

Terms of Reference (ToR): AccountAbility AA1000 Standards Board

Definitions

AA1000 Standards: The AA1000 Standards series are principles-based standards to help organisations become more accountable, responsible and sustainable.

AccountAbility AA1000 CIC: AccountAbility AA1000 CIC is a separate legal entity which holds the Standards and their assets. This is a Community Interest Company number 7765165 registered in the UK.

AccountAbility AA1000 CIC Board of Directors: The Board of Directors for the CIC hold legal and fiduciary responsibility for the CIC under the UK Companies Act. They do not determine the Standards' strategy.

AccountAbility Strategies: Trading by the name 'AccountAbility' this is the parent company which owns AccountAbility AA1000 CIC and provides legal and fiduciary oversight as the Steward.

The AA1000 Secretariat: The Secretariat comprises of the Director of Standards and other AA1000 Standards Staff members.

The Standards Board: Develops the strategy for the AA1000 Standards series, as carried out by the Secretariat.

Governance of the AA1000 Series of Standards respects the flagship AA1000 principles of *Inclusivity, Materiality and Responsiveness*.

To this end, the Standards Board, as part of the AA1000 Community Interest Company (CIC), based in the UK, is structured and operates as follows:

1. Role

The Standards Board has the following responsibilities:

- Approve the Standards' strategy;
- Provide strategic and technical advice to the Secretariat on the development of the Standards;
- Approve new or revised standards for publication based on the standards development procedure having been followed;
- Approve the publication of any new, revised or amended AA1000 Standards-based on AA Research or recommendations and suggestions from AA stakeholders;
- Approve proposals and resolutions that advance the technical development and promote the adoption and leadership of the AA1000 Standards.
- Confirm and advise on the appointment of Steering Committee/Technical Working Group members, including the Chairperson of each Steering Committee/Technical Working Group;
- Support the development of the Standards' Budget;
- Support AA1000 fundraising initiatives; and
- Advocate the AA1000 Standards and enhance their public standing, increasing their impact globally.

The responsibility of the Standards Board will be discharged by:

- *Advice*: Providing strategic guidance to the secretariat on increasing the impact of the AA1000 Standards and standards-research agenda;
- *Support*: Facilitating networks or activities that enhance the focus, scale and impact of the AA1000 Standards;
- *Challenge*: Reviewing progress in executing the AA1000 Standards strategy and mission;
- *Represent*: Acting as an ambassador for the AA1000 Standards where appropriate.

1. Structure

1.1. Membership Composition

The Standards Board will be composed of individuals representative of a cross-section of global constituencies, including business, regulators, academia, NGO's and policy-makers;

The composition of the Standards Board will reflect a commitment to diversity and global impact as far as possible;

The Standards Board will be comprised of seven people at full complement – six independent members plus the AA1000 CIC's Director of Standards

Standards Board members shall not be employees of AccountAbility except for the Director of Standards;

1.2. Representation

Board membership is vested in the individual and Board members serve as individuals.

Board members are not representatives of their professional organizations or associations.

1.3. Selection of Board Members

The initial selection of board members will be overseen by an AccountAbility-appointed three member nomination committee.

When a board position becomes available recommendations for nominations will be sought from sitting board members and the AA1000 CIC Directors.

Proposed new Board members will be confirmed by the Chair of the Standards Board in consultation with the AccountAbility AA1000 CIC Directors.

1.4. Attendance

Board members are expected to attend all meetings of the Board. Members who are unavoidably absent should send in their written views before the meeting so their views can be made known, recorded and taken into account by those present. All written views received sufficiently in advance of the meeting shall be taken into account.

If a Board member cannot attend a meeting they may provide written authorization to another Board member to act as a representative. A Board member may not represent more than two other Board members at a meeting.

1.5. Chair and Member Term Limits

The Chair and regular Board member's term is two years. Thereafter, a Board member may be reconsidered for one additional term. Each year, members shall be asked to reconfirm their position for the following year.

To facilitate establishing staggered terms during formation of the Standards Board, three members will be nominated to serve for a one year term with option to self-nominate for a second consecutive two year term. The remaining three members including the Board Chair (not including the Director of Standards) will be appointed for a two year term with option to self-nominate for a second consecutive two year term.

If a regular Board member becomes the Chair the period(s) served as a regular Board member shall not count towards the term limitation of the Chair.

The Chair shall be asked to lead the Board in a formal annual self-assessment of the Boards performance in accordance with the duties laid out in the TOR.

1.6. Standards Board Chair

1.6.1. Election

The first Chair of the Standards Board shall be appointed by the 3 person Nomination Committee that appoints the first Standards Board.

