

ICS Governance Handbook

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1. INTRODUCTION

- a. The Institute of Chartered Shipbrokers (ICS) is the professional body for commercial shipping worldwide. Its Head Office is based in London, but through its extensive Branch and ITC network the ICS is an International organisation with a truly global perspective that reflects the international dimension of shipping. ICS is an elite membership organisation whose entry qualification has to be proved by examination.
- b. A small number of Members join via the dissertation route or under Bye Law 50 in exceptional circumstances.
- c. The Institute is also an Examining Authority and a Professional Development provider to the shipping industry worldwide.
- d. Legal status. ICS is governed by the Royal Charter dated 1920, the supplemental Charter dated 1984 and the current Bye-Laws dated 2007. The ICS is a non- incorporated not-for-profit organisation governed by a Council sitting as either Controlling Council (CC) or Executive Council (EC) session.

2. PURPOSE OF THIS HANDBOOK

- a. To provide a CC approved handbook on ICS governance for the benefit of ICS officers, Council and Committee members and branch Chairmen.
- b. To provide a transparent and easily accessible central source of information about the ICS's decision making processes to be updated in line with CC decisions as required.
- c. To provide a living document that will be kept under constant review by EC for annual ratification by CC.

3. MISSION STATEMENT

The ICS mission statement is “Promoting professionalism in the shipping industry worldwide”. Professionalism couples trust and integrity with knowledge of one's business. This is reflected in the ICS motto “Our Word Our Bond” and completion of the Professional Qualifying Examinations (PQE) as a pre-requisite for Membership.

4. ROLES OF THE ICS

- a. A Professional Body for commercial shipping with an established respected international reputation for raising professional standards. It confers membership and Chartered status on Fellows.
- b. An Examining Authority which sets and examines the syllabus for membership. It awards internationally recognised professional qualifications and exemptions from ICS examinations for other selected qualifying examinations.
- c. An education and training course provider with
 - Distance learning and e-learning programmes
 - One day training courses
 - Accreditation of other education and training providers
 - Bespoke training programmes for the industry

5. STRATEGIC OBJECTIVES

The following overall strategic objectives have been approved by the Council:

Overall

- Deliver a professional body that is relevant to and respected worldwide.
- Enhance the Industry's awareness of ICS worldwide.
- Enhance ICS corporate image.
- Gain greater influence in shipping's strategic areas.
- Progress initiatives in areas requiring special assistance with support from Education Fund trustees.
- Promote the professionalism argument at seminars and visits to shipping companies AND International trading companies.
- Introduce a "Code of Practice"/ethics for adoption by members.

Membership

- Promote the value of professional membership to industry.
- Promote the value of membership to potential members.
- Provide added value to being MICS/FICS.
- Maximise level of conversion from PQE completed candidates to Membership.
- Promote the professionalism message to industry.
- Strengthen and increase the branch network globally.
- Enhance internal communications.
- Increase net membership by 10% over a 5 year period.
- Reduce lapsed membership rate to no more than 5% annually.
- Market ICS to potential new members in industry and academia.

Education and Training

- Support and improve standards and skills of Tutors and Lecturers.
- Increase TutorShip course take up by 10% annually.
- Expand ITC network.
- Seek out collaborative initiatives with other Education/Training providers worldwide.
- Seek out opportunities to provide bespoke training packages to shipping and trading companies.
- Build up the number of Tutors and Lecturers.

Examinations

- Ensure relevance to Industry practise is maintained.
- Monitor that examination content reflects shipping knowledge on a worldwide basis.
- Increase Examination candidate take up by 20% annually.
- Review ICS syllabus for examination in 2012.
- Build up the number of Examiners, Assessors and Markers.

Federation

- Represent company members' interests at Governmental and International organisations.
- Increase number of Company members by 5% per annum.
- Support UK Sea Vision.
- Support the “Maritime UK” initiative.

6. THE ICS YEAR

The key activities during in the Institute year are as follows*:

June	Start of the financial year
August	Start of the academic year
September	Meeting of all examiners, assessors and tutors
October	Annual General Meeting International prize giving ceremony
November	Controlling Council Examination session in limited centres
April	Examination session in all centres
May	End of the financial year End of the academic year

* These are the standard timings – though they can be altered based on circumstances

7. CONTROLLING COUNCIL (CC) - TERMS OF REFERENCE

Accountable to: The Membership at AGM.

Primary role: The CC is the governing body of the Institute empowered under the Byelaws to exercise general control and management of its activities.

Additional responsibilities

- Ratify members of the Executive Council and delegate full decision making authority to it under Byelaw 38 [b].
- Receive reports from EC and monitor its operation.
- Provide a channel of communication to and from the EC and the Membership and Branches on the operation of the Institute.
- Provide a forum for discussion for the development of the Institute's activities.
- Appoint the Chairman of all CC appointed Committees.
- Appoint the Disciplinary Committee.
- Ratify Bye Law 50 applications for Membership.

Composition: Between 12 and 28 Fellows of the Institute.
One third of the elected CC members are to retire each year on a rolling basis.

Tenure: Commitment for 2 years.

Frequency of Meetings: Annually.

Funding: All members of CC are reimbursed expenses associated with attendance at the yearly meeting in accordance with the expenses policy of the Institute.

8. EXECUTIVE COUNCIL (EC) - TERMS OF REFERENCE

Accountable to: Controlling Council.

Primary role: To make expedient and timely executive decisions on behalf of the CC To act as the de facto/de jure ICS Board that enables the ICS to expand/ be successful in the Business sense.

Additional responsibilities

- Determine ICS policy within the overall constraints of the ICS' Royal Charter and guidelines provided by the membership through the CC.
- Monitor the Director/CEO's execution of the strategic objectives within the approved Budget within his delegated authority
- Consider Director/CEO's requests for extra Budget expenses.
- Receive reports from the Committees and monitor their progress against the Institute's strategic objectives.
- Approve the ICS Budget.
- Hear any findings of the Disciplinary Committee.
- Appoint Director/CEO.
- Endorse/veto the list of nominations for Honorary Fellowship and Membership without examination or dissertation for consideration by CC.
- Submit Bye law 50 applicants to CC for ratification.

Composition of the Executive Council

- a. As specified by the Byelaws and the CC, the Executive Council will comprise a Chairman and 14 members, of whom 6 shall be required to form a quorum, namely: Chairman, Vice Chairman, President, Vice President, Immediate Past President/Chairman, Chairman Federation Council, Chairman Education and Training Committee, Chairman Membership Committee, 7 Controlling Council Members. Other members of CC may attend as observers.
- b. The Chairman of the CC is automatically the Chairman of the Executive Council.
- c. Elected members of the Executive Council are to be members of the Controlling Council when elected. No member of Executive Council, ex-officio or elected, except the current chairman and vice chairman who will serve his chairman's and post chairman's term, will serve for more than five (consecutive) years.
- d. The nomination of proposed ex-officio members of the Executive Council complete with a summary of the reasons for their nomination to be submitted to one or other of these organisations at least one months before the proposed admission to either body.

Frequency of meetings: Up to 3 face to face meetings in addition to CC are scheduled annually at Chairman's discretion with Conference calls as and when directed by the Chairman.

Funding: All members of EC are reimbursed travel expenses associated with attendance in accordance with the travel policy of the Institute.

9. REMUNERATION COMMITTEE (RC)

Accountable to: EC.

Primary role: Approve the Director/CEO's remuneration package.

Additional responsibilities

- Approve the Director/CEO's recommendations for salaries for ICS employees.
- Approve any Discretionary bonus payments.
- Advise the EC on the ICS expenses policy.

Composition of RC: Chairman, Vice Chairman, President.

Frequency of meetings: Twice per year in April and Nov.

Funding: In accordance with EC approved expenses policy.

10. EDUCATION & TRAINING COMMITTEE (ETC) – TERMS OF REFERENCE

Accountable to: EC.

Primary role: Advise the EC on all Education and Examination matters.

Additional responsibilities

- Oversee the process from student to completed PQE candidate.
- Determine and approve PQE syllabus.
- Select and approve Board of Examiners.
- Ratify timing of Institute examinations.
- Approve Exemption policy.
- Approve validation policy.
- Act as the final hearing for appeals from candidates.
- Provide advice to the Education Trust Fund as required.
- Approve dissertations from an ETC perspective.
- Ratify the Education and Training Policy and procedures handbook with an effective date of 1 May annually.
- Ratify the Examinations Policy and procedures handbook with an effective date of 1 May annually.
- Advise the Director/CEO on Education and Training matters in the execution of ICS EC approved strategic objectives.

Composition

(i) Controlling Council shall appoint not less than five fellows or members at its first meeting after the Annual General meeting of the Institute in addition to the ex-officio members to form this committee. One of those persons to be appointed by the Controlling Council as Chair/man for the coming year. Members are to be knowledgeable on the delivery of education and training to professional bodies and its examination. CC shall ratify the appointment of the Chairman and that appointment shall be subject to annual confirmation. The Chairman shall not serve a term in excess of 5 years. The Chairman shall not be a member of any ICS branch committee.

(ii) A retiring Chairman may nominate himself for re-election to the Committee on completion of his term of office but shall not be eligible for re- election as Chairman for a period of one year following the completion of his previous term of office.

(iii) Members of the Committee shall not serve for a period of more than 5 years but may at any time during this period offer themselves for election as Chairman should the vacancy arise. Upon completion of their period of office, members of the Committee shall not be eligible for re-election to the Committee for a period of one year.

Frequency: Meet 3 times per year.

Funding: In accordance with the travel policy of the Institute.

11. BOARD OF EXAMINERS - TERMS OF REFERENCE

Accountable to: ETC.

Primary role: Cause Examinations to be held.

Additional responsibilities

- Submit a report to ETC upon the conduct and results of such examinations.
- Appoint Examiners and Assessors.
- Supervise the conduct of the Examinations.
- Approve ICS examination results to be posted on www.ics.org.uk.
- Determine annual prize winners.

Composition: Chairman plus 4, all of whom have an understanding of the setting and marking of professional examinations coupled with relevant knowledge of shipping industry practise.

Frequency of meetings: At least twice per year.

Funding: All members of Board of Examiners are reimbursed travel expenses associated with attendance in accordance with the travel policy of the Institute.

12. FEDERATION COUNCIL – TERMS OF REFERENCE

Accountable to: CC/EC.

Primary role: The full Terms of Reference of Federation Council are laid down in Institute Bye-Laws 67 to 70.

Objectives

- To promote and protect the interests of the ship agency and ship broking sectors in the United Kingdom in all relevant for including, but not limited to, government departments, statutory authorities, local and regional governments and other industry associations and bodies.

- To represent the UK agency and broking sectors in international organisations such as FONASBA and ECASBA and be present at the meetings of same.
- To endeavour to secure, for ICS Company Members in the UK, contracts with statutory bodies and other organisations under which Company Members will provide services, such services to include, but not be limited to, the collection of light dues and the processing of statutory reporting formalities such as EUR-1 and ATR forms.
- To actively promote the benefits of Company Membership to all companies engaged in bona fide shipping/shipbroking