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Investor Group on
Climate Change

Board Charter and Code of Conduct

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Document Version

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Board Charter and Code of Conduct

1. Introduction

- 1.1 The Investor Group on Climate Change (**IGCC**) is an incorporated company limited by guarantee and is governed by a Board established under its Constitution (**Constitution**), attached.
- 1.2 The IGCC is registered with the Australian Charities and Not-for-profits Commission (**ACNC**).
- 1.3 According to the IGCC's Constitution, the IGCC is committed to:
 - (a) represent the interest of the public and the investment industry in climate change,;
 - (b) engage the investment industry and the public in addressing the impacts of climate change when analysing and pricing investments;
 - (c) promote awareness and provide information on the potential impacts, both positive and negative, resulting from climate change to the investment industry, corporate, government and community sectors (and their associated industry organisations) and the general public;
 - (d) encourage members of the investment industry to join the IGCC to support IGCC activities and the Mission;
 - (e) research and evaluate approaches relating to the potential impacts on investments resulting from climate change and disseminate that research widely to educate the investment community and the general public;
 - (f) influence and stimulate the investment industry and corporate sector to incorporate climate change strategies, and implementation procedures into their business planning and ongoing operations;
 - (g) encourage dialogue within the investment industry, corporate, government and community sectors (and their respective industry associations) and the public, to the challenges climate change poses to the Australian and New Zealand economies, key markets in Asia, and ultimately the fund members' capital,

(Objects).

The IGCC's Constitution requires the IGCC to pursue charitable purposes only and to apply its income in promoting those purposes.
- 1.4 Terms defined in the Constitution have the same meaning in this IGCC Board Charter and Code of Conduct (**Charter**).

2. Who is covered by this Charter?

- 2.1 This Charter applies to:
 - (a) the Board Members of the IGCC (being the Directors); and
 - (b) senior executives of the IGCC.
- 2.2 In this Charter, senior executive means the chief executive officer and other employees or officers of the IGCC identified from time to time as someone who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the IGCC.

3. Board composition

- 3.1 There must be a minimum of nine Board Members and a maximum as determined by the Constitution.
- 3.2 The Board should ideally comprise:

- (a) Board Members with an appropriate range of skills, experience, expertise, diversity and inclusion attributes;
- (b) Board Members who can understand and competently deal with current and emerging business issues; and
- (c) Board Members who can effectively review and challenge the performance of management and exercise independent judgment,

and the Board has established the Nomination Committee to assist with this process.

3.3 Each Board Member and senior executive is appointed by a formal letter of appointment setting out the key terms and conditions of their appointment to ensure that he or she clearly understands the IGCC's expectations of him or her including adherence to this Charter.

3.4 The Board will be comprised of Directors as follows:

- (a) four Officers (being the Chairperson, Deputy Chairperson, Treasurer and Secretary) comprised of Representatives of Full Members only, of which at least one must be an Asset Owner and one must be an Asset Manager;
- (b) a minimum of four and a maximum of ten Ordinary Directors appointed by resolution passed in General Meetings by Members entitled to vote at such meeting and comprised of Representatives of:
 - (i) a minimum of three and a maximum of six Full Members, of which at least one must be an Asset Owner and one must be an Asset Manager;
 - (ii) a minimum of one and a maximum of two Associate Members; and
 - (iii) a minimum of zero and a maximum of two Funding Partners; and
- (c) a minimum of one and a maximum of two AIGCC Full Members, being the chairperson and deputy chairperson of the AIGCC Board Committee who will sit ex-officio on the Board and who will be invited to attend the General Meetings by the Board in their capacity as Directors,

(together, the **Board Members**).

3.5 In accordance with the Constitution, the Board at a Board meeting will elect and appoint Directors to each of the Officer positions as follows:

- (a) only Directors who are Representatives of Full Members may nominate themselves for an Officer position;
- (b) if there is only one nomination for any Officer position then that Director shall be appointed to that office or if there is more than one nomination for any Officer position then the Board will hold a vote to elect and appoint a Director to that office;
- (c) all Officers must retire from office at the conclusion of the first Board meeting three years after the person was last elected or appointed to that office and is eligible for re-election or re-appointment in accordance with clause 3.5(b) above; and
- (d) no Director may hold more than one Officer position at any one time.

