

International Corporate Governance Network Bylaws

Board Designation Process

Objectives:

- to obtain a board fit for the purposes of steering and administering ICGN
- to obtain a board representative of ICGN's constituents
- to avoid entrenchment and give a variety of members the opportunity of serving
- to ensure efficiency and continuity of purpose and action
- to avoid conflicts of interest
- to follow transparent procedures
- to involve membership fully in the process

1. Nomination Committee

Purpose

- Each year to identify willing and able candidates for the Board of Governors.
- To recommend to the membership up to 12 members for election to the Board after discussing with the incumbent Board
- To respect geographical, skills and gender balance, taking account of ICGN's historical strength
- coming from the investing community.

Requirements

The Nomination Committee must meet intensively & flexibly from February to June each year. It must be well aware of ICGN needs, constraints, sensitivities, bylaws & procedures.

Formation/Composition

The Nomination Committee is designated by the Board and approved by the membership, to which it reports on its choice and rationale for it. The Nomination Committee may not have currently serving Governors, except those not seeking (re)election (to avoid conflicts of interest) and the latter may not constitute a majority of the Committee. Members of the Committee should (as the Board itself) be diversified. Members of the Committee should have a good knowledge of the Board, of its current agenda and workings, therefore should be predominantly composed of old or "outgoing" Governors (of which at least one outgoing or recently serving)

Tenure of Nomination Committee members

There should be a balance between continuity (of knowledge & experience) and renewal.

2. Board Nomination Procedures

1 The Board's proposed Nominating Committee will be put to the annual general meeting for approval by the Membership. The Committee will then *no later than four months before the AGM* issue a call to membership for nominations of candidates to the Board shall be made to the membership by the Nominating Committee.

2 The Nominating Committee is constituted as laid down in the Bylaws and, to avoid the use of a chairman's casting vote in what is usually a small committee, shall have an odd number of, but not less than three, members.

3 The call by the Nominating Committee shall attach a list of current Board members, showing the date at which they are no longer eligible to stand for office (highlighting those whose eligibility expires at the end of the current year) as well as their record of participation in the Board's sessions. The call shall also contain a nomination form, and a reminder of the essential rules and practices regarding nominations, including the required three sponsors, the nominee's CV and motivation statement and the fact that both the nominee and sponsors all have to be members in good standing (with current subscription paid up).

4 The nomination form shall include a statement that nominees who would not be retained in the Nominating Committee's final recommendation to the AGM may decide that in such case, their nomination should be considered as withdrawn. A box in the nomination form should be clearly marked to that effect.

5 Nominations should be received by a date to be set by the Nominating Committee to provide sufficient time for consideration, and reviewed by the Nominating Committee. Further information is gathered as necessary, with a view to submitting to the Board by the *end of April* the full list of properly proposed candidates and a first opinion on which candidates the Nominating Committee intends to recommend.

6 The Board is invited to make its comments on that opinion known to the Nominating Committee in time for final recommendations in advance of distribution of papers for the AGM.

7 The Nominating Committee reviews the Board's comments and decides on its final recommendation.

3. Election Procedures

1 At the latest *one month before the July AGM (i.e. around 8 June)*, usually within the papers for the AGM, a complete list of candidates is made known to the membership. The list is presented in alphabetical order, together with the Nominating Committee's recommendations; annexes contain the relevant underlying documentation: CV, motivation statement, names of sponsors.

2 The elections for membership of the Board of Governors shall be conducted at the ICGN Annual General Meeting by the Chairman of the meeting. S/he shall be assisted by a panel of not less than three scrutineers to count the votes and supervise the process. The scrutineers shall be ICGN members appointed by the Chairman of the meeting and shall not be candidates for office. The scrutineers shall choose one of their number to act as their chairman.

3 When at the Annual General Meeting the item Elections comes up, there shall be an opportunity for discussion on the nominations made by the Nominations Committee.

4 If during the course of the discussion further nominations come from the floor, the Chairman shall accept such additional nominations, providing the conditions specified in the bylaws therefor are met

5 The Chairman, or any member, may request that a vote by a show of hands takes place to identify or confirm that a nomination has the backing of the twenty-five number of members present that is required for a nomination from the floor to be valid.

6 Candidates shall be voted on individually.

7 Election of the Board of Governors shall be by a poll, which may be electronic or with the use of voting forms.

8 Each Member will be issued with a voting device/form showing the number of votes to which s/he is entitled by virtue of the proxies s/he holds.

9 All candidates shall be listed in alphabetical order, indicating the Nominating Committee's positive recommendation opposite each relevant name. Space shall be allowed for the possible addition of candidates nominated from the floor.

10 Provision shall be made to record the type of vote cast in respect of each candidate, namely "for" or "against", with also possibility of recording abstentions. The scrutineers shall report the votes for and against each candidate together with abstentions and any void votes.

11. All the votes where a member has voted "for", i.e. in favour of, more than 12 members shall be invalid. Members are allowed to vote for fewer than 12 nominees.

12 For a candidate to be elected s/he must receive votes from at least 50% of the valid votes, not counting abstentions. If as a result of this rule, less than 7 members are elected to the Board, the rule shall be waived until 7 members have been elected.

13. If, after the above procedures there are more than 12 candidates remaining, all candidates will be ranked in order of number of votes received and those with the lowest numbers are eliminated until the number is reduced to 12.

14. If for the last of the 12 board positions, two or more candidates have the same number of votes, the newly elected board (minus the tied candidates) will, as one of the first items at its initial meeting immediately following the AGM, decide on which of the tied candidates will be retained. In doing so, the board will take into account the requirements in terms of geography, background, gender etc. as specified in article 10.10 of the Bylaws (art 6.6.6 of the new Mem & Arts) . The finally decided board member will then be invited to join the meeting.

4. Summary of Membership Involvement in the Board Designation Process

- Members approve the composition of the Nominating Committee
- Only members may propose or sponsor candidates for board seats
- Candidates, proposers and sponsors may only be members in good standing
- Members are specifically invited each year to propose candidates, at least four months ahead of the AGM
- Valid candidacies not withdrawn must be notified to members at least one month ahead of the AGM
- Simultaneously full documentation (CV, sponsors and motivation statement) must be provided
- Members unable to attend the AGM may give another member a proxy
- In exceptional circumstances, members may propose candidates from the floor at the AGM
- Members discuss the candidacies at the AGM before voting by poll

- Members vote on candidates individually, not as a slate
- Scrutineers are designated exclusively among members who are not candidates