

IMCA

Governance Handbook

2017



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1 Introduction

Effective governance of a trade association can help it deliver maximum benefit to its Members¹.

This handbook has been prepared to provide Members with a quick and easy-to-read briefing on the highlights of our new governance structures for IMCA adopted at our EGM in November 2016.

Over two years leading up to the EGM we reviewed IMCA governance with a view to modernising it to fit the current environment in which Members operate. We agreed to adopt the legal format of a company limited by guarantee. This accords with most larger trade associations based in the UK. The trading company IMCA Trading Limited has become a subsidiary of this holding company.

While moving to a new legal format, we have streamlined other aspects of our governance. Our new *Articles of Association* and the *Bye-laws* set this out. They are the superior documents and have precedence over statements in this handbook. They can be found at www.imca-int.com/about-imca/governance-structure/

This handbook provides an everyday summary of the key elements of the *Articles* and *Bye-laws* and is cross-referenced to them (for example A1 and B1 refers to Article 1 and Bye-law 1 of the respective documents).

Periodically we will review our governance to ensure it continues to deliver value for Members. At such times this handbook will be updated.

Allen Leatt

Chief Executive

January 2017

¹ We use an upper case M for Members when referring to Members of IMCA itself and lower case m for committee members.

2 Trade Association Governance

The best trade associations provide strong and effective leadership of their industry – they anticipate change and create the circumstances in which their members can thrive. This leadership is most effective when trade associations have strong and well understood governance.

Governance refers to the structures, processes and behaviours required to set the overall direction of an organisation, ensure its effectiveness and provide accountability. Responsibility for governance ultimately lies with the board of directors (the board), supported in practice by committees and the Secretariat staff.

The way governance is structured and delivered varies for different types of organisations. Trade associations have some special characteristics that are usually reflected in their governance:

- Many people involved in governance are elected by the association's Membership
- Many will be from companies competing with each other
- All have to balance their collective responsibility for the association with their own corporate interests
- Most are volunteers with many other pressures in their working lives
- Boards often include a range of Members. The interests of large organisation members may differ from smaller organisation members
- Continuity of membership of boards and committees can be difficult to secure as people move jobs within and between Member organisations
- Trade associations have multiple objectives and no ultimate 'bottom line' for setting priorities or evaluating performance
- Trade associations have greater power when they represent the overwhelming majority of businesses within their industry, but the more diverse the Membership the harder it is to make decisions which all Members wholeheartedly support
- They must be scrupulous in adhering to competition law.

Trade associations therefore need to invest continuously in the development and management of their governance to ensure they can provide effective industry leadership. This requires time and effort from everyone involved in the governance arrangements and exemplary support from their Secretariat staff.

The attributes of well governed associations include:

Structures

- Absolute clarity of legal structure
- A clear and well documented board and committee structure
- A manageable board size
- Terms of office and term limits

Processes

- Systematic succession planning and well managed elections
- Board and committee members with the required skills and experience
- Thorough induction for everyone involved in governance
- Rigorous performance review of the chief executive, reported to the board

Meetings

- Meetings arranged at the required frequency and for the required duration
- With high attendance
- Board meeting agendas carefully prepared by the chairman² and chief executive
- Committee meeting agendas carefully prepared by the chairman and Secretariat technical adviser
- Top quality papers

Behaviours

- Sufficient time from everyone involved to ensure good decisions
- Excellent relationships between the chairman and chief executive's staff
- Effective use of member skills
- Careful listening

² Also sometimes called President as in IMCA

- Great team working
- Balancing praise and challenge
- Consistent strategic focus
- A high level of openness and trust.

These are the characteristics we are striving to achieve in IMCA.

3 Effective Governance

The best practice guidance from the Trade Association Forum states that trade associations should be:

Effective – properly resourced, professional and ethical, with high calibre staff, strong business plans, means of monitoring progress and well supported by modern IT systems.