Upon completion of his/ her term or resignation from office, the Chair shall choose his/her replacement in consultation with the CIC Directors. Recommendations for the position of Chair may be made by the Standards Board.

The Standards Board as a whole shall appoint a Board vice-Chair should the Chair be unavailable for a Board meeting at short notice.

1.6.2. The Chairperson of the Standards Board:

- a) Represents the Standards Board in external fora;
- b) Ensures good communication and coordination between the Steward and the Standards Boards by meeting with the Directors of the CIC on a regular basis, at least twice a year, prior to and/or directly after Board Meetings;
- c) Chairs the AA1000 Standards Board Meetings. To this end, he/she is notably responsible for opening and closing the meetings, steering discussions, ensuring observance of the rules and announcing decisions; and
- d) The Chair shall endeavour to achieve a full discussion by the Board of all agenda items and employ his/her best effort to members an adequate voice during Board meetings.

Specific duties of the Chair are outlined on the Description of Duties document, Appendix A.

1.6.3. Eligibility

Only current Standards Board members are eligible to Chair of the Standards Board, excluding the Director of Standards.

1.6.4. Term of Office

The Chair shall serve no more than two consecutive terms of a maximum of two years per term.

The Chair should step off the Board for 1 year after the final term before having the ability to be nominated as Chair or ordinary member again.

1.6.5. Nomination / Candidacy

Any currently serving Standards Board member may apply when the position of Board Chair becomes available.

1.7. Role of the Secretariat

The Director of Standards shall sit as a permanent member of the Standards Board and shall have voting rights. S/he may delegate others from within the Secretariat to manage communications and programs related to the Board, as needed.

A member of the Secretariat will also attend Board meetings to record meeting minutes.

Other AccountAbility staff members may attend to present and address agenda items, or attend to logistical matters.

1.8. Steering Committees

A Steering Committee shall be appointed by the Board where appropriate. The Steering Committee shall be used to enhance the governance of the Standards setting process by providing guidance to the work of the Technical Working Group.

The Technical Working Group shall report to the Steering Committee throughout the standards setting process and shall submit the final copy of the standard to the Steering Committee for approval. In turn the Steering Committee shall then submit the final Standard to the AA1000 Standards Board for approval.

The Steering Committee shall be made up of no more than 7 individuals and can include members of the Standards Board and Technical Working Group. The members shall provide strategic guidance that is mindful of external marketplace developments and shall comment on the standard throughout its revision.

1.9. Technical Working Groups

The AA1000 Standards will have technical working groups

1.9.1. Composition

Each Technical Working Group is composed of 4 to 12 members, including a Chairperson (appointed by the Standards Board) who can be a member of the Standards Board.

Technical Working Group Members are appointed by the Standards Board to execute a specific task(s) in carrying out the Standards' strategy. The Groups disband once their respective tasks are completed.

1.9.2. Mandate & Duties

Technical Working Groups, within their specific field of competence will:

- a) approve the appropriate methodology;
- b) execute the task allocated in a given timeframe;
- c) advise on process to consult with Stakeholders;
- d) when appropriate, consult for advice and/or technical support:
 - the Standards Board
 - external experts
- e) Submit the result of their work to the Standards Board.

1.9.3. Sessions & Participation

The number of active Technical Working Groups depends on the Standards agenda. Meeting frequency is defined by each Technical Working Group's Chairperson, according to task allocation.

Technical Working Group Members commit to attending their respective Technical Working Group meetings in their entirety. They also commit to contributing in terms of time and effort between meetings.

Technical Working Groups shall be supported by the Secretariat in provisions of materials or resources required to carry out the mandate.

1.10. Resignation and Expulsion

If for any reason a Board member chooses to leave his/her position on the Board, then the member will submit a written letter of resignation to the Board Chair, and the resignation shall take effect upon receipt of the letter.

If the behaviour, activities, or absence of a Board member becomes an issue of concern, then the Board Chair should confer with the members to determine a corrective course of action, including expulsion of the member.

If a Board member is absent from two consecutive Board Meetings and does not submit proxy votes to either meeting, then upon notification by the Chair, the position will be regarded as vacant.

2. Operations

2.1. Relations with the AA1000 CIC Board

Decisions taken by the board relating to the strategy and development of AA1000 Standards will not be subject to approval by AccountAbility.

In as much as the AA CIC has the legal fiduciary and primary funding responsibility for the AA1000, it will retain authority for decision-making over financial matters engaging the Standards Board for opinions, suggestions or recommendations where appropriate. The AA CIC approves the Standards Budget developed by the Secretariat in consultation with the Standards Board.

