satisfactory evaluation of his or her contribution to the board.

The performance of the Chair and Vice Chair is evaluated annually by the Board. The Chair and Vice Chair may be removed or replaced at any time by the Board if performance does not meet the expectations of the Board.

All evaluations will have regard to the collective nature of Board work. Evaluations may be conducted internally or with the assistance of an external facilitator. An externally assisted evaluation will be conducted at least every three years.

7. Role of the ICGN Board of Governors

Responsibility for the management and control of the business and affairs of the ICGN is vested in the Board. The role of the Board is to represent ICGN Members and promote and protect the interests of ICGN.

Board Governors are expected to actively participate in Board and Committee meetings and in doing so:

- a) contribute to, and approve, ICGN's strategy, including setting performance objectives, and overseeing the implementation of that strategy;
- b) engage constructively with ICGN Members and other stakeholders on governance, sustainability and performance aligned with ICGN's purpose and strategy;
- c) instil and demonstrate high standards of ethics and an ethos of integrity throughout the ICGN to engender a strong corporate culture and adhering to law and regulation;
- d) oversee the company's risk assessment and management that affect ICGN's sustainability and review policies annually, or with any significant business change;

- e) identify and manage conflicts of interest to ensure unbiased board decision-making;
- f) approve the ICGN annual budget, monitor financial performance, and oversee capital management, including approving any major capital expenditure;
- g) oversee the integrity of ICGN's disclosure and reporting systems, compliance with internationally accepted accounting standards, effectiveness of internal controls and internal audit, and the independence of the external audit process;
- h) oversee ICGN's approach to human capital management including talent management and succession planning in alignment with ICGN's Diversity, Equity and Inclusion Policy;
- i) appoint and, if necessary, remove the chief executive officer (CEO), develop and regularly review the CEO succession plan (as well as for senior executives) and ensuring CEO remuneration is measured against performance criteria aligned with the long-term interests of the company; and
- j) conduct an objective evaluation of the board chair, board as a whole, committees and individual directors on an annual basis, including an external review at least once every three years.

The description below provides a more specific summary of key tasks a Board Governor may be requested to undertake in serving the ICGN Board.

- Act as an ICGN representative in your place of domicile (or region) in coordination with the ICGN Secretariat in relation to public speaking engagements and media liaison;
- Meet with potential new ICGN Members when requested with support from ICGN staff;
- Assist in sponsorship acquisition when requested with support from ICGN staff to generate revenue for ICGN related activities;
- Provide opinion to policy related commentary in your place of domicile; and
- Participate in ICGN committees including Audit & Finance, Nomination, Awards, Policy Oversight, and Governance.

8. Conduct of Board Governors

- Governors will always act with honesty and integrity and will observe the highest standards of ethical behaviour. This includes treating Board materials and discussions as strictly confidential.
- Governors commit to the collective, group decision-making processes of the Board. Individual Governors will respect the contributions of other Governors and attempt to understand their perspectives and contributions to Board debate and discussion. Governors will debate issues openly and constructively and be free to question or challenge the opinions presented at meetings where their own judgement differs from that of other Governors.

- Each Governor will ensure that no decision or action is taken that has the effect of placing his or her interests in priority to the interests of the ICGN. In relation to conflicts of interest, Governors will comply with the requirements set out in the ICGN Articles of Association.
- Governors will use all reasonable endeavours to attend Board meetings. Governors unable to attend a meeting must advise the Chair as soon as practicable with an explanation for non-attendance.
- Governors will prepare for each meeting and utilise their range of skills, knowledge and experience for, and apply their judgement to all matters discussed, at Board meetings.
- Governors will avail themselves as appropriate of induction and orientation programs and continuing education, training or development programmes arranged for them by ICGN.
- Governors may be required from time to time, at the request of the Board, to devote special attention to the business of ICGN or perform services which are outside of the scope of the ordinary duties of a Governor, including, but not limited to, acting as a Board liaison on a committee, and participating in special projects.

