


**ICGN**

International Corporate Governance Network

## Minutes of the ICGN 2014 Annual General Meeting

Held on 16<sup>th</sup> June 2014 from 14.00 (CEST), at the Beurs Van Berlage, Damrak 243, 1012 ZJ, Amsterdam, Netherlands

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### Participants

Michelle Edkins (Chair)	BlackRock, USA
Erik Breen (Vice-Chair)	Triodos Investment Management, Netherlands
Philip Armstrong	International Finance Corporation, USA
Heloisa Bedicks	IBGC, Brazil
Richard Bennett	GMI Ratings, USA
Frank Curtiss	Railways Pension Trustee Limited, UK
Jon Feigelson	TIAA-CREF, USA
Carol Hansell	Hansell LLP, Canada
David Pitt-Watson	London Business School, UK
Geof Stapledon	BHP Billiton, UK
Yoshiko Takayama	J-EURUS, Japan

### Apologies

Philippe Zaouati	Natixis AM, France
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### In Attendance

Managing Director	Kerrie Waring, ICGN
Acting Company Secretary	Shazia Parviez, ICGN
Membership	127 ICGN Members in person, including 11 represented by proxy

The Chair called the Annual General Meeting (AGM) to order at 14.00 hours and noted that only ICGN members may vote and raise items from the floor.

### Item 1: Minutes

The minutes of the 2013 ICGN AGM were received by the meeting and taken as read.

### Item 2: Chair Report

The Chair referred members to the Chair Report and noted the following areas of ICGN's progress over the year:

- A significant development, in terms of advancing the work programme of ICGN, was the appointment of the Managing Director, Kerrie Waring, who's role was confirmed in December last year. The recruitment process was thorough and the calibre of applicants was high. Ultimately, Kerrie's depth of knowledge of the ICGN and corporate governance policy, her business acumen, and the ideas she had going forward, demonstrated clear strengths making her the outstanding candidate. The Chair thanked fellow Members of the Board who were on the Recruitment Committee for their contribution and substantial time commitment.
- Finances are now much stronger than at the start of the year. A surplus of £36,701 was generated this year and financial reserves amounted to over £300,000.

- ICGN had a number of very successful events in Milan, New York, London, Cape Town and Paris. In addition, a conference was held in Tokyo in March this year which included a Connection Day, which helped build relationships with senior figures in the corporate community.
- Membership renewal was impressive at 94%, noting that the reason for attrition was primarily due to retirement or change of role. Healthy new recruitment was also noted for the first half of this year. The Chair invited new members to get involved in ICGN's work programme, adding that their participation would be welcomed.
- Human resources were reviewed in line with the ICGN strategy set last year in New York. As a result of that review, the difficult decision, to make the role of the Head of Membership and Administration redundant was taken. This allows for the opening of the new position of an ICGN Senior Policy Advisor role.
- Policy Committees had produced significant output, which included submitting public consultation responses, conversing with regulators and developing best practice guidelines. The Chair added that this year, quarterly calls of Committee Chairs were initiated to help co-ordinate the work programme and to share perspectives. She thanked the Committee Chairs and members for their dedicated support.
- The ICGN's Global Governance Principles was reviewed and was a major body of work. The Chair thanked Kerrie and the Committee Chairs who provided considerable input, and also all of ICGN members, who participated in the consultation and gave their feedback.

The Chair expressed gratitude towards all those who had made this a successful year, including the Secretariat team, ICGN Committees and the ICGN Board, noting particular thanks to the outgoing Board members, being: Rick Bennett, Heloisa Bedicks and Philippe Zaouati. She concluded by paying particular tribute to the ICGN membership for their active participation in the ICGN work programme.

### **Item 3: Finance Committee report**

The Finance Committee, Chair Frank Curtiss, referred members to the Finance Committee Report. He noted that the role of the Finance Committee was to oversee the annual accounts preparation process for the Board to sign-off formally. Regular responsibilities included reviewing the quarterly management accounts and liquidity reports from the Executive.