Legitimate – representing all products and services in a sector, a substantial proportion of their sector, large and small companies actively participating in decision taking.

Progressive – promoting co-operation within the sector and between customers and suppliers (whilst always respecting competition law), investing in competence and training and working closely with other representative bodies.

Best practice states that trade associations should:

- Work proactively to improve the sector's profitability and competitiveness
- Work effectively to represent the sector's interests
- Supply sound information, guidance and advice for members
- Promote good public relations and communications
- Promote market opportunities
- Promote competence and training
- Promote innovation and technology transfer.

Well governed trade associations enable and empower their organisations to deliver all of these. To do this they ensure that their boards and committees are well structured and consist of people with the required level of skills, experience and team working abilities.

Well governed trade associations also work hard to ensure that board members, committee members and the Secretariat are all totally clear about their distinctive roles. The board sets the mission and strategic objectives, appoints and supports the chief executive, takes major decisions, manages risks and conflicts of interest and ensures legal compliance. Their Secretariat contributes to and supports the board in all these matters.

In the best governed trade associations, the chairman and the chief executive work closely together to ensure that every board meeting adds high value to the organisation. Similarly, committee chairmen and the Secretariat work together to ensure all committee meetings contribute to achieving the strategic objectives.

The best governed associations expect their boards and committees to provide strong and effective leadership of their industry and at the same time be rigorous and systematic in listening to Members and explaining their decisions. Their members recognise that compromise is sometimes necessary in the best interest of their industry.

The best governed associations have open discussions about how governance is working and what could be done differently to improve governance. They understand that good relationships and thoughtful and respectful debate lead to better decisions.

The arrangements for the governance of IMCA summarised in this handbook are designed to enable effective governance tailored to suit our current circumstances. They describe the new arrangements agreed at the 2016 EGM.

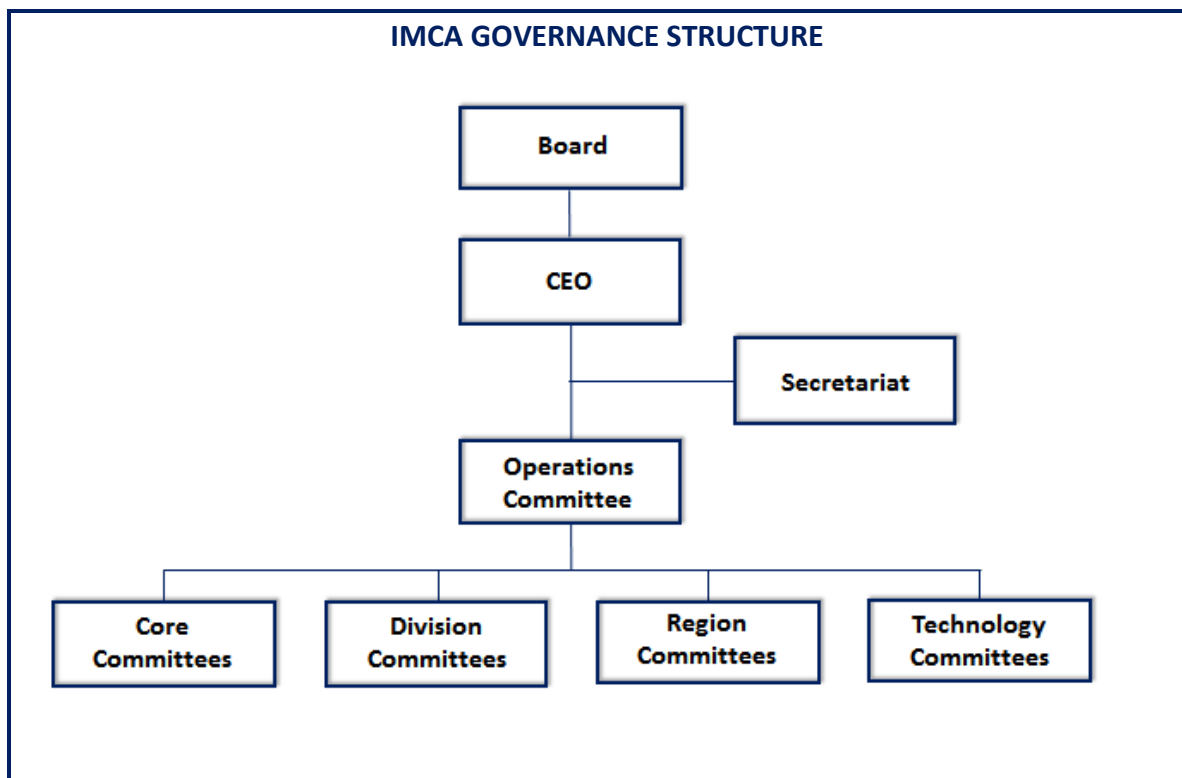
How they work in practice will depend on the clarity of our strategic objectives, the diligence of everyone involved in governance and our willingness to work together to achieve the organisation's mission.