2.2. Relations with Steering Committees

The board shall liaise with the Steering Committees on a regular basis throughout any ongoing revision work. Typically this shall be once a quarter.

Steering Committee Members shall be confirmed by the Standards Board.

Steering Committee Members are responsible for confirming the content of the standards as drafted by the technical working groups. This content shall then be submitted to the Standards Board for final approval.

2.3. Relations with Technical Working Groups

Technical Working Group members will be confirmed by the Standards Board.

Technical Working Group members are responsible for drafting the technical content of standards.

2.4. Relations with AA1000CIC Secretariat

The AccountAbility Management Team is responsible for managing the A1000 Secretariat according to the strategy and work plans approved by the Standards Board.

The Secretariat will be responsible for coordinating with Board members in order to ensure the following logistical achievements:

- Appropriate scheduling of annual meetings;
- Distribution of relevant materials ; and
- Facilitation of the Board member selection process.

The Secretariat will manage communications and programs related to the Standards Board, as needed.

2.5. Meetings

2.5.1. Scheduling Meetings

The Standards Board will meet quarterly in person or via conference call

2.5.2. Adequate Notice of Meetings

The date of Standards Board Meetings will be determined in advance and all members will be notified at least thirty (30) days in advance.

Draft agendas and proposed resolutions will be circulated at least seven (7) days in advance of the meeting in order to assure that all members have time to review and respond to them before the meeting.

2.5.3. Establishing Meeting Agendas

The Board Chair, in consultation with the Director of Standards will propose an agenda. The draft agenda and meeting papers will be circulated to Board members for comment at least seven (7) days before the Board meeting.

When formulating the Board meeting agenda, the Board Chair and the Secretariat shall take into consideration the need for adequate time for a thorough discussion of all agenda items.

2.5.4. Meeting Papers

Meeting papers and associated email correspondence shall be considered confidential, in that they should not be broadcast to the media or made public.

2.5.5. Conducting Meetings

The Board Chair shall preside at Board meetings. A Board meeting will not be held unless there is a quorum of more than half Board Members, either present or submitting proxies. If the Chair is not present thirty (30) minutes after the time set for the meeting, or it is known that he/she will not be able to attend, the meeting can still be held if the Board Members present/ comprise a quorum no votes shall be taken at a meeting without the Chair.

The Board Chair shall conduct meetings towards resolution of all agenda items.

The Chair will endeavour to bring the Board to consensus, and each Board member will employ his/her best effort to come to a consensus (e.g., by means of amendments), but at some stage the Chair must decide whether further efforts would be productive or futile. The Chair, or at least three members of the full Board, can call for a vote to be taken.

When a resolution is to be determined by a vote, a simple majority of the full Board, including proxy votes is required to pass the resolution. Should the vote be tied the Board Chair shall cast the deciding vote.

2.5.6. Board Disclosure of Financial Matters to AccountAbility

The Director of Standards will report to AccountAbility quarterly on the Standards budgets. Board members will be asked to support fundraising activities, as needed.

2.5.7. Meeting Minutes

Meeting minutes will be issued via electronic communications as expeditiously as possible, with a target of one week after the meeting.

The Board as a whole will have the opportunity to comment on a draft of the minutes before the Chair shall approve for public posting. Meeting minutes will describe what was discussed and what was agreed, they will not be a verbatim transcription of a meeting.

2.5.8. Extraordinary Meetings

The Board Chair may request an extraordinary meeting to consider issues of significant importance. An extraordinary meeting should only be called if the matter cannot wait to be considered at the regular meeting. An extraordinary meeting can be held in person (given that budget allows) or via conference call or electronic communication. Decisions will be made in the same manner as at regular Board meetings.

2.6. Reimbursement of Meeting Expenses

The AA1000 CIC is committed to providing support to cover reasonable expenses for Standards Board members should a meeting be held in person. We ask Standards Board members to avail themselves of this financial facility only when absolutely required and at a modest level.

For most meetings conferencing software shall be used to reduce carbon emissions as well as the time and commitment of members.

2.6.1. Travel and Accommodation Costs

AA1000 CIC will reimburse economy-class air and rail fares for members to attend one meeting per year. We would ask members to charge to a maximum the costs of a discounted, economy fare booked well in advance of the meeting. Where it exceeds GBP£100, members charging the CIC for fares need written (email) confirmation from the Secretariat before they proceed to book and pay for the travel.

AA1000 CIC will pay 'city' travel costs (e.g. travelling from hotel to meeting). Where possible, public transport should be used, certainly when travelling to and from airports. Taxi fares will be reimbursed for short trips to and from the actual meetings, but not otherwise.

