


ICGN

International Corporate Governance Network

Minutes of the ICGN 2017 Annual General Meeting

Held on 11 July 2017 from 13.30, at the Shangri La Hotel, Kuala Lumpur, Malaysia

Present

Board Members

Erik Breen (Chair)	Triodos Investment Management, Netherlands
Philip Armstrong	GAVI, Switzerland (Vice-Chair)
Melsa Ararat	Sabanci University, School of Management, Turkey
David Couldridge	Investec Asset Management, South Africa
George Iguchi	Nissay Asset Management Corporation, Japan
Anne-Marie Jourdan	Fonds de Reserve Pour Les Retraites, France
Michael McCauley	State Board of Administration of Florida, USA
Anne Molyneux	CS International, Switzerland
Geoff Stapledon	BHP Billiton, UK
Claudia Kruse	APG Asset Management, Netherlands

Executive

Kerrie Waring	Executive Director, ICGN
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Secretary

Loren Wulfsohn	HSBC Holdings plc
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Membership

46 ICGN Members in person and 16 by proxy.

Apologies

Robert Walker	NEI Investments, Canada
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The Chair called the Annual General Meeting (“AGM”) to order at 13.30 hours and advised that only ICGN members may vote and raise items from the floor.

He welcomed all members to the meeting, noting the apologies of board member Bob Walker who was unable to attend due to circumstances beyond his control.

Item 1: Minutes

The minutes of the 2016 ICGN AGM were received by the meeting.

There were no questions from the floor.

In favour: 100%, Against: 0% (no members withheld their vote)

Item 2: Annual Review

The Chair referred Members to the Annual Review. In relation to the past year, he noted the following:

- Policy: In line with the objective to influence policy, a number of key guidance documents had been updated and were being presented to the meeting for consideration. He thanked the members involved in the review of these documents for their time and commitment;
- Board Evaluation: This had been conducted by an external independent consultant. The outcome was positive as the Board had generally maintained a high performance level with improvements seen in some areas. The outcome had been openly discussed by the Board and follow-up actions defined as appropriate;
- Succession and Nomination Principles: The recently formulated principles were aimed at balancing the need for an independent nominations process with an informed process that creates alignment between the ICGN's strategic objectives and the deliberations of the Nominations Committee;

Kerrie Waring, Executive Director ("ED"), noted her thanks to KWAP for hosting the annual event as well as the many other sponsors supporting the conference.

The ED provided an update on activities during the course of the year, with achievements including the following:

- The formation of a network for stewardship code developers convened by the ICGN;
- An invitation to participate on the FSA Council in Japan to review its Stewardship Code;
- Discussing policy positions and sharing information within the Global Network of Investment Associations;
- Ongoing impact on global governance developments in multiple markets;
- Successful meetings in Frankfurt, San Francisco and Washington DC with meetings planned for 2018 in Tokyo, Milan, New York and London; and
- Strong financial performance with a focus going forward on increasing membership numbers through effective recruitment efforts.

She expressed her gratitude to the Committee chairs who took the lead on many of the ICGN initiatives, including the work of the Nomination and Awards Committees. She thanked both the retiring Chair and Vice Chair of the Board for their leadership and support.

There were no questions from the floor.

IT WAS RESOLVED THAT the 2016 ICGN Annual Review be received by the meeting.

In favour: 100%, Against: 0% (no members withheld their vote)

Finance and Audit**Item 3: ICGN Financial Statements**

In the absence of Bob Walker, Chair of the Finance Committee, Phil Armstrong introduced the agenda item, noting thanks to his fellow committee members for their work during the past year.

In reference to the Financial Statements he noted the following:

- A surplus of £87,781 had been reported, with reserves of £575,366. It was opportune for the Committee and the Board to reflect on the current reserves policy to confirm an appropriate level of reserves and to understand how best to deploy the reserves on projects;
- Revenue had increased year on year by £181,123 primarily as a result of increased conference revenues, with total revenues for the year of £1,280,938. Strong conference performance was offset by disappointing membership recruitment which would be addressed; and
- Expenses: These were £704,834.

The Finance Committee had reviewed the ICGN Risk Register and items of relevance included:

- Succession planning for the Executive Director;
- Membership recruitment strategy; and
- Competition for membership fees in times of economic uncertainty.