4 Overview of IMCA Governance

The main elements of the governance of IMCA are illustrated below.

IMCA is governed by a Board that appoints a chief executive to manage the association on a day to day basis. He is supported by an Operations Committee consisting of association Members and a Secretariat of paid staff.

The Operations Committee is supported by a range of specialist committees consisting of members and supported by staff.



For ease of reading the ICo Committee is not shown on this simplified organigram. Although not engaged in day-to-day management activities, it serves to offer political direction, advice and support to the Board.

5 The Board

The Board has ultimate responsibility for the governance of IMCA.

The overall role of the Board is set down in the *Articles* (A3 and subsequent) and in company law and also in the *Bye-laws*. (B6.1)

Role

The Board's role is to:

1. Agree the mission, values and strategy of IMCA.
2. Monitor the legal compliance of the association.
3. Provide strategic leadership to IMCA, anticipating changes in the business and regulatory environment and take action to ensure the success of the industry.
4. Monitor and secure the economic viability of the association including approving the annual budget and approval of the annual accounts.
5. Review and agree the business plan presented by the Chief Executive.
6. Monitor the progress of IMCA against its overall plans.
7. Agree and monitor high level policies for the association e.g. competition law policy, retention and disposal of documents, complaints and appeals by Members.
8. Appoint the Chief Executive and provide him/her with appropriate guidance and support and monitor his/her performance.
9. Establish and implement Membership criteria for the association and provide appropriate accountability to the Membership.
10. Guide and support the President and Vice-President and Chief Executive and other designated spokespeople as the public voice of the association within the trade and associated arenas.
11. Ensure tight integration of the high level strategy to provide leadership to the industry through the work of the core, division, and regional committees.
12. Review and monitor the governance of the association and their own performance as the governing body.

Composition

The Board is composed as follows (A19):

Member category	Number	How selected
GCo	6	Appointed by each GCo
ICo	1	Elected by ICos
Operations Committee	2	Chair and Vice-Chair of Operations Committee
CEO	1	By virtue of office
Other	0-2	Co-opted by Board if and as required
TOTAL	10-12	

The Board appoints the IMCA Chairman and Vice-Chairman from amongst its number by rotation amongst the GCos (A12b). They are termed President and Vice-President of IMCA.

The ICo member is elected by the ICo Committee. It is composed of senior staff from ICo members. (B6.13)

Expectations

As IMCA is registered as a company in England, Board members act under English law.

The Board consists of individuals, whose duty in this role is always to act in the best interests of the association.

It is expected that the Board will meet at least three times each year.

There is a programme of induction for new Board members.

The Board agenda is determined by the President with the support of the CEO.

Board members may be informed by their expertise in their own sectors of business and companies. However, while serving as Board members they act in the best interests of the Membership as a whole.