The Committee also reviewed the ICGN Risk Register on an annual basis. Some of the risks highlighted this year included succession planning, conference income vulnerability and membership growth. Frank noted ways to mitigate such risks are carefully considered by the Committee.

There being no questions from the floor, the resolution "To approve the report from the ICGN Finance Committee" was approved with 97% in favour and 3% withheld.

### **Item 4: Financial statements**

The Finance Committee Chair referred the Members to the annual financial results. He noted a year-end surplus of £36,701 compared with a small deficit, of (£6,834) last year and a greater deficit of around (£90,000) in 2011. This positively impacted reserves, which had increased from £265,695 from the end of 2012, to £302,396 in 2013. The strong financial

results are attributed to prudent management by the Secretariat, better forward planning on conferences allowing more time to generate sponsorship income and healthy membership recruitment, particularly around ICGN conferences and staff salary costs.

Further detail had been provided about the underlying results in an appendix to the Committee's report.

There being no further questions from the floor, the resolution "To approve the financial statements for the year ended 31 December 2013" was approved with 98 % in favour and 2% withheld.

**Item 5: Re-appointment of auditors**

The Finance Committee Chair referred members to the recommendation on the re-appointment of the Auditor. He noted that Grant Thornton were initially appointed in 2011 and have continued to be re-appointed since that time. The conduct of the audit had been very satisfactory and the Committee therefore proposed the re-appointment of Grant Thornton as ICGN's Auditors for the year ahead.

There being no questions from the floor, the resolution that:

"Messrs. Grant Thornton LLP, the retiring Auditors be and, are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and that the Finance Committee shall determine their level of remuneration" was approved with 95% in favour, 3% against and 2% withheld.

**Item 6: Bylaws and Procedures Committee report**

**Item 7: Special resolution to revise the articles of association**

The Bylaws and Procedures Committee Chair, Simon Osborne, referred members to the Committee Report which highlighted a grammatical error made relating to repetitive text in the revision of ICGN's new Articles of Association approved at the AGM in New York in 2013.

There being no questions from the floor, the resolution "To approve the report from the ICGN Bylaws and Procedures Committee" was approved with 99% in favour and 1% against.

In addition, the Special Resolution THAT:

Article 11.7 of the Company's Articles of Association be amended by deleting a repetitive sentence, as follows:

"A person may be dismissed from the office of Governor if a resolution is passed for his or her dismissal from office by a majority of two thirds of those present at a meeting of the Governors at which at least three quarters of the Governors are present, and show that they are acting with due regard to their legal duties to ICGN. ~~At a meeting of the Governors at which at least three quarters of the Governors are present, a resolution is passed with a majority of two thirds of those present that he or she should be removed from office and is therefore dismissed.~~ Such a resolution shall not be passed unless the Governor has been given at least 14 clear days' notice that the resolution is to be proposed, specifying the circumstances alleged to justify dismissal from office and has been afforded a reasonable opportunity of being heard by, or of making written representations to, the Governors..."

was approved with 93% in favour, 5% against and 2% withheld.

### Item 8: Nomination Committee report

The Chair of the Nomination Committee, Peter Montagnon, referred the Membership to the Committee report. He noted that the Committee had taken particular care to determine an appropriate and diverse board balance. This included consideration of geography, gender and the investor-led nature of the ICGN work programme. He noted that the Committee had also considered the future direction of the ICGN and its role in promoting dialogue between companies and shareholders, and the importance of promoting governance and shareholder rights in emerging markets.

He thanked the Nomination Committee members for their work over the year and noted particular thanks to Bill Crist and Léo Goldschmidt, both of whom had stepped down. Bill retired from chairing the Committee for health reasons and Leo concluded that he should retire following the end of this year's nomination process. The ICGN owes a great deal of gratitude to both individuals who have contributed enormously to the Committee, as well as to the organisation as a whole. He also welcomed two new members to the Committee being Michelle Edkins, who was co-opted to stand in for Bill Crist and will continue on the committee, and Anita Skipper.