In response to a question from Peter Montagnon on the costs of producing conferences, the ED noted that conference production costs were directly related to the location of the conference and could therefore be widely variable.

There being no further questions from the floor, the resolution was put to the vote.

IT WAS RESOLVED THAT the financial statements for the year ended 31 December 2016 be received.

In favour: 100%, Against: 0% (3 members withheld their votes)

Item 4: Re-appointment of auditors

Phil Armstrong, Finance Committee member, introduced the item noting that Grant Thornton, initially appointed in 2010, had been re-appointed since that time. The conduct of the audit had been satisfactory and the Finance 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 was put to the vote.

IT WAS RESOLVED THAT Messrs. Grant Thornton LLP, the retiring Auditors be 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.

In favour: 100%, Against: 0% (no members withheld their vote)

Membership

Item 5: Membership Subscription fee levels for non-investor-for-profit members

The ED noted that the change relating to the membership category for non-investor-for-profit members had been approved at the 2016 AGM. This year, further member approval was

being sought to determine the applicable fees. The establishment of a suitable fee had been socialised with impacted members. The intention was to implement a transition period so that this category of members would be paying the same membership fees as non-investor members by 2020.

There being no questions from the floor, the resolution was put to the vote.

IT WAS RESOLVED THAT pursuant to Article 8.10, approval be granted to align the membership subscription fee level of non-investor-for-profit category members with that of investor category members by way of the following increases for 2018, 2019 and 2020:

Non-investor-for-profit

Membership Categories	2017	2018	2019	2020
4: >80,000 employees	£665	£1,400	£2,100	£2,900 or the same level of membership fee as will apply to investor members, whichever shall be greater.
3: >40,000<80,000 employees	£665	£1,100	£1,700	£2,200 or the same level of membership fee as will apply to investor members, whichever shall be greater.
2: >1,000<40,000 employees	£665	£900	£1,200	£1,500 or the same level of membership fee as will apply to investor members, whichever shall be greater.
1: <1,000 employees	£665	£680	£700	£750 or the same level of membership fee as will apply to investor members, whichever shall be greater.

In favour: 92.31%, Against: 7.69% (2 members withheld their vote)

Policy

Item 6: ICGN Policy Committee Re-structure

George Dallas, ICGN Policy Director (“PD”) introduced the item noting the process followed and engagement undertaken to arrive at the current proposal which would see a reduction in the number of committees. The committee chairs had been involved in discussions as had the Board prior to the proposals being circulated to members for input.

In response to a question from Michael Herskovitch on how the membership of merging committees would be managed, the PD noted the importance of ensuring that the transition is carefully managed. It would provide an opportunity for new members to be considered for committee membership.

There being no further questions from the members, the resolution was put to the vote.

IT WAS RESOLVED THAT the revised ICGN Policy Committee re-structure be approved.

In favour: 100%, Against: 0% (no members withheld their vote)

Item 7: ICGN Global Governance Principles

The PD introduced the item noting the process followed and engagement undertaken to arrive at the current proposal. He reported on the key changes to the principles previously agreed by members.

There were no questions from the members and the resolution was put to the vote.

IT WAS RESOLVED THAT the revised ICGN Global Governance Principles be approved.

In favour: 100%, Against: 0% (no members withheld their vote)

Item 8: Guidance on Political Lobbying and Donations

Peter Montagnon, ICGN Business Ethics Committee Chair, introduced the item noting that, in light of both the US and other recent elections, a revision of the guidelines to ensure they remain valid was timely.

Simon Osborne suggested that in future, consideration be given to discouraging short-term lobbying in respect of judicial elections.

There being no further comments or questions from members, the resolution was put to the vote.

IT WAS RESOLVED THAT the revised ICGN Guidance on Political Lobbying and Donations be approved.

In favour: 98.11%, Against: 1.89% (1 member withheld their vote)

Item 9: Articles of Association – Article 12.4

Anita Skipper, Chair of the Nomination Committee, introduced the special resolution being proposed to amend the Articles of Association to enable implementation of the recently published Succession and Nomination Principles (“the principles”). The proposed amendments had been circulated to members for consideration and comments taken into account in finalising the documentation. The principles necessitated amendments to Articles 12.1 and 12.2 to allow two serving Board members to be members of the Nomination Committee. The purpose of the amendment, as articulated in the note to members, was to create greater efficiencies in the working relationship between the Board and the Nomination Committee by ensuring that the Committee’s deliberations were better aligned to strategy.