Board members are expected to attend all Board meetings. Individual attendance at Board meetings will be reported to the Membership annually.

The CEO may be asked to leave the meeting when the Board is discussing his performance and will always leave for the final agreement of his reward package.

6 Operations Committee

The Operations Committee informs, helps co-ordinate and lead the operations of IMCA by overseeing the programme of work and delivery plans of all committees. (B6.10)

Role

The role of the Operations Committees is to (B6.11):

1. Provide an additional vehicle for two-way dialogue between Members and the Board.
2. Approve applications to become Members of IMCA.
3. Allow committee Chairmen to contribute to developing IMCA strategy, to keep informed of and aligned with IMCA strategy and to exchange ideas with each other and with the Board.
4. Assist the Technical Director to monitor delivery of work plans.
5. Oversee the processes for succession planning for committee members and Chairmen and for IMCA elections.
6. Advise the CEO and Board on the overall structure of committees.
7. Through the CEO and Technical Director guide the work of the Secretariat on technical matters.

Composition

The Operations Committee is composed of the chairmen of IMCA core and division committees, the chairmen of regional committees and the IMCA Technical Director. (B6.4)

The Chief Executive has the right to attend. (B6.4)

If committee chairmen cannot attend, they can occasionally ask their vice-chairman to attend. (B6.4)

The Operations Committee elects its own Chairman and Vice-Chairman from amongst its number. The term for these two roles is normally three years with a limit of two terms. (B6.5)

The Chairman and Vice-Chairman of the Operations Committee serve on the IMCA Board. (A19iii)

Expectations

The Operations Committee meets at least twice a year. (B6.6)

It reports to the CEO through its Chairman, who periodically meets with the CEO and with the President of IMCA to ensure tight integration across IMCA activities. (B6.7 and B6.10)

The Committee reviews its performance, the performance of its Chairman and of its members every two years. (B6.8 and B6.9)

7 Committees

IMCA currently has four further types of committees:

- Core
- Division
- Region
- Technology.

The Board may adapt committees in response to Members' needs. (B7.2)

Each type of committee is covered in a subsequent chapter of this handbook.

Role

The roles of each committee are set out in terms of reference maintained by the Secretariat.

Composition

Each committee has a form of composition that fits its role (see chapters 8 to 11). Ideally each comprises 10-12 regularly attending individuals, unless there is good reason for the committee to be larger or smaller. (B8.1)

In most cases, members of the committees are elected by ballot organised by the Secretariat. (B16)

More than one individual from the same Member company is permissible. (B8.2)

Generally, committees are entitled to co-opt additional members with specific skills or knowledge. (B8.7)

Committees generally select their Chairman and Vice-Chairman from amongst themselves. The terms of both posts are three years and no more than two terms are normally served. (B8.3)

Committees may form workgroups with the agreement of the CEO and in line with certain provisions (B7.9). In the case of regional committees these are sub-groups. (B15.6)

Expectations

The Secretariat provides Chairmen, Vice-Chairmen and new committee members with induction.

Each committee has a work plan and generally meets four times a year. (B7.6)

A technical adviser of the Secretariat works with each Chairman as project manager to deliver its work plan. (B7.7)

Committee members are expected to make a positive contribution to the work of their committee. Those not attending for three consecutive meetings in person or by video or telephone conference will usually be invited to resign. (B8.5)

In addition, committee members are expected to remain abreast of current knowledge and best practices in their topic.

8 Core Committees

This chapter covers core committees and should be read in conjunction with chapter 7.

Role

Core committees cover topics that are generally of common interest to all Members.

There are currently five core committees, two of which are new:

- Health, Safety, Security & Environment (HSSE)
- Competence & Training
- Lifting & Rigging
- Contracts & Insurance
- Marine Policy & Regulatory Affairs (to be established).

Each core committee has its own terms of reference.

