



## **Terms of Reference**

### **Industrial Biotechnology Innovation Centre**

#### **Governing Board**

##### **1. Introduction & Role**

The governance structure of IBioIC comprises four main elements:

1. A Governing Board responsible for formulating, directing and guiding the implementation of the policies and strategies of the Innovation Centre,
2. Commercial Advisory Board that reports to Governing Board; provides guidance on Industrial leadership in IB and the management of project competitions
3. Scientific Advisory Board the reports to the Governing Board; provides guidance on the scientific and technological aspects of the IBioIC project and skills programmes and provides technical leadership
4. IBioIC Management Group that is responsible for implementing the strategy and all day-to-day management of IBioIC activities

Within this governance structure the role of the Governing Board will be:

- To have overall responsibility for the strategic direction of IBioIC. This will include review, challenge and comment on all Senior Management plans, reports and output of the IBioIC Advisory Boards
- To consider and continuously review the optimum structure to deliver the objectives of IBioIC
- To appoint the Chair and CEO by processes that are agreed by the University of Strathclyde (whilst it remains the host and budget holder of IBioIC) and the Scottish Funding Council and also to ratify the appointment of other Senior Managers to IBioIC
- To consider the constitution of the Board on an ongoing basis to ensure that
  - the Governing Board is fit for purpose to achieve the objectives of IBioIC
  - Scotland is appropriately represented both Nationally and Internationally on an ongoing basis in the development of Industrial Biotechnology
  - Governing Board Membership is continuously reviewed to take cognisance of the need of industrial members, collaborators and HEI partners
  - To consider and continuously review the representation of all the partners on the Governing Board to ensure fair and proper representation
  - the Governing Board is properly constituted to become a global player in Industrial Biotechnology

- To ensure that IBioIC complies with all governance matters including all Government legislation and guidelines.
- To agree and approve the ~~Annual~~ Business Plan. Thereafter to monitor against performance.
- To agree and approve the Annual Budget. Thereafter to monitor against performance.
- To review and approve the Annual Accounts and all other relevant financial instruments
- To consider all financial commitments made by IBioIC over £10k in capital value and non-budgeted revenue value.
- To ensure that the contract with SFC and Industrial Partners is delivered and that appropriate communication is in place with SFC to deal with any contractual issues
- To approve all relevant professional advisers and in particular the IBioIC financial and legal advisers.

The Terms of Reference of the Governing Board will be reviewed on an annual basis and be made publicly available on the IBioIC website. An explanation of the full governance structure of IBioIC is published on the IBioIC website.

## **2. Timing of Governing Board Meetings**

There will a minimum of 4 Board Meetings per annum and meetings will be set at least 6 months in advance. Special meetings of the Board may be held at any time at the call of the Chair or if more than 50% of the Board Membership asks for a Special Meeting.

## **3. Governing Board Process**

All agreed relevant papers will be sent electronically to Governing Board Members at least 5 working days before the date of the Board.

Draft Minutes will normally be distributed to Governing Board Members within 10 working days of that Governing Board Meeting for comment.

Governing Board Minutes will be in draft form until formally approved at the following Governing Board Meeting

Agenda shall include (but not be limited to):

- Attendance and apologies for absence
- Conflicts of interest
- Minutes of the previous meeting and matters arising
- CEO Report including an update on Risk Register and KPIs
- Finance Report
- Review of IBioIC activities
- Matters of a material nature within the Governing Board's Terms of Reference

The Governing Board will keep Minutes of its proceedings and makes these available to the representatives of the founding partners and funding bodies. In addition, they will be made available to comply with the provisions of the Freedom of Information Act. All board papers will be considered available for disclosure under a Freedom of Information request unless they are denoted as confidential due to commercially sensitive data.

Questions arising at any meeting of the Governing Board will be decided by a majority of votes with the Chair carrying a Casting Vote.

Any urgent or emergency items requiring Governing Board approval shall be dealt with through the Special Meeting process above and requires a Quorate to be present for such approvals to be given.

#### **4. Quorate**

The Governing Board will only be quorate if at least 5 members of the Governing Board are in attendance at the nominated date and time, the majority of members are from the private sector and at least one representative from the Partner agencies is in attendance. However, the 5 members must at least include the following:

- The Chair or his/her nominated board member (not the CEO)
- The CEO or his/her delegated senior management representative
- At least two of the Industrial Members or their nominated deputy
- At least one of the HEI representatives

Observers do not count towards the above qualifying members.

At the Chair's discretion attendance through Skype, video conferencing or teleconferencing may be allowed.

