

Terms of Reference for the Governance Committee of the Integrity Council

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1 Introduction

- 1.1 Pursuant to clause 2.1.5 of the Modalities and Procedures, the Governing Board shall constitute a Governance Committee comprising members of the Governing Board.
- 1.2 This document sets out the terms of reference for the Governance Committee. The document shall be read in conjunction with the Modalities and Procedures, the Conflicts of Interest Policy, the Code of Conduct and any other policies determined by the Governing Board.

2 Purpose of the Governance Committee

- 2.1 The purpose of Governance Committee is to oversee the governance, finance, and risk processes on behalf of the Governing Board and to make decisions where delegated to the Committee pursuant to the Modalities and Procedures, the Conflicts of Interest Policy or by the Governing Board. The Committee shall be responsible for:
 - 2.1.1 Overseeing the approach to risk management, including the risk register, to ensure market impacts and risks are well understood and managed in line with the Integrity Council's mission.
 - 2.1.2 Ensuring that the Integrity Council establishes and maintains thorough disclosure, risk management processes and effective internal controls
 - 2.1.3 Overseeing the governance framework and its effectiveness with regards to the Integrity Council's operations and all nominations to the Governing Board and other key governance bodies.
 - 2.1.4 Ensuring compliance with all relevant legislation, disclosure, and governance requirements.
 - 2.1.5 Ensuring that conflicts of interest that may arise in the work of the Integrity Council are appropriately managed in accordance with the Conflicts of Interest Policy, and prevent such conflicts from affecting decision-making or other activities

- 2.2 The Governing Board may, at any time, request the Governance Committee to perform further tasks.

3 Composition of the Governance Committee

- 3.1 The Governance Committee comprises members of the Governing Board. A minimum of three quarters of the members of the Governance Committee must meet the criteria for Independent Governing Board members, as defined by the Modalities and Procedures. The members of the Governance Committee shall elect from amongst themselves a chair (the “Chair”).
- 3.2 Governance Committee members will be supported by and work in close collaboration with the Executive Secretariat.

4 Scope of work

- 4.1 The scope of work for the Governance Committee is as follows:
- 4.1.1 Overseeing the approach to risk management, including the risk register, to ensure market impacts and risks are well understood and managed in line with the Integrity Council's mission, including:
- 4.1.1.1 Overseeing periodic horizon scanning activities to understand and manage the risk exposure for the Integrity Council. Having a proactive role in ensuring evolving policy and working practices (political or economic) are well understood, to inform delivery and risk management activities. Where any adverse political or economic impacts are anticipated, considering best course of action to recommend to the Governing Board.
- 4.1.1.2 Overseeing and reviewing the risk register on behalf of the Governing Board to ensure risks are managed appropriately.
- 4.1.2 Ensuring that the Integrity Council establishes thorough disclosure, risk management processes and effective internal controls, including:
- 4.1.2.1 Providing strategic input into and periodic review of key policies, including corporate governance and the risk management framework to ensure they are fit for purpose.
- 4.1.2.2 Reviewing and overseeing the Integrity Council's organisational policies, particularly for authorities, conflicts of interest and internal controls.
- 4.1.2.3 Overseeing the system for any disclosure requirements and necessary auditing of such information.
- 4.1.3 Overseeing the governance framework and its effectiveness with regards to the Integrity Council's operations and all nominations to the Governing Board and other key governance bodies, including:

- 4.1.3.1 Establishing procedures for application, nomination and appointment of the members of the Governing Board.
 - 4.1.3.2 Determining the criteria for Governing Board members,
 - 4.1.3.3 Making recommendations to ensure that the Governing Board has regular turnover in membership, whilst at the same time maintaining sufficient stability of membership in order to fulfil its duties and institutional memory.
 - 4.1.3.4 Leading the process for appointments to the Governing Board and making recommendations to the Governing Board to assist them in fulfilling their corporate governance responsibilities regarding all matters related to the appointment and termination of key governance roles.
- 4.1.4 Ensuring compliance with all relevant legislation, disclosure, and governance requirements, including:
- 4.1.4.1 Ensuring full compliance with all legislation and governance requirements, including the Integrity Council upholding their governing principles.
 - 4.1.4.2 Setting the policies and delegations and ensuring adherence to them.
 - 4.1.4.3 Reviewing, at least quarterly, the management accounts and cash forecast.
 - 4.1.4.4 Overseeing the production of financial disclosures in line with audit requirements.
 - 4.1.4.5 Overseeing the preparation of the annual budget for the Integrity Council and making recommendation(s) to the Governing Board on the annual budget.
- 4.1.5 Ensuring that conflicts of interest that may arise in the work of the Integrity Council are appropriately managed in accordance with the Conflicts of Interest Policy and prevent such conflicts from affecting decision-making or other activities, including:
- 4.1.5.1 Ensuring all Covered Persons declare their interests that may conflict with or be relevant to the work of the Integrity Council on an annual basis.
 - 4.1.5.2 Managing any conflicts of interest in accordance with the Conflicts of Interest Policy.
- 4.2 The Governance Committee shall report to the Governing Board on its activities at least once every six months or when requested to do so by the Chair of the Governing Board.

5 General responsibilities for all Governance Committee members

- 5.1 Each Governance Committee member should:
- 5.1.1 Strive to attend all planned meetings and, should they not be able to attend a meeting, inform the Chair and the Executive Secretariat in advance of the meeting;

- 5.1.2 Prepare appropriately for meetings, by reading and reviewing all drafts or other documentation made available;
- 5.1.3 Provide written feedback or inputs within agreed timescales;
- 5.1.4 Adhere to these Terms of Reference, the Code of Conduct, the Conflicts of Interest Policy and any other policies determined by the Governing Board.

6 Meetings; Decision taking

- 6.1 At a meeting of the Governance Committee, no less than three Committee members must be present to constitute a quorum. If the Chair is not present, the Governance Committee members shall select one of the attendees to act as chair for that meeting.
- 6.2 The Governance Committee shall meet quarterly, or as otherwise specified by the Governing Board or called for by the Chair.
- 6.3 The Governance Committee may invite observers to attend its meetings.

7 Review and Amendment

- 7.1 These Terms of Reference shall be reviewed as often as the Chair deems necessary but at least once every three years.
- 7.2 These Terms of Reference may be amended by the Governing Board.

Version Control

Version	Date	Summary of Changes
1.2	26 February 2026	Amendments to: <ul style="list-style-type: none"> • confirm the basis on which the Governance Committee has been constituted; • update the purpose of the Governance Committee, including its role in relation to risk management; • update the composition of the Governance Committee; • clarify the role of the Governance Committee in relation to appointments to the Governing Board; • clarify the role of the Governance Committee in relation to the annual budget of the Integrity Council; • clarify the requirement to report to the Governing Board; • clarify when and how these Terms of Reference should be reviewed; • update the numbering structure of the document; and • minor amends and corrections.
1.1	25 April 2024	Amendments to: <ul style="list-style-type: none"> • clarify that the Governance Committee has responsibility for ensuring conflicts of interests are appropriately managed; • minor amends and corrections.
1.0	24 May 2022	Original version