Composition

The HSSE committee is elected by Members and joined by an appointment from most regional committees. (B12.1)

Members of the Competence & Training Committee are appointed by the division committees who each nominate one individual who are joined by an appointment from most regional committees. (B12.2)

Lifting & Rigging Committee members are appointed by the Operations Committee. (B12.3)

Contracts & Insurance is appointment by the Board assisted by the CEO. The committee may co-opt additional members as it feels fit. (B12.4)

The Marine Policy & Regulatory Affairs Committee is appointed by the Marine Division Management Committee. (B12.5)

The election or nomination of the Chairmen and Vice-Chairman roles varies by committee. They usually serve for a term of three years and normally no more than two terms.

The Secretariat helps with succession planning, elections and appointments.

9 Division Committees

This chapter covers the division committees and should be read in conjunction with chapter 7.

Role

Division committees cover the specific areas of Members' primary interest and form the basis of the choice of Membership category to which they belong.

IMCA has four division committees:

- Diving
- Marine
- Offshore Survey
- Remote Systems & ROV.

Composition

These committees are composed principally of eight members elected by Members of the division, joined by appointees of certain regional committees. (B13.2)

Division committees elect their Chairmen and Vice-Chairman from amongst their GCo, ICo and Co members. They usually serve for a term of three years and normally no more than two terms.

The Secretariat helps with succession planning, elections and appointments.

10 Regional Committees

This chapter covers regional committees and should be read in conjunction with chapter 7.

Members of IMCA join one of five geographical regions, apart from GCo and ICo members who join all regions:

- Asia Pacific
- Europe & Africa
- Middle East & India
- North America
- South America.

Each region has a committee.

The Secretariat will nominate a member of staff to support each regional committee.

Role

Regional committees discuss IMCA matters of interest in the region and contribute to IMCA centrally. The number and focus of meetings is determined by the regional committee. (B15.3)

Apart from the Europe & Africa region, the committees may nominate individuals local to the region to serve on the division committees and certain core committees to represent their region. (B15.5) These appointees provide views and opinions from their region and keep their region informed.

Composition

Regional committees are formed by election of four to six Members of that region. (B15.4) They select their Chairman and Vice-Chairman from amongst themselves. The terms of both posts are three years and no more than two terms are normally served. (B8.3)

Expectations

See chapter 7 for the general expectations of all committees.

11 Technology Committees

This chapter covers technology committees and should be read in conjunction with chapter 7.

Role

Technology committees may be formed by the Board from time to time to review technologies (B14.1). None are currently in place.

Technology committees are usually of limited duration.

Composition

Members are appointed by the Operations Committee with the assistance of the Secretariat and are experts and specialists in the technology. (B14.2)

12 The Chief Executive

The CEO is appointed by and is accountable to the Board of directors of IMCA Holdings Limited. His direct reporting line is to the President of IMCA who is also the Chairman of the Board.

The CEO is empowered by the Board to lead the organisation in its mission and to deliver its strategy. Other formal responsibilities include being the treasurer and secretary.

The CEO is a member of the Board but is directed and guided by the Board.

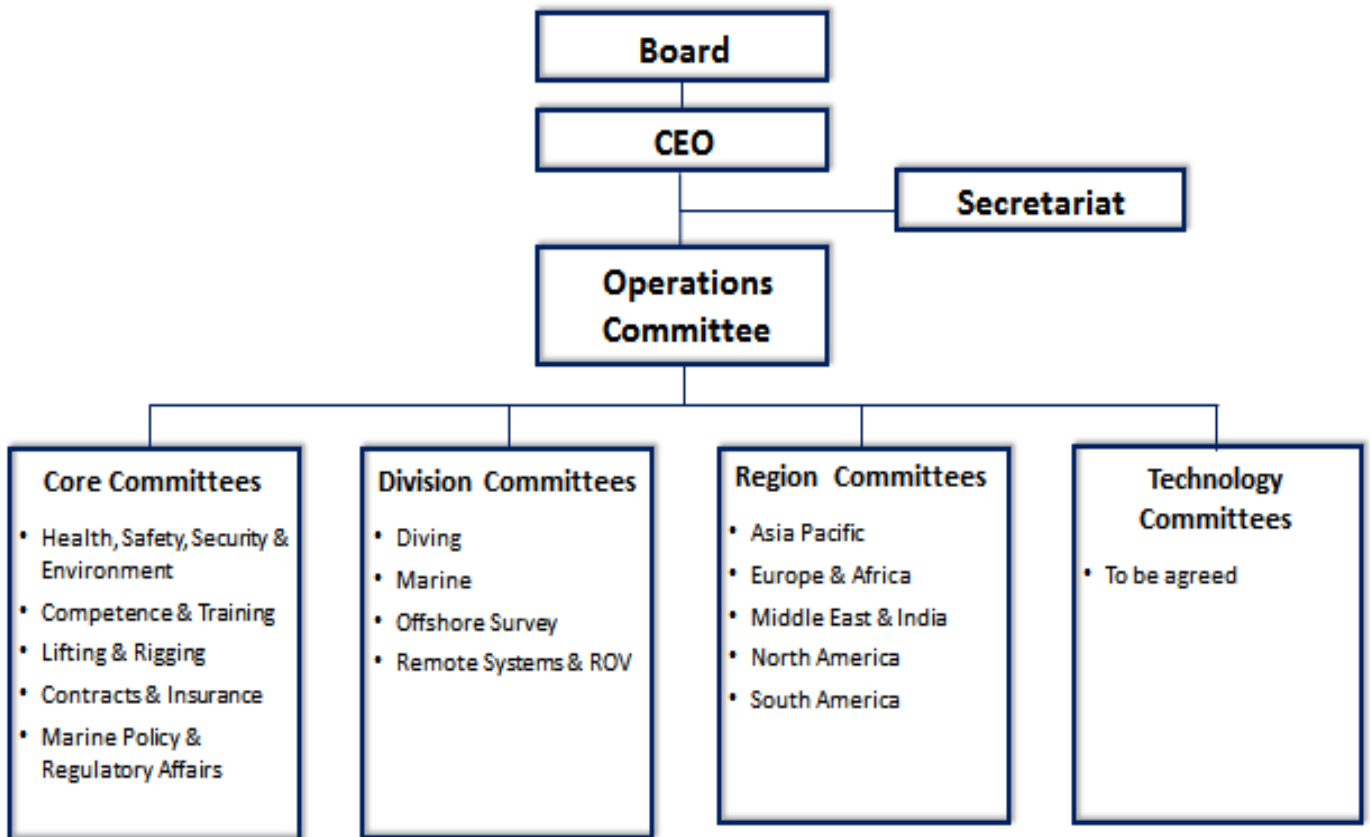
Balancing restraints are in place with the Board for the approval of operating budgets, capital expenditures or commitments, the size and scale of the Secretariat, and other key financial parameters.

The CEO is responsible for the performance of the Secretariat, assisted by the Technical Director.

The CEO's performance and compensation is reviewed by the Board on an annual basis.

13 The Overall Structure

The resulting structure in full is as follows:



14 Resources for Governance

The resources listed below may be useful.

IMCA resources

From time to time material on governance is added to the IMCA website www.imca-int.com

Articles www.imca-int.com/about-imca/governance-structure/

Bye-laws www.imca-int.com/about-imca/governance-structure/

General

The Trade Association Forum (TAF) issues guidance notes and some address aspects of governance www.taforum.org

Boleat, Mark, Good Practice in Trade Association Governance, London, 2001

www.boleat.com/materials/gptag_2001.pdf

Governance principles, by the Center for International Private Enterprise and The World Chambers Federation, 2011

www.cipe.org/publications/detail/governance-principles-business-associations-and-chambers-commerce