9. Appointment of Board Chair and Board Vice Chair

The process for the appointment of the ICGN Board Chair and ICGN Board Vice Chair is governed by the ICGN Articles of Association and the ICGN Board Charter.

The Board will appoint one of its members to be Chair and one of its members to be Vice Chair on an annual basis. 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.

ICGN's Articles of Association (Article 11.1) states: *"In advance of each Annual General Meeting, the Governors may appoint one of their number to be the Chair and another to be the Vice Chair of the Governors for a term beginning at the end of the upcoming Annual General Meeting and expiring at the end of the next Annual General Meeting."* Article 11.2 follows that: *"Such appointment will only be effective if the person appointed as Chair and Vice Chair is re-appointed as a Governor at the upcoming Annual General Meeting"*.

The appointment (or re-appointment) of a new chair and vice chair will be proposed and approved at the last Board meeting held before the AGM. This will be reported to Members at the AGM, and it is assumed that the newly elected Chair will make opening remarks at the Annual Conference which usually follows the AGM.

The Chair of the Governance Committee meets with a member or Chair of the Nomination Committee, to initiate the process. The process should begin no later than three months before the ICGN AGM.

The Chair of the Nomination Committee then speaks with the incumbent Chair and Vice-Chair and determine if they wish to continue in their respective roles, subject to tenure limitations.

The Chair of the Nomination Committee then distributes a survey to all incumbent board members, indicating whether the incumbent Chair and Vice-Chair wish to continue in their roles, and additionally asking the following:

- Please indicate one or more names of incumbent board members you propose for the role of Chair and for the role of Vice-Chair.
- Please indicate any skills, qualifications, or qualities you believe are needed for the role of Chair and for the role of Vice-Chair.
- If you are proposed for the role of Chair or the role of Vice-Chair, are you interested, able and willing to serve?

The Chair of the Nomination Committee also seeks the opinion of the Chief Executive Officer which is relayed to the Board for information.

The Chair of the Nomination Committee collects all survey replies and presents an analysis of the results to the board for discussion. The analysis should consider tenure limitations for all candidates.

If there is no easy consensus from the survey, the Chair of the Nomination Committee will lead a discussion to arrive at a vote for both roles. Candidates can vote for themselves. The vote will be a simple majority. In the event of deadlock, the Chair has the casting vote.

In the event of a sudden vacancy of Chair or Vice Chair, the Board shall convene an extraordinary meeting to appoint one of their number to that role in accordance with Article 11.5.

10. Role of the Chair

The Chair provides effective leadership to the Board in the governance of the ICGN. In this capacity the Chair inspires a shared commitment to ICGN' vision, purpose, values and strategy and cultivates leadership among Board Governors and encourages board development. Given ICGN's mission of being an investor-led organization, the Board has determined it prefers that, upon initial appointment, the Board Chair be an individual with current affiliation to an asset owner or asset manager.

The Chair sets the "tone" for the Board and its members to foster ethical and responsible decision-making, appropriate oversight of management and best corporate governance practices. The Chair fosters a healthy board culture, encourages participation, and balances strategic foresight with effective operational oversight.

The Chair also has duties in serving as the board operations manager, with such responsibilities as building and setting the agenda, overseeing the process for strategic development, and ensuring effective controls are in place for governing ICGN.

The Chair has the following responsibilities:

- lead, manage and organize the Board, consistent with the approach to corporate governance practices adopted by the Board from time to time and to ensure the Board is accountable for the Company's overall approach to governance issues;