Accommodation costs will be covered where it is necessary the night before and/or after the Standards Board meeting. As with travel expenses, members charging for accommodation need written confirmation from the Secretariat before they proceed to book and pay for their accommodation. For each Standards Board meeting, the Secretariat will propose specific hotels.

AA1000 CIC will not reimburse subsistence costs.

2.7. Official Working Language

The official working language of the Standards Board is English. All communications will be prepared only in English.

2.8. Role of Standards Board Members Externally

2.8.1. Designated Spokespersons

The Director of Standards is the designated AA1000 Standards spokesperson. She/he will provide official input on matters with media, governments and other stakeholders requiring formal input. This authority can be delegated where appropriate.

The Board Chair is the designated spokesperson for the AA1000 Standards Board. S/he may provide official input on Board matters with media, governments and other stakeholders requiring formal input. For issues of policy or those directly related to AccountAbility, neither the Board Chair nor other Board members are authorized to speak on behalf of the AccountAbility. Such queries must be referred to the AccountAbility for an official response.

Board members can speak as individual participants in the AA1000 Standards process and can be identified as a member of the Standards Board. In their capacity as Board members they are encouraged to educate and increase awareness to promote the leadership and development of the AA1000 Standards globally. The Secretariat will facilitate the development of materials for use by Board members when speaking to stakeholders about AA1000 Standards.

2.8.2. Interactions with Stakeholders

Board members are free to speak with the media, government, and other stakeholders about the Board and AA1000 matters but must clearly explain that they do not speak on behalf of the Board or of AccountAbility in any official capacity, unless specifically authorized and prepared. On policy matters, Board members must direct queries to either the Board Chair or the Director of Standards.

2.9. Intellectual Property

All intellectual property created by Board members, Steering Committees and the Technical Working Groups shall be retained by AccountAbility AA1000 CIC.

APPENDIX A

Individual Board Member Duties and Expectations:

- Regularly attend scheduled meetings: four/year, plus electronic mail communications;
- Adequately prepare for annual meetings by reviewing materials in advance and performing limited consultations and research on issues of importance to one's constituency and region;
- Be supportive of AA1000 CIC's mission, services, policies and programs;
- Assist in fundraising;
- Follow conflict of interest and confidentiality policies;
- Refrain from making personal and unwarranted requests of the Secretariat staff;
- Educate and raise awareness of AA1000 Standards; and
- Act in good faith.

Description of Duties for Board Chair:

- Consult with the AA1000 CIC Secretariat in preparation of agenda for Board meetings;
- Chair Board meetings;
- Be a spokesperson for the Board with media, governments and other stakeholder groups seeking public statements;
- Ensure that all Board members are enabled and encouraged to participate fully, and collectively are involved in the role and purpose of the Board;
- Ensure that Board members receive timely, relevant information, and that they are briefed properly on agenda items and other issues that may arise at Board meetings;
- Remain objective in the implementation of ones duties and to avoid partisanship based upon the constituency and region from which one originates;
- The Chair shall have the deciding vote should split vote occur.

APPENDIX B

Conflict of Interest Policy

Purpose

The purpose of the conflict of interest policy is to protect the AA1000 CIC's Secretariat's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Board Member. This policy is intended to supplement but not replace any laws governing conflicts of interest applicable to non-profit and charitable associations.

This process is designed to encourage transparency rather than constrain the daily or timely operations of the AA1000 Secretariat.

Definitions

1. Interested Person - Any Member who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity of which AccountAbility is a part, he or she is an interested person with respect to all such entities.
2. Financial Interest - A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- an ownership or investment interest in any entity with which the AccountAbility has a transaction or arrangement, or
- a compensation arrangement with AccountAbility or with any entity or individual with which AccountAbility has a transaction or arrangement, or
- a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AccountAbility is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favours that are substantial in nature.

Procedures

1. Duty to Disclose - In connection with any actual or possible conflicts of interest, an interested person must immediately disclose the existence and nature of his or her financial interest to the Board Chair considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists - After disclosure of the financial interest, the interested person shall leave the Board Chair and the AA1000 Secretariat to meet while the financial interest is discussed. The Board Chair and the AA1000 Secretariat shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. After exercising due diligence, the Board Chair and the AA1000 Secretariat shall determine whether AccountAbility can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

b. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board Chair and the AA1000 secretariat shall determine whether the transaction or arrangement is in AccountAbility's best interest and for its own benefit and whether the transaction is fair and reasonable to AccountAbility and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy –

a. If the Board Chair and the AA1000 secretariat have reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the Member and making such further investigation as may be warranted in the circumstances, the Board Chair and the AA1000 secretariat determine that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.