4. Purpose

As well as the legal and equitable duties owed by Board Members and senior executives, the purpose of this Charter is to:

- (a) assist the Board Members and senior executives to deliver effective governance by setting out their respective roles, responsibilities and authorities (both individually and collectively) and to assist in setting direction, management and control of the IGCC;
- (b) promote and articulate the high standards of corporate governance, honest integrity, ethical and law-abiding behaviour expected of Board Members and senior executives;
- (c) encourage the observance of those standards to protect and promote the interests of stakeholders of the IGCC (including Members, employees, customers, suppliers and creditors);

- (d) guide Board Members and senior executives to ensure they act in the best interests of the IGCC and work towards the Objects and Mission;
- (e) clarify the role and responsibilities of the Board Members, and senior executives, including guiding them in the practices thought necessary to maintain confidence in the IGCC's integrity;
- (f) set out the responsibility and accountability of the Board Members and senior executives to report and investigate any reported violations of this Charter or unethical or unlawful behaviour;
- (g) recognise and set out the Board Members' and senior executives' requirements around protection of confidential information and intellectual property; and
- (h) enable the Board Members and where necessary the senior executive to provide strategic guidance for the IGCC and effective management oversight.

5. Honesty and integrity

The IGCC expects each Board Member and senior executive to:

- (a) observe the highest standards of honesty, integrity, and ethical and law-abiding behaviour when:
 - (i) performing their duties; and
 - (ii) dealing with any officer, employee, customer, supplier, auditor, lawyer and other adviser of the IGCC; and
- (b) foster a culture of honesty, integrity and ethical and law-abiding behaviour among other officers and employees.

6. Commitment to furthering IGCC's Objects

The IGCC expects each Board Member and senior executive to:

- (a) publicly display enthusiasm for the IGCC and its programs, including advocacy for the IGCC and climate change more broadly in their public profile and actions as part of their professional work;
- (b) invest passion and energy in introducing people to the IGCC and encouraging generous donations in support of its aims;
- (c) work in partnership with other Board Members, executives and staff to advance the IGCC in furtherance of its Objects;
- (d) provide candid and honest feedback and evaluation when appropriate; and
- (e) provide assistance in identifying and recruiting new Board Members to facilitate a diverse range of candidates for election to the Board and undertake any necessary succession planning.

7. Board meetings

- 7.1 Board Members are expected to use all reasonable endeavours to attend and participate in every Board meeting and meetings of committees on which they serve and must promptly advise the chairperson of the Board or the committee if they cannot attend.
- 7.2 Board Members are expected to spend the time needed, and meet as often as necessary, to properly discharge their responsibilities.
- 7.3 Board Members are expected to review meeting materials before Board meetings and committee meetings.
- 7.4 Board Members are encouraged to ask questions of, request information from, and raise any issue of concern with, management. Board Members are encouraged, where possible, to ask any

questions and raise issues of concern before a meeting so that management is prepared to address them.

- 7.5 Board Members must exercise independent judgment when making decisions.
- 7.6 The Board must have a standing agenda item with respect to AIGCC Board Committee matters.
- 7.7 At each Board meeting, time is to be allocated for the Board to meet without the presence of management (including any Board Member who is a senior executive of the IGCC).
- 7.8 Publicly, Board Members are expected to support the letter and spirit of Board decisions.
- 7.9 Board Members must keep Board information, discussions, deliberations, and decisions that are not publicly known, confidential.

8. Board Members' role and responsibilities

- 8.1 The Board acts in the best interests of the IGCC as a whole and is accountable to the Members of the IGCC for the overall direction, management and corporate governance of the IGCC.
- 8.2 The Board and the Board Members are responsible for:
 - (a) overseeing the IGCC, including its control and accountability systems, managing its finances and ensuring it operates transparently;
 - (b) appointing, removing and monitoring the performance of the chief executive officer, to whom day to day management and administration of the IGCC is delegated by the Board and if required of the senior executives;
 - (c) where appropriate, ratifying the appointment, removal and management remuneration of senior executives, organisational changes and senior remuneration policies and practices;
 - (d) monitoring senior executives' performance and implementation of strategy, and ensuring appropriate resources are available;
 - (e) providing strategic advice to management and approving management's corporate strategy and performance objectives and approving plans and policies;
 - (f) reviewing and approving applications for Membership in accordance with clause 8 of the Constitution;
 - (g) approving and monitoring the progress of major capital expenditure, and approving and monitoring financial and other reporting;
 - (h) reviewing and ratifying systems of risk management, internal compliance and control, and legal compliance to ensure appropriate risk compliance frameworks and controls are in place;
 - (i) monitoring and ensuring compliance with legal and regulatory requirements including reporting requirements and ethical standards and policies;
 - (j) reviewing and overseeing the implementation of this Charter for Board Members, senior executives and all other employees;
 - (k) monitoring and ensuring compliance with best practice corporate governance requirements; and
 - (l) taking reasonable steps to be accountable to the Members of the IGCC and provide the Members adequate opportunity to raise concerns about how the IGCC is governed by:
 - (i) communicating effectively with the Members;
 - (ii) as requested, providing Members with ready access to balanced and understandable information about the IGCC and its Objects; and
 - (iii) making it easy for Members to participate in General Meetings or any other meetings or communication forms between the Board and Members.
- 8.3 Together working as a Board, the Board Members must comply with their legal duties when discharging their responsibilities as Board Members. These duties are found under the [ACNC Governance Standards](#), specifically those found under Standard 5, being:

- (a) to act in good faith and in the best interests of the IGCC and its Objects and to manage financial affairs and ensure it remains solvent and not operate should it become insolvent;
- (b) to act with reasonable care and diligence;
- (c) to act for proper purposes;
- (d) to avoid a conflict of interest or duty and disclose and manage any conflict of interest that may arise;
- (e) to refrain from making improper use of information gained through their position or taking improper advantage of their position; and
- (f) to protect the confidentiality of information and the integrity of intellectual property of the IGCC and to not misuse the intellectual property of the company.

9. Performance of senior executives

9.1 The Board Members are responsible for:

- (a) regularly reviewing the performance of senior executives against measurable and qualitative indicators as decided by the Board Members; and
- (b) ensuring that induction procedures are in place to allow new senior executives to participate fully and actively in management decision-making at the earliest opportunity.

9.2 New senior executives must have knowledge about the IGCC and the industry within which it operates. An induction program is available to enable senior executives to gain an understanding of:

- (a) the IGCC's financial, strategic, operational and risk management position;
- (b) the rights, duties and responsibilities of senior executives; and
- (c) the respective rights, duties, responsibilities and roles of the Board Members and senior executives.

10. Board and AIGCC Board Committee

10.1 In accordance with the delegation power in the Constitution, the Board will delegate matters relevant to the **AIGCC Member categories** (detailed in the IGCC Membership Policy and currently being the AIGCC Full Members, the AIGCC Associate Members, the AIGCC Funding Partners, and the AIGCC Supporters), to the AIGCC Board Committee, which may include:

- (a) review, approval and admission of all AIGCC Member categories, including setting the AIGCC Member categories' fees;
- (b) consult with Members under the AIGCC Member categories to set and deliver on the Asia region agenda provided it furthers the Objects of the IGCC;
- (c) arrange any meetings for the Members under the AIGCC Member categories and set the agenda and proceedings for such meetings.

10.2 The Board will retain oversight and decision making powers with respect to all matters delegated to the AIGCC Board Committee.

10.3 The Board will have the right to amend the AIGCC Board Committee Terms of Reference and Charter which governs the AIGCC Board Committee and where necessary will consult with the AIGCC Board Committee on such changes.

11. Board Committees

11.1 In addition to the AIGCC Board Committee, the Board may establish committees to assist it in carrying out its responsibilities, to share detailed work and to consider certain issues and functions in detail. These committees may include but are not limited to a general committee, an audit committee, a risk committee, and a nomination and remuneration committee.

- 11.2 Where it establishes committees (including the AIGCC Board Committee), the Board must approve any charter or terms of reference of each committee setting out matters relevant to the composition, responsibilities and administration of the committee. Each committee will review its charter from time to time as appropriate.

12. Chairperson of the Board

- 12.1 The Chairperson of the Board:

- (a) is appointed by the Directors in accordance with the Constitution and this Charter; and
- (b) must not be the same person as the chief executive officer.

- 12.2 The division of the responsibilities of the Chairperson of the Board and the chief executive officer have been agreed by the Board and are set out in this Charter.

- 12.3 The responsibilities of the Chairperson, and in the Chairperson's absence, the Deputy Chairperson of the Board include:

- (a) providing leadership to the Board;
- (b) promoting the efficient organisation and conduct of the Board's functions;
- (c) ensuring the Board considers and adopts strategies designed to meet present and future needs of the IGCC;
- (d) ensuring the Board has an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- (e) monitoring the performance of the Board;
- (f) facilitating Board discussions to ensure core issues facing the IGCC are addressed;
- (g) briefing all Board Members in relation to issues arising at Board meetings;
- (h) facilitating the effective contribution and ongoing development of all Board Members;
- (i) promoting constructive and respectful relations between Board Members and between the Board and management;
- (j) ensuring the Board regularly meets to consider the IGCC's performance and key issues facing it;
- (k) setting the agenda for the Board meetings after consulting with the chief executive officer; and
- (l) chairing General Meetings.

13. Chief executive officer

- 13.1 Responsibility for day to day management and administration of the IGCC is delegated by the Board to the chief executive officer and, where appointed, the executive team.