The Chair also noted that the Committee will convene later this year, to reflect on the ICGN Board nomination process in general, including succession planning and leadership. The aim is to ensure a long-term focus in line with the ICGN strategy.

The Chair thanked all those who had put themselves forward as Board nominees, including those whose names did not go forward to election. He encouraged individuals who may be considering a future ICGN Board position to become actively involved in the ICGN work programme such as joining an ICGN Committee.

He confirmed that four Board members are stepping down this year being: Michelle Edkins, Richard Bennett, Heloisa Bedicks and Philippe Zaouati. As such, four new members are proposed being: David Couldridge (South Africa), Anne-Marie Jourdan (France), Aeisha Mastagni (USA) and Anne Molyneux (Switzerland). The Committee also considered the contribution of each of the incumbent Board members over the course of the year and determined that they were all suitable for re-nomination.

There being no questions from the floor, the resolution, *"To approve the report from the Nomination Committee"* was approved with 97% in favour, 2% against and 1% withheld.

### Item 9: Board re-elections/elections

Following the Nomination Committee Report, the resolution to re-elect/elect members of the Board of Governors for 2014/15, taking into account the recommendations of the Nomination Committee" was approved individually as follows:

<b>Governor</b>	<b>For</b>	<b>Against</b>	<b>Vote Withheld</b>
Philip Armstrong	96%	2%	2%
Erik Breen	90%	5%	5%
David Couldridge	88%	8%	4%
Francis Curtiss	92%	4%	4%
Jon Feigleson	77%	16%	7%
Carol Hansell	90%	6%	4%
Anne-Marie Jourdan	88%	7%	5%
Aeisha Mastagni	83%	13%	4%

Anne Molyneux	93%	4%	3%
David Pitt-Watson	90%	6%	4%
Geof Stapledon	86%	6%	8%
Yoshiko Takayama	95%	3%	2%

#### Item 10: Nomination Committee election

The ICGN Vice-Chair, Erik Breen, referred Members to the Board's report on recommending the appointment of the Nomination Committee for the year ahead. He welcomed the two new members, Michelle Edkins and Anita Skipper in addition to the incumbent members being: Rients Abma, Sandra Guerra, Jean-Pierre Hellebuyck, Peter Montagnon and Mark Preisinger.

There being no questions, the resolution "To approve the Board's proposal of the following members to serve on the Nomination Committee being: Rients Abma Netherlands, Sandra Guerra Brazil, Jean-Pierre Hellebuyck France, Peter Montagnon (UK), Mark Preisinger (US), Michelle Edkins (USA) and Anita Skipper (UK) for the coming year" was approved with 92% in favour, 6% against and 2% withheld.

#### Item 11: ICGN Global Governance Principles

The ICGN Managing Director, Kerrie Waring, introduced the review of the ICGN Global Corporate Governance Principles (2009). She highlighted that this was the ICGN's primary standard for well governed companies and the responsibilities of shareholders. It sets the framework for the ICGN work programme focused around influencing public policy, informing governance dialogue and connecting peers around the world.

In October 2013, the Secretariat began the process of reviewing the ICGN Global Corporate Governance Principles. The purpose of the review was to ensure: relevance with current high standards of market practice; consistency with ICGN Guidance published since 2009; and inclusion of emerging corporate governance issues.

Working with Committee chairs and ICGN members, a comprehensive review of all ICGN guidance was conducted, together with research into recently developed/updated codes and standards from jurisdictions around the world. This was supplemented with a six week public consultation in early 2014 when we benefited from 18 member responses and which helped to inform the drafting process.

She noted that the new draft ICGN Global Governance Guidelines includes all of the former principles and the key changes are:

- Combination of both company and investor governance responsibilities into the one document
- Emphasizing the corporate objective definition by moving it to the preamble
- References included from ICGN Guidelines published since 2009
- Introduction of new principles and terminology

She concluded by expressing gratitude to the Committee Chairs and the ICGN Board for their substantial input into the review of the Principles. Particular thanks were expressed towards Paul Lee who had drafted the original work and on which most of the revised text was based.