- except as otherwise authorized by the by-laws of the Company, to preside as chair at all Board meetings;
- to set appropriate agendas of Board meetings in consultation with the Board and the CEO;
- to effectively and efficiently facilitate board meetings ensuring views are brought forward, considered and incorporated as appropriate;
- to strive to ensure full utilization of directors' skills and experience and optimum performance of the Board and its committees;
- to focus the board on high-level priorities, setting the strategic direction and objectives and the review of progress toward them;
- to ensure that all business set out in the agendas of Board meetings is discussed and brought to resolution, as appropriate;
- to ensure Board Committee Chairs bring important issues forward to the Board for consideration and resolution;
- to provide the Board, the Board Committees and individual directors with leadership to assist them to carry out their duties and responsibilities effectively and efficiently, and independently from the secretariat;
- to ensure that the Board meets in separate, regularly scheduled, non-management, in-camera sessions;
- to ensure the responsibilities of the Board are effectively carried out in compliance with the Board Mandate and that functions of the Board delegated to committees are carried out by the Committees and reported to the Board and recorded as such;
- together with the CEO, the Nomination Committee and the Governance Committee, to actively participate in the recruitment, education and retention of directors;
- to ensure the Board represents and protects the interests of its Members; and serve as key contact for ICGN Whistle-blower Policy and member of Crisis Management team, as appropriate.
- to foster ethical and responsible decision-making by the Board, the Board committees and individual directors;
- to ensure that the boundaries between Board and management responsibilities are clearly understood and respected and that relationships between Board and Secretariat are conducted in a professional and constructive manner;
- with the Governance Committee, to respond to potential conflicts of interest situations and;
- with the chair of the Governance Committee, to ensure the effective and efficient operation of the Board, its Committees and its individual Board Governors.

The Chair shall have the following responsibilities in terms of working with the Secretariat:

- to act as a liaison between the Board and the senior management of the ICGN including acting as an advisor to the CEO;
- to work with the CEO to ensure the Board is provided with timely reports and information necessary to carry out the board's duties;
- act as a liaison between the Board and the senior management of the ICGN including acting as an advisor to the CEO;
- to actively participate in the corporate development and growth of ICGN;
- to assist the CEO in formulating the Company's mission and overall strategy of the ICGN;
- to ensure that an annual evaluation of CEO performance is conducted by the Governance Committee and the Board; and
- to carry out such other duties and responsibilities as may be required of the Chair by the Board from time to time.

The Chair shall have the following responsibilities in terms of members and stakeholders:

- except as otherwise authorized by the by-laws of the ICGN, to preside as chair at the annual meeting of the Members;
- to ensure that the Members meet at least once annually and as many additional times as required;
- to work effectively with the CEO in communicating and developing effective relations with Members and other stakeholder groups;
- serve in an ambassadorial role, representing the ICGN to Members and external stakeholders, including media, government, and non-governmental organisations.

11. Role of the Vice Chair

The Board of Governors will appoint one of its members to be Vice-Chair on an annual basis. The election process shall be managed by the Nomination Committee.

The Vice Chair's role includes:

- assisting and providing support for the Chair in the delivery of his or her objectives;
- leading the evaluation of the Chair on behalf of the other Governors; and
- in case of the absence of the Chair, or of his or her inability from any cause to act, performing the duties of the Chair and undertaking the tasks and responsibilities of the Chair.

12. Committees

Except for matters specifically vested in the Board under the Articles of Association, the Board may delegate its powers or functions to any person or committee in accordance with the conditions set out in the Articles of Association.

The Board will from time to time establish Committees to assist in the discharge of the Board's responsibilities. The primary committees, comprised wholly of ICGN Board Governors are:

- Audit and Finance Committee
- Crisis Committee
- Governance Committee
- Policy Oversight Committee

Separately there are committees, comprised by a majority of ICGN Members who do not serve on the ICGN Board and for which the Board has oversight being:

- Awards Committee
- Nomination Committee
- Policy Committees

The role and composition of ICGN committees are described in more detail in committee Terms of Reference.

13. Role of the CEO

The CEO is appointed by and reports to the ICGN Board. The Board has delegated responsibility for day-to-day management of the ICGN to the CEO. The CEO is accountable to the Board for the exercise of the powers delegated to the CEO and for the performance of the ICGN. The performance of the CEO will be evaluated annually by the ICGN Governance Committee.