- 13.2 The chief executive officer manages the IGCC in accordance with the strategy, plans and policies approved by the Board.

- 13.3 The chief executive officer is appointed by the Board.

- 13.4 The chief executive officer must not be the same person as the Chairperson.

- 13.5 The responsibilities of the chief executive officer include:

- (a) developing and recommending to the Board strategies, business plans and annual budgets for the IGCC;
- (b) implementing the strategies, business plans and budgets adopted by the Board;
- (c) developing and managing resources, policies and systems to ensure the effective operation of the IGCC (including developing and implementing policies on risk management, internal controls and human resources);
- (d) managing resources within budgets approved by the Board;

- (e) ensuring compliance with applicable laws and regulations;
- (f) ensuring the Board is given sufficient information to enable it to perform its functions, set strategies and monitor performance; and
- (g) acting within authority delegated by the Board.

13.6 The Board has in place procedures to assess the performance of the chief executive officer.

14. Conflicts of interest or duty

14.1 Board Members and senior executives are expected to be sensitive to conflicts of interest or duty that may arise and mindful of their fiduciary obligations.

14.2 Board Members and senior executives must:

- (a) disclose to the Chairperson and/or other Board Members any actual or potential conflict of interest or duty that might reasonably be thought to exist as soon as the situation arises;
- (b) take necessary and reasonable action to resolve or avoid any actual or potential conflict of interest or duty; and
- (c) comply with the [ACNC Governance Standards](#), the IGCC's Conflicts of Interest policy and the IGCC's Constitution in relation to disclosing material personal interests and restrictions on voting.

14.3 If a conflict exists, it is expected that any Board Member and senior executive to whom the conflict relates will leave the room when the Board is discussing any matter to which the conflict relates, unless permitted to remain in attendance under the Corporations Act or the IGCC's Conflicts of Interest Policy.

14.4 Board Members and senior executives are expected to inform the Chairperson of the Board of any proposed appointment to the Board or executive of another company as soon as practicable.

15. Access to information and independent advice by Board Members

15.1 Board Members and senior executives must have access to any information they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions.

15.2 Board Members and senior executives have access to:

- (a) management to seek explanations and information from management; and
- (b) auditors, both internal and external, to seek explanations and information from them without management being present.

15.3 Board Members and senior executives may seek any independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgment when making decisions in accordance with the procedure agreed by the Board Members.

16. Corporate opportunities

16.1 Board Members and senior executives must not improperly use their position, property or information acquired through their position for personal gain or gain. Any goods, services, facilities or special knowledge gained as a Board Member or senior executive must only be used for the benefit of the IGCC.

16.2 Board members who receive more than a nominal gift or benefit (a nominal gift or benefit being meals or modest hospitality, or things of a similar nature) from a third party in connection with their role with the IGCC may have a conflict of interest. Board Members and senior executives must not accept any improper gift from the IGCC's existing or potential customers or suppliers or any other stakeholders in connection with their role with the IGCC.

17. Confidentiality

- 17.1 Any information acquired by a Board Member or senior executive while performing their duties is confidential information of the IGCC and must be kept confidential. Board Members and senior executives must not disclose the information to a third party except where that disclosure is authorised by the Board or required by law or a regulatory body.
- 17.2 Each Board Member's and senior executive's obligations of confidentiality continue after he or she leaves the IGCC.

18. Retirement of Board Members

- 18.1 Retirement of Board Members will be managed in accordance with the Constitution.
- 18.2 The Board will bear responsibility, or it may delegate such responsibility to a committee in accordance with the Constitution, for managing succession issues, seeking to balance continuity, corporate memory, collegiality, skill requirements, energy and other strategic factors and may do this on an ad hoc or structured basis.

19. Compliance with laws, regulations, policies and procedures

Each Board Member or senior executive must:

- (a) comply with the letter and spirit of any applicable law, rule or regulation;
- (b) comply with the protocols, policies and procedures of the IGCC; and
- (c) encourage other officers and employees to do the same.

20. Reporting of unlawful and unethical behaviour

The IGCC expects each Board Member and senior executive to report promptly and in good faith any actual or suspected violation by an officer or employee of the standards, requirements or expectations set out in this Charter.

21. Review of Charter

This Charter will be reviewed annually by the Board. Any changes to the Charter will be promptly communicated to all Board Members and senior executives.

22. Approved and adopted

This IGCC Board Charter was approved by the Management Committee of the Investor Group on Climate Change (Australian/New Zealand) on 05 November 2021, for immediate adoption at such time as IGCC Board is established

05 November 2021

Date



Chairperson of the Board of Investor Group on Climate Change