

The Integrated Reporting Committee (IRC of SA) Working Group

Terms of Reference¹

1. Powers of the IRC of SA

The Integrated Reporting Committee of South Africa, hereinafter referred to as the “IRC of SA”, has the power in terms of Clause 5(1) of its Constitution, to establish a Board, a Working Group and other Sub-committees, to assist it in the performance of its functions and duties and to determine the procedures at meetings of the IRC of SA, the Board, a Working Group or other Sub-committees. Clause 5(2) of the Constitution permits this power to be delegated to the Board.

2. Role and objects

“The role of the IRC of SA is to provide direction, monitoring and strategic thinking on matters related to integrated reporting.

(1) The objects of the IRC of SA are:

- (a) To establish and to procure the recognition and acceptance of what the IRC of SA considers being good practice in integrated reporting.*
- (b) To design, disseminate and promote integrated thinking and encourage organisations to produce integrated reports.*
- (c) To promote the international harmonization of integrated reporting.*

And in this regard inter alia:

- (i) To consider the recommendations of the King Reports on Corporate Governance;*
- (ii) To prepare, issue and publish in the name and under the authority of the IRC of SA Guidelines on good practice, and to make its views known in such other ways as it deems fit;*
- (iii) To make recommendations to the State (or the Financial Reporting Standards Council appointed in terms of Section 2013 of the Companies Act or to any other authority, commission of enquiry or any other body) of what it considers to be good practice;*
- (iv) To keep under review, and where appropriate to co-operate with all relevant parties, in revising guidelines to keep pace with developments in accounting, integrated reporting, sustainability reporting, business, and international developments.”²*

¹ Updated for changes to the IRC of SA Constitution approved 25 September 2017

² Clause 2 and 2(1) of the Constitution

3. Members of the Working Group

- 3.1 The chairman of the Working Group will be a member of the IRC of SA.
- 3.2 The Board will approve the appointment of each member of the Working Group and monitor the number and attendance of members.
- 3.3 A member of the Working Group is appointed in their personal capacity and shall have the relevant skills and experience to add value to the Working Group.
- 3.4 The maximum number of members of the Working Group will be 25.
- 3.5 The Board may reconsider a person's membership of the Working Group in the event of poor attendance of meetings or if there should be any other instance where a person does not contribute to the objects of the IRC of SA.
- 3.6 The Board may also reconsider a person's membership upon such member ceasing to have the qualification for membership, that was the basis for their admission as a member of the Working Group, or whose conduct is such as to bring the IRC of SA into disrepute. (Clause 4(1)(a) and 4(1)(c) of the Constitution adapted)
- 3.7 A member may not represent the Working Group or the IRC of SA and no statements may be made on behalf of either in the media or in other public forums, without the prior approval of the Chairman of the Working Group.

4. Secretariat

The Board shall approve the terms of appointment of Full or Honorary members or other organisations or individuals, to provide Secretariat and administrative services to the Working Group in conducting its affairs and carrying out its duties. (Clause 7(6) of the Constitution)

5. Costs

- 5.1 Members of the Working Group will not be entitled to receive any remuneration for attending meetings. (Clause 11(1) of the Constitution)
- 5.2 Honorary members will be responsible for their own costs, and each Full member will be responsible for the costs incurred by its representatives in attending meetings of the Working Group including, inter alia, travelling expenses and hotel accommodation, and any remuneration which it may decide to pay for such attendances. (Clause 11(2) of the Constitution)

6. Procedure of Meetings

- 6.1 Meetings of the Working Group are held at such time and at such venue in Johannesburg as the Secretariat deems appropriate.
- 6.2 The quorum for meetings of the Working Group is a minimum of six members in attendance either in person, by video or tele-conference.
- 6.3 Decisions are approved by a majority of members present who may vote on the matter for decision in person, by video or tele-conference.
- 6.4 Except under exceptional circumstances, at least seven days' notice will be given of a meeting of the Working Group. Such notice will, where possible, include the agenda and any supporting papers.
- 6.5 Minutes of meetings are taken by the Secretariat. Copies of such minutes shall be forwarded by the Secretariat to the Working Group members within thirty (30) days of the date of that meeting, and are approved by the Working Group at its next scheduled meeting. (Clause 9(9) of the Constitution adapted)

7. Intellectual Property

The intellectual property and copyright on any work undertaken in the IRC of SA's name belongs to the IRC of SA. The Board will grant right of use to the work provided acknowledgment is given and right of use will not be unreasonably withheld. (Clause 13 of the Constitution)

8. Limitation of Liability and Indemnity

- 8.1 The members of the Working Group shall not have any individual liability for any commitments undertaken by the IRC of SA or the Board.
- 8.2 Subject to the provisions of any relevant law, the IRC of SA indemnifies members of the Working Group for all acts done by them in good faith on its behalf.
- 8.3 Subject to the provisions of any relevant law no member of the Working Group will be liable for the acts, neglects or omissions of the IRC of SA for any loss, damage or expense suffered by the IRC of SA, that occurs in the execution of the powers, duties and/or the furtherance of its objects, unless the latter arises as a result of dishonesty or failure of the member of the Working Group to exercise the degree of care, skill and diligence required by law.

(Clauses 15(1), 15(3) and 15(4) of the Constitution adapted)

Approved by the Board

1 November 2017