The Board will monitor the actions of the CEO and the performance of the ICGN through consideration of reports prepared by management for the Board and through discussions with management both formally, at Board meetings, and informally. The CEO will ensure that reports are provided to the Board in a timely manner and contain information required to enable the Board to monitor the implementation of strategy and performance of the ICGN. The CEO will ensure that all reports are prepared and presented to the Board in a spirit of openness and trust.

The CEO is the highest-ranking officer within ICGN. The CEO is responsible for top-level strategic and managerial decisions and the overall positioning, success and well-being of ICGN. The CEO sets the "tone" for the ICGN and its employees to foster ethical and responsible decision-making, appropriate program oversight of management and best corporate practices. The CEO fosters a healthy culture and enables Secretariat staff to fulfil their roles efficiently and effectively while augmenting their professional development and value to the ICGN.

The CEO shall have the following responsibilities:

- Develop ICGN's strategy and mission in consultation with the Board and ensure its effective implementation.
- Work with Secretariat and the Board to identify and mitigate risks on the horizon.
- Oversee the effective delivery of membership benefits and services ensuring high-quality policy output, delivery of international conferences and education, and the publication of reliable and relevant information.

- Identify innovative products and services of value to Members.
- Build the strength and breadth of ICGN membership, maintaining a majority of investor members, while increasing participation from companies.
- Ensure the long-term sustainability of the ICGN through robust financial planning, risk management, prudent cost controls and reliable income generation.
- Lead, manage and organise ICGN's human resources including an employed team based in London, the appointment of consultants and coordination of volunteers. In this capacity, the CEO shall strive to attract, retain and mentor key talent within the Secretariat.
- Serve as the lead ICGN spokesperson by proactively engaging with regulatory entities, media, ICGN Members and other stakeholders through a range of channels, including private / public representation and media engagement. The goal is to build ICGN brand as a leading global authority on corporate governance and investor stewardship.
- Foster strategic alliances and initiatives to position ICGN as a leader in inspiring good governance and stewardship practice worldwide.
- Provide leading expertise on international corporate governance matters and challenges.

Working with the Board the CEO shall have the following responsibilities:

- Work with the Chair to ensure the Board is provided with timely and effective reports and information necessary to carry out the board's duties.
- Actively participate in board meetings to present status and development of strategic goals and ongoing ICGN work programme.
- Participate in committee meetings to provide information and report on the development and implementation of items relevant to those committees.
- Acquire board involvement in formulating the Company's mission and overall strategy.
- Carry out such other duties and responsibilities as may be required of the CEO from time to time.

14. Role of ICGN Representatives on Third-Party Organizations

The ICGN may appoint an ICGN Member or staff to represent the ICGN's interests on a particular group, organisation, project, or other initiative. As an ICGN Representative, such individuals are acting on behalf of ICGN and not their affiliated employed organisations, although it may be possible to represent both. It is expected that the values held by the ICGN Representative are aligned with ICGN's purpose and strategic objectives.

With due attention to detail, and subject to the requirements and circumstances of the particular board and organisation, the role of the ICGN Representative is as follows:

- Commit sufficient time to, and actively participate in discussions and activities;
- Present ICGN positions related to the relevant subject matter;
- Where relevant, conduct soundings of ICGN Members in order to convey positions of our membership;
- Inform ICGN Board, Committee and Members, as appropriate, on the work of the organisation;
- Declare and manage conflicts of interest, if any, to the organisation and to the ICGN

ICGN will support the representative with research, opinion or other materials needed to properly present ICGN positions – subject to reasonable resources. The ICGN cannot provide financial support to representatives for travel or other expenses relating to this representation.

The appointment of ICGN Representatives should be proposed to the ICGN Governance Committee, with subsequent approval by the full Board of Governors.

The ICGN Governance Committee should review all representatives annually and make a positive recommendation to the full Board for continuance.