There being no questions from the floor, the resolution, "To approve the 'ICGN Global Governance Principles' was approved with 95% in favour, 3% against and 2% withheld.

**Items 12- 20: General reports to Members**

The Chair placed on record the Board's gratitude to the work of ICGN Committees over the previous year. There being no questions, the resolution to approve reports from ICGN Committees was approved individually as follows:

<b>Committee Report</b>	<b>For</b>	<b>Against</b>	<b>Vote Withheld</b>
Accounting and Auditing Practices	96%	1%	3%
Business Ethics	98%	2%	0%
Country Correspondents	91%	6%	3%
Corporate Risk Oversight	97%	2%	1%
Integrated Business Reporting	92%	5%	3%
Remuneration	89%	8%	3%
Scholarships Committee	93%	3%	4%
Shareholder Responsibilities	96%	3%	1%
Shareholder Rights	95%	3%	2%

**Item 21: ICGN Conference 2015**

The Managing Director informed the Membership that the City of London is kindly hosting the ICGN next year between 3-5 June at the Guildhall which also celebrates ICGN's 20 year anniversary. In addition, the following events have been confirmed:

- Madrid, hosted by the ICA and endorsed by CNMV in March
- Boston, hosted by the Council for Institutional Investors on 28 September.

**Item 22: Managing Director Report**

The Managing Director introduced her report by thanking the ICGN Board for her appointment and noting that she looked forward to working with members in delivering the ICGN work programme over the coming years.

Since being established in 1995, ICGN has published (and kept up to date) ten core pieces of guidance, submitted over 180 comment letters, awarded 56 scholarships and organised 40 conferences in 20 different countries.

Looking at the year ahead, the MD referred Members to a power-point presentation which outlined activities under the ICGN core objectives of influencing policy, connecting peers and informing dialogue.

**Influencing policy**

The MD described 'influence' as being about inspiring policy and practice:

- The ICGN Global Governance Principles have now been approved and the next step will be to update ICGN guidance to sync with the Principles and in particular the ICGN stock lending code and non-financial business reporting.
- Regulatory dialogue will continue and include more face-to-face dialogue with key stakeholders on things such as the Model Mandate, anti-corruption and remuneration.
- Comment letters will continue to be submitted in response to consultations and initiatives such as the IIRC's Corporate Reporting Dialogue.
- ICGN Viewpoints will be published to stimulate discussion on provocative issues where the ICGN does not necessarily have a formal position. The next ICGN

Viewpoint will be issued from the Shareholder Rights Committee on obstacles to cross-border voting.

- Policy maps are a new Member tool and the ICGN Remuneration Committee is busy putting together a 'Remuneration Policy Map' which clarifies differences in approach to remuneration practices world-wide.
- RI Codes are being populated on the ICGN website which currently features 9 codes and is set to grow with Kenya being the latest to announce an initiative.
- Global Network of Investor Associations (GNIA), established last year in New York, will continue to exchange ideas on latest policy developments.

The MD thanked the Committee chairs and members once again for their valuable contributions. She also announced the recruitment of a Senior Policy Advisor to help support and raise awareness of the many policy initiatives.

### Connecting peers

The MD emphasised that there are now around 650 ICGN Members based in 47 countries, 51% of whom are investors. The aim is to maintain the investor-led nature of the ICGN and at the same time welcome all governance professionals from a range of disciplines. The recruitment rate of new ICGN members was 14% in the first five months of this year.