#### **5. Membership**

The Governing Board will comprise:

- An Independent Chair, normally from the private sector
- The IBioIC CEO
- One member from each company that makes up the Leading Membership
- At least two members from the HEI Collaborators one of which has to be the University of Strathclyde (whilst this University is the host and budget holder of IBioIC)
- At least two members from the Core Membership
- At least one member from the Associate or Network Membership
- Up to 2 appropriate industry Key Opinion Leaders as Non-Executive Directors, appointed by the Chair

At all times there will be at least one member on the Governing Board from a SME.

Each member will have:

- one vote, the vote can only be instigated by attendance at the meeting
- the right to appoint an alternate and
- the right to send an observer to meetings if neither the member or alternate attends. The observer will have the right to be involved in discussions but not in voting.

Additional (non-voting) members of the Governing Board include:

- One observer each from Scottish Funding Council, Scottish Enterprise and Highlands and Islands Enterprise
- One person to act as Governing Board Secretary

The Governing Board may invite other parties who will have no voting rights to attend specific Governing Board or sub-group meetings if this is considered appropriate.

Governing Board members (other than the IBioIC CEO and Chair) are elected for a term of up to three years with no individual member, other than those from Leading Member companies, serving more than two consecutive terms. Re-election is by approval from the Governing Board. The chair's term is normally three years with the ability to offer themselves for re-election for one further term thereafter.

Replacement of Governing Board members should be staggered to ensure no more than 25% turnover of total membership in any one year. IBioIC shall normally advertise for new Board members in an open and transparent manner, with the bare minimum being an advert on the IBioIC website and Public Appointments Scotland.

Governing Board membership will be published and kept up to date on the IBioIC website.

## **6. Obligations of Membership**

New Governing Board members, whether replacement or additional, will normally join at the beginning of a calendar year and will be sent the following:

- A welcome letter
- The Governing Board Terms of Reference
- The Code of Practice for IBioIC Board Members which they are expected to adhere to
- A Declaration of Conflicts of Interest form which they are expected to complete before the first GB meeting of the year.

A register of Conflicts of Interest will be maintained and reviewed on an annual basis. It shall be made available to the public on request.

To ensure the effectiveness of the Governing Board, in certain circumstances members can be removed from the Board. These circumstances would need to fall into one of the following categories:

- Repeated failure to adhere to the Code of Practice for IBioIC Board Members
- Repeated failure to attend GB meetings
- Failure of member Company to renew its IBioIC membership or failure to pay Membership fees after repeated warning from IBioIC
- Termination of GB member's employment contract with their Employer
- Conviction of a Criminal Offence

## **7. Risk and Quality**

The Governing Board has overall responsibility for establishing systems of internal control and for reviewing and evaluating their effectiveness.

The Governing Board will have ownership of the Innovation Centre's Risk Register and will be responsible for managing and mitigating all risks.

The Governing Board has overall responsibility for the quality of IBioIC's work, for the maintenance of a culture upholding the values of, and high standards in, quality, integrity, independence, professional ethics and professional competence and for setting an appropriate 'tone from the top' in respect of these values.

## **8. Sub Groups**

The Governing Board may delegate its powers or discretions to sub-groups. However it should be noted that it cannot delegate its responsibilities. The following sub-groups shall be formed:

- A Nominations Committee. Membership of the Nominations Committee shall be by appointment of the Governing Board and shall meet at the request of the Governing Board, or at least once per year. The purpose of the Nominations Committee shall be recruitment and succession planning for the Governing Board.
  - Recruitment – the committee shall drive the processes for the selection of the Chair, CEO and other Key Appointments as requested by the Governing Board. The process for selecting these positions shall be developed by the Nominations Committee and approved by the Governing Board and University of Strathclyde (whilst it remains the host and budget holder for IBioIC). The Scottish Funding Council shall sit as an observer on any Nominations Committee tasked with appointing the Chair or CEO. In recruiting a Chair the minimum advertising will be an advert on the IBioIC website, the University of Strathclyde website (whilst it remains the host and budget holder for IBioIC) and Public Appointments Scotland.
  - Succession Planning should be conducted with the dual purpose of ensuring the members of the board have the requisite skills, experience, knowledge and other relevant attributes for the board to perform effectively and ensuring there is diversity in relation to members' protected characteristics. Succession should be

considered in light of IBiolC's long term strategy, recognising existing strengths and acknowledging the skills, experience and knowledge that are needed in the future.

- An Audit Committee. Membership of the Audit Committee shall be by appointment of the Governing Board and shall include at least one qualified accountant. The purpose of the Audit Committee shall be to ensure financial compliance to the terms of the funding bodies, to ensure adequate risk management processes are in place and to ensure that disclosure and transparency policy is being enforced.