Peter Butler raised a concern with the construct of the proposal suggesting that there would be a potential conflict in the nominations process if the two Governors would be able to stand for re-election as Governors in the year following their service on the Nomination Committee.

Rick Bennett noted that the difference in the use of the word election and re-election in the Article should be clarified to ensure the meaning was clear.

A suggestion was made from the floor that the proposal be amended to take account of the concerns raised.

In response to these concerns and suggestions, Loren Wulfsohn and Simon Osborne, Chair of the Bylaws and Procedures Committee, noted the following:

- It was not possible to amend a special resolution at the meeting as this was precluded under the Articles of Association;
- The Governors would, as a matter of course, recuse themselves from any decisions or discussions at the Nomination Committee in relation to their own re-appointment. This practice mirrored the nominations process followed by companies; and
- The ordinary meaning of the words election and re-election was clear when read in the context of the full Article rather than taken in isolation.

Peter Montagnon stated his support and understanding of the rationale for the proposed amendment having had experience of the misalignment between the Board's strategic objectives and deliberations of the Nomination Committee. He recommended that the proposal be supported to enable implementation of the principles.

The Chair drew the discussion to a close and the resolution was put to a vote.

The special resolution did not receive the required super-majority (75%) of those voting to pass.

In favour: 68.09%, Against: 31.91% (3 members withheld their votes)

The Chair noted the Board's disappointment with the outcome. The Board would revisit this proposal with members as the objective to ensure a more effective nominations process remained.

Item 10: Board Nomination Committee appointment

The Chair noted his thanks to the outgoing chair of the Nomination Committee, Anita Skipper, who would step down at the end of the AGM.

There were no questions from the floor.

Resolutions to re-elect/elect members of the Nomination Committee for 2016/7 were approved individually as follows:

	<i>Nomination Committee Member</i>	<i>For</i>	<i>Against</i>	<i>Vote withheld (number of members)</i>
10.1	Frank Curtiss	98.08%	1.92%	1
10.2	Michelle Edkins	96.08	3.92	1
10.3	Carol Hansell	98.15	1.85	0
10.4	Marcel Jeucken	96.15	3.85	3
10.5	Yoshika Takayama	98.15	1.85	2

Item 11: Board Governor elections / re-elections

Anita Skipper, Chair of the Nomination Committee, introduced the item advising that the following three new Governors were being proposed for election following a process undertaken by the Nomination Committee:

- Ian Burger (UK);
- Dana Hollinger (USA); and

- Paul Schneider (Canada).

It was noted that Erik Breen and Phil Armstrong would be retiring at the end of the AGM.

There were no questions from the floor.

Resolutions to re-elect/elect members of the Board of Governors for 2017/8 were approved individually as follows:

	Governor	For %	Against %	Vote withheld (number of members)
11.1	Melsa Ararat	98	2	1
11.2	Ian Burger	94.55	5.45	1
11.3	David Couldridge	100	0	0
11.4	Dana Hollinger	98.11	1.89	1
11.5	George Iguchi	98.04	1.96	2
11.6	Anne-Marie Jourdan	100	0	1
11.7	Claudia Kruse	92.31	7.69	2
11.8	Michael McCauley	94.34	1.96	3
11.9	Anne Molyneux	96.43	3.57	1
11.10	Paul Schneider	100	0	3
11.11	Geoff Stapledon	98.1	1.89	1
11.12	Robert Walker	98.11	1.89	3

Item 12: Any Other Business

12.1 Phil Armstrong noted the Board's thanks to Erik Breen for his leadership, contribution and service to the ICGN.

12.2 The Chair noted his personal thanks to the Secretariat and Executive Director, Kerrie Waring for her commitment to operational excellence; Vice Chair, Phil Armstrong (who would also step down at the end of the meeting) for his invaluable service to the ICGN; and the Board members for their individual contribution. He wished the new Board members well.

There being no other business, the Chair declared the meeting closed at 15.45 hours.