

**IVSC Board of Trustees**  
**Nominations Committee – Terms of reference**

### **Objective of the Nominations Committee**

The Nominations Committee (the Committee) is a committee established and appointed by the Board of Trustees (Board) of the International Valuations Standards Council (IVSC).

The mandate of the Committee is to facilitate a process of identifying appropriate candidates to serve as trustees on the Board of Trustees of the IVSC, for appointment by the Board.

The Committee does not assume the functions of management.

### **Committee composition**

The Committee shall comprise at least three members who will be selected from among the trustees and appointed by the Board to serve on the Committee. The Board also appoints the Committee Chair.

The CEO of the IVSC is a member of the Committee.

### **Role and responsibilities of the Committee**

The overarching role of the Committee is to recommend to the Board suitable individuals for approval and appointment as trustees.

In this regard, the Committee has the following responsibilities:

- Establish a process to evaluate the Board of Trustees collectively and individual trustees in respect of skills, experience and mindset, to identify skills requirements for the Board. The Skills Matrix of the Board is to be used as basis for such evaluation.
- Assist the Chair of the Board of Trustees in assessing the effectiveness of individual trustees on an annual basis as is the Chair's prerogative. If requested, the Committee should assist the Chair, through questionnaires or other mechanisms, in executing such an assessment for individual trustees and/or the Board as a whole.
- Execute the process of seeking candidates with the required skills, experience and regional diversity for nomination by the Committee to be appointed by the Board as trustees. In doing so, the Committee should:
  - Consider the current skills requirements of the Board against the skills held.
  - Ensure that potential candidates are interviewed to consider skills, experience, mindset, time capacity and, where required, credentials are vetted.
  - Make recommendations to the Board for the appointment of trustees.
- Ensure that each new trustee signs a letter of appointment containing the terms and conditions for serving as trustee of IVSC.

- Ensure that appropriate consideration is given to board succession planning and trustee rotation.
- Regularly update the Board about the Committee's activities and make appropriate recommendations.

### **Committee meetings**

The Committee should hold scheduled meetings, at least two annually, sufficient to discharge all its duties as set out in these Terms of Reference.

A meeting may be conducted by way of electronic media such as video or telephone conferencing.

A quorum for meetings shall be a simple majority of members present, namely 50% (fifty percent) + one (1) member.

The notice of each meeting of the Committee and an agenda of items to be discussed, together with supporting documentation shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than three working days prior to the date of the meeting.

Members must declare a possible conflict of interest with agenda matters at the beginning of each meeting.

The Chair is responsible for the smooth running of meetings, ensuring that the views of each member are heard and that sufficient time is devoted to each issue for discussion.

If the Chair of the Committee is absent from a meeting, the members present shall elect one of the members present to act as Chair for that meeting.

The minutes of meetings shall be completed as soon as possible after the meeting and circulated to the Chair for review thereof. The minutes will be approved formally by the Committee at its next scheduled meeting. The minutes also shall be tabled at the following meeting of the Board of Trustees.

### **Review of these Terms of Reference**

These Terms of Reference shall be reviewed as and when it becomes necessary to do so. The Terms of Reference are subject to approval by the Board of Trustees.

## IVSC Board of Trustees Skills Framework

### **Objective of this document**

This Skills Framework sets out some guiding principles to consider in the appointment of individuals to the Board of Trustees of the International Valuations Standards Council (IVSC).

Furthermore, the skills matrix, included at the end of the document, is a useful tool in assisting the Chair of the Board in his/her annual assessment of the collective balance of knowledge, skills and experience of the Board of Trustees. It is suggested that every trustee performs a self-assessment, on an annual basis, to assist the Chair of the Board in this regard.

### **Overarching principle for the composition of the IVSC Board of Trustees**

The Board should comprise the appropriate balance of knowledge, skills, experience and diversity for it to discharge its fiduciary duty, role and responsibilities independently and effectively.

The fiduciary duty, role and responsibilities of the Board of Trustees, in short, are as follows:

- Steering and setting strategic direction.
- Approving policy and planning to give effect to the strategy and the set direction of the IVSC.
- Ensuring the financial viability of the IVSC, reviewing the IVSC budget annually and securing commensurate funding.
- Overseeing and monitoring executive performance in respect of the implementation and execution of the strategy and the set direction.
- Ensuring effective control accountability of the organization, its executives, structures and standard setting boards, by means of, amongst others, reporting and disclosure including an annual report with audited financial statements.
- Governing the IVSC in an ethical and effective manner, ensuring protection of the public interest.
- Protecting the reputation of the IVSC and ensuring that the IVSC acts as a responsible corporate citizen.
- Protecting and enhancing the credibility of the standard setting boards of the IVSC by overseeing the appropriateness of the composition, governance processes and strategies of these boards, and reviewing strategic issues affecting valuation standards.
- Appointment of individuals to the Chair of any Advisory Forum or Committee.
- Review of membership applications through a Membership Committee.
- Acting with a degree of care and skills, in the best interest of the IVSC.

### **Composite skills at an overall Board level**

At an overall level, it must be evident by virtue of the backgrounds and significant career experiences of trustees, individually or collectively, that the IVSC Board of Trustees is knowledgeable in or has relevant experience for it to discharge its fiduciary duty, role and responsibilities, as set out above.

Therefore, the following skills should be present at all individual trustees:

- Experience or understanding of the basic principles of working in an international non-profit and public interest environment.

- Experience or understanding and executing of the role as a member of a governing body.
- Business leadership, strategic thinking, and understanding of principles-based approach enabling objectives to be achieved in differing circumstances.
- International experience, including knowledge of differing cultural, economic, political, or commercial conditions and their implications in the public and private capital markets of varying sizes.

### **Personal skills / trait at an individual trustee level**

Every trustee should also possess high integrity, transparency and ethics, as well as the following skills and traits:

- Integrity, transparency and ethics.
- Independence of thought and innovation.
- A strategic mindset.
- Understanding of the services which the standards address, including the nature of the services, users, and the environment and manner in which they are delivered.
- Understanding of the role and scope of remit of the standard-setting boards and of different participants in the financial reporting supply chain.
- Critical reasoning and thinking, which includes the ability to place information in context, think through problems and consider unintended consequences, and find globally valid solutions that meet the strategic objectives.
- Cooperative and collaborative, including active listening, collegiality, and awareness of cultural differences; and experienced in achieving common positions.

Individuals may have a number of backgrounds over the course of their careers and therefore could possess a combination of skills at different levels that fulfil or contribute to fulfilling more than one dimension required of the Board of Trustees as a whole. This points to the importance of attracting and appointing accomplished professionals with sufficient career experience.

The following skills should be observed in at least some of the individual trustees:

- Academic in related field
- Accounting / audit / reporting
- Capital markets
- Corporate governance
- Fundraising
- Investment
- Media / communication
- Public interest
- Regulatory
- Standard setting
- Valuations

### **Level for skills**

Not all trustees will, or need to, have all of the skills immediately above. Also, trustees might have some of the required skills at different levels.

The following levels of skills could exist:

*Extensive* A high level of knowledge and experience. The individual is considered an expert professional in applying the specific skill in practice.

*Proficient* A level of knowledge and experience which equips the individual with relevant perspectives and enables decisions to be taken with confidence and efficacy based on an adequate understanding of relevant context.

*Basic* A level of knowledge and understanding of the subject matter which enables the individual to understand the matter, but possibly only enables decision making with the support of another person with an extensive level of skill in respect of the matter at hand.

Trustees are requested to perform a self-assessment on starting at the IVSC against the above skills and traits, indicating the level of skill in every instance, and to update this if they consider there are significant changes to skills.