



## **CONSTITUTION**

### **1. Name**

The name of the group will be the Institutional Investors Group on Climate Change hereafter 'IIGCC' or 'the Group'.

### **2. Aims and Objectives**

The IIGCC is a collaborative investor forum whose overall aim is to provide European investors with a voice on climate change and engage with policymakers, investors, sectors and other stakeholders on addressing long-term risks and opportunities associated with climate change and on climate finance.

The group's main objectives are

#### **Policymakers**

To encourage public policy solutions that ensure an orderly and efficient move to a low carbon economy and adaptation measures to climate change which are consistent with long-term investment objectives.

#### **Investors**

To encourage a pro-active approach amongst asset owners and asset managers to climate change in order to preserve and enhance long-term investment values. This includes increasing asset owner demand for asset managers to take action on climate change.

#### **Investments**

To improve climate-related disclosure, reporting and management of climate related risks and opportunities across different asset classes.

In furtherance of its objectives, the Group will provide the following:

- **Investor platform on climate change:** Develop a wide representation and profile in Europe as the joint platform for European institutional investors on climate change and climate related issues. Communicate and focus attention on investors' positions on climate change.
- **Policy positions and dialogue:** Develop and voice investor positions on public policy related to climate change and engage in dialogue with policymakers and key political institutions in order to influence national, regional and international policy.
- **Guidance for investors:** Raise investor awareness of the risks and opportunities associated with climate change and related policy developments. Develop guidance and support the adoption of best practice amongst investors in integrating these issues into asset manager selection, investment analysis and shareholder ownership activities.
- **Frameworks and guidelines for investments:** Develop guidelines and reporting frameworks that support improved disclosure, reporting and management of climate change issues across different asset classes.

- **International investor collaboration:** Liaise with sister networks in North America, Australia/New Zealand and elsewhere to promote a global investor voice on climate change.

### **3. Membership**

Membership is open to any institutional investor operating in Europe and those directly related to the trustee investment decision making process that supports the IIGCC's strategic aims and objectives.

Members may be drawn from asset managers, including public equity, real estate, private equity, infrastructure, and asset owners, including pension funds, charitable foundations and sovereign wealth funds, and others, subject to approval by the Steering Committee. Applications for membership should be made in writing and signed by a director or equivalent of the pension fund or company. New members will be accepted by a simple majority of Steering Committee members.

Membership of IIGCC is subject to the payment of an annual fee in accordance with article 5 of this constitution.

Members of the IIGCC are encouraged to contribute to promote the work of the IIGCC in the context of its aims and objectives, and to attend at least one formal meeting of the full group each year in person or by phone. They are expected to benefit from the networking opportunities that will arise from their participation, however members should not use their affiliation with the IIGCC for marketing purposes.

All members are bound by the provisions of this constitution and any member failing to abide by this constitution or is deemed to be acting contrary to the interests of IIGCC may have their membership terminated by a super majority (over 75%) of Steering Committee members.

### **4. Management: Steering Committee, Officers and Functions, Elections**

#### **Steering Committee**

The Group shall have a Steering Committee (hereafter 'the Committee'), which shall develop and implement the objectives of the Group and be responsible for the effective implementation of the Group's long term strategy.

The Committee shall be elected at a general meeting of all IIGCC members and shall comprise of at least three asset managers and three asset owners. In addition, the Committee may co-opt additional members to reflect the aims and objectives of the IIGCC. The Steering Committee shall maintain a balance between the 2 groups.

Meetings of the Committee shall also include the IIGCC's Executive Director who will act as the secretariat to the Steering Committee.

A representative from The Climate Group (*see section 6 below*) shall be invited to the meetings of the Committee.

The Committee shall meet as often as required in person or by phone in order to make and execute such decisions as are necessary in implementing the aims and objectives of the Group and at a minimum once every quarter. The Committee shall report on its activities to the members during the general meetings held bi-annually.

In case of decisions being cast to a vote at a Committee meeting all appointed members can vote and will have one vote each. Votes may be given in person or by proxy appointed in writing. In case of a tied vote, the vote of the Chairman is decisive.

## **Functions of the Steering Committee**

The Steering Committee is charged as the Governing Body of the IIGCC and shall conduct the business of the IIGCC in accordance with the aims and objectives of the Group. The Committee shall be responsible for

- Defining and maintaining a strategic action plan for the Group
- Defining and overseeing the Group's strategic direction
- Developing and reviewing the progress of the annual work-plan and its implementation by the Executive Director
- Determining the strategic allocation of resources to projects
- Overseeing the drafting of policy statements and investor positions as well managing the communications relating to IIGCC as a whole
- Creating and setting out the terms of reference for the various working groups
- Ensuring the administration and other IIGCC activities are conducted within agreed protocols and procedures and executed with due care
- Propose an annual membership fee for members of the Group to be approved at a general Meeting.

## **Duties of the Steering Committee**

The members of the Committee must actively engage in the affairs of the Group and attend at least two thirds of all Committee meetings in person or by phone.

## **Duties of Executive Committee Officers**

### **Duties of the Chairman**

The Chairman's principal responsibility is to lead the Group through the Executive Director and Staff and to lead on the Group's advocacy and activities. The Chairman is accountable to the Members through the Steering Committee.

#### Objectives

- Chair the committee, take into account its views and ensure its representative structure is maintained
- Work with the Committee and staff to create a vision for the Group and its work
- Maintain high profile advocacy addressing the long-term risk and opportunities for investors' associated with climate change on behalf of the Group.
- Line manage the Executive Director including appraisal and performance management
- Oversee the development of the Group and its activities and liaise with the Executive Director to ensure the Group adheres to its objectives.

### **Duties of the Vice-Chairman**

The principal responsibility of the Vice-Chairman is to deputize for the Chairman.

The Vice-Chairman is accountable to the members through the Chairman and the Committee.

#### Objectives

- Deputise for the Chairman as required
- Assist the Chairman in maintaining high profile advocacy addressing the long-term risk and opportunities for investors' associated with climate change on behalf of the Group.

## **Duties of the Treasurer**

The principal responsibility of the Treasurer is to oversee the budget and provide guidance to the Executive Director on financial matters.

The Treasurer is accountable to the members through the Chairman and the Committee

### Objectives

- Maintain an overview of the Group's financial affairs and ensure financial viability
- Support the Executive Director in making major financial commitments
- Prepare and review annual financial reports
- Review monthly IIGCC accounts

## **Duties of the Executive Director**

The principal responsibility of the Executive Director is to assist the IIGCC under guidance of the Steering Committee to implement its programme and administer the daily running of the Group's activities.

The Executive Director is accountable to the members through the Chairman and the Committee.

### Objectives

- Responsible for the day to day operations of the Group's activities
- Assist the Chairman in the implementation of the annual work plan
- Have oversight to ensure regular, relevant and useful communications are received by all members both by disseminating information and collecting feedback and opinions
- Liaise with the working groups to ensure engagement and input on IIGCC policy positions on public policy, and in developing guidance to support investors in adopting best practice
- Assist the Committee's efforts to develop the IIGCC's scale and strengthen its profile
- Manage staff working on the Group's programmes and objectives

## **Appointments and elections**

### **The Steering Committee**

Any member of the IIGCC may put themselves forward for appointment to the Steering Committee, by notifying their willingness to stand to the Executive Director when a place comes up for election.

Appointments shall be agreed at a general meeting of all IIGCC members for a period of up to three years on a rotational basis such that at least one member is subject to re-election each year.

### **The Chairman**

Members of the Steering Committee may nominate a member of the IIGCC to be appointed as Chairman. Any member of the IIGCC may also nominate themselves for appointment as Chairman of the IIGCC subject to a vote where more than one nomination is available.

The Chairman will be appointed at a general meeting of all IIGCC members for a period of up to three years. The Chairman may be re-appointed once.

### **The Vice-Chairman and Treasurer**

The Vice-Chairman and Treasurer will be appointed by the Steering Committee on a majority vote.

## **The Executive Director**

The Executive Director will act as Returning Officer.

## **5. Rules and Procedures of General Meetings of the IIGCC**

General Meetings of IIGCC members are held at least bi-annually at a venue and date to be determined by the Steering Committee. Not more than 8 months shall elapse between the date of one meeting and the next.

The General Meeting shall:

- Receive reports from the Chairman and the Executive Director
- Receive a report from the Treasurer
- Deal with relevant business
- Elect members of the Steering Committee
- Confirm the nomination for the Chairman or elect a new Chairman
- Approve changes to the Constitution

### **Notices**

At least twenty eight days notice shall be given to all members of any General Meeting.

### **Voting**

Each member organization shall have one vote, which may be given in person or by proxy appointed in writing. Where available a vote may be submitted electronically.

With exception to changes to the Constitution, decisions put to vote shall be resolved by a simple majority at the General Meetings.

Except in elections to the Steering Committee, the Chairman shall have a casting vote in cases of equality.

### **Quorum**

The quorum at the General Meetings shall be the presence or presentation by proxy of at least one fifth of IIGCC members.

The quorum at Committee meetings shall be 50%.

### **Changes to the Constitution**

Any change to the constitution shall require agreement of at least 50% of all members.

### **Extraordinary General Meetings**

An Extraordinary General meeting shall be called by an application in writing to the Chairman supported by at least two-thirds of the Group's membership. The Steering Committee shall also have the power to call an Extraordinary General meeting by decision of a simple majority of its members.

## **6. Operations**

The Climate Group (hereafter TCG) shall provide the day to day operational support for the IIGCC as part of the strategic partnership as governed by the Memorandum of Understanding (MoU) between both parties.

Under the basic provisions of the MoU TCG shall:

- Provide the secretariat functions for IIGCC which will be fully funded by the IIGCC
- Provide operational support and other services including the banking and accounting services, membership invoicing as mutually agreed upon and reviewed by the Steering Committee on an annual basis

The Steering Committee will agree each year a budget of its estimated income and expenditure. Reports on the financial position will be submitted to the Steering Committee by TCG for consideration on a monthly basis.

When necessary, usually prior to expiry, the MOU with TCG shall be redrafted by the Chairman and the Executive Director together with TCG. The redrafted MOU shall be confirmed by the Steering Committee and TCG before entering into force.

## **7. Communication**

Communication with the external world will be undertaken with sensitivity to the full spectrum of IIGCC members and in accordance with a strategy agreed by the Steering Committee, Representation of IIGCC to external parties will be coordinated by the Executive Director, who will serve as the point person for all external communications relating to the IIGCC. The ED will ensure that this representation and all external communications are consistent with the IIGCC vision/mission.