- Conferences in 2015 will be in London, Madrid and Boston.
- Connection Days will continue following the success of the most recent meeting in Tokyo this year with Mitsubishi, Sony and HOYA.
- The next Debate is hosted by the Toronto Exchange Group, ahead of PRI in Person in September in Montreal.
- An Academic Meeting was held for the first time this year which was a great success thanks to the leadership of Paul Frentrop, Christian Strenger and others. Papers are available on the ICGN website and the next meeting will be held in London.
- Scholarships continue with two new scholars being awarded this year supported by Hermes and Deloitte.
- The 2014 ICGN Award will be made during the conference and we are grateful to the work of the Awards Committee.

### Informing dialogue

The MD described 'informing' as being about learning and sharing:

- ESG Programmes have been delivered in six markets and the MD announced a new partnership with UNEPFI to develop courses in India. The first programme will take place in October this year at the Bombay Stock Exchange.
- Country Correspondents now number nearly twenty markets and the resource is set to grow with Sweden, South Africa and Turkey. She noted her gratitude to the Correspondents for the valuable work they contribute.
- The Yearbook production process will begin after the Amsterdam conference and celebrates 10 years of existence next year.
- Policy updates will be sent on a monthly basis to Members which focus primarily on the work of our committees, latest comment letters, ICGN Viewpoints or other activities.
- Media outreach is one where improvement is needed, but this is subject to resource. The MD expressed her gratitude to Fay Feeney for her pro-bono advice on Twitter and welcomed ideas from Members on how to improve ICGN's media profile.
- ICGN-APP is a new tool and the ICGN was one of the first organisations to switch to paperless last year. It provides Members with direct access to comment letters, guidance, event information and so on.

- The ICGN Website will be professionally reviewed over the coming months and undergo a re-design aimed at simplifying content, improving navigation and refreshing the image of the site.

The MD concluded by reiterating the positive financial year-end results which amounted to around £55,000 (taking into account a reimbursement from the European Commission relating to the ESG project). The aim is to continue to build reserves to around half a million to meet one year's core operating costs. She also noted that ICGN membership income accounts for around £300,000 per year. Fee levels are much lower than other governance bodies and this will be reviewed over the coming months.

On conferences, the MD noted a profit target of around £300,000. There has been an operational shift away from one event a year towards delivering a portfolio of events. This allows for more forward planning, longer marketing lead times and the ability to build strategic relationships with sponsors and partners. In this regard, the MD expressed her gratitude to event hosts, partners and sponsors noting the integral role they play in helping deliver high quality, international conferences.

In terms of human resources, the MD emphasised the need to ensure that ICGN staff expertise meets the needs of the business. She also noted that the ICGN has moved offices with the Institute of Chartered Secretaries and Administrators who remain the ICGN Landlord based in London. She noted thanks to Simon Osborne and ICSA for this continued relationship.

In closing, the MD thanked the ICGN Secretariat team for their excellent work being: Sarah Curtiss, Gabrielle Osei, Shazia Parviez and Vera Zapletalova. In addition she expressed thanks to the many ICGN interns including Christianna Roddick-Woods. She opined that ultimately the most valuable ICGN resource are the Members themselves noting that the ICGN is a member-driven organisation and participation in committees, consultations, surveys and so on forms the bedrock of the ICGN work programme.

Finally the MD thanked the ICGN Board noting the active role they play and in particular thanked the outgoing Chairman, Michelle Edkins. Michelle has been a Board member for five years and has helped shape the organisation ICGN is today. An ICGN Member since 1999, she has chaired the Shareholder Rights Committee, along with being a member of many other committees; co-led the reform of membership fees; and produced the first ICGN Yearbook with Anne Simpson in 1995.

The MD invited the incoming Chair, Erik Breen, to present Michelle with a small gift as a token of appreciation.

From the floor, Tracey Rembert of Ceres enquired about plans for GNIA. The MD replied that GNIA was still embryonic and that the group convenes once every two months by conference call. It serves as a useful mechanism for the national investor bodies to share knowledge and experience on corporate governance policy developments.

### **Adjournment**

There being no further business, the Chair thanked the Members of the meeting and declared the meeting closed at 15.35 hours.

**Michelle Edkins, Chair  
ICGN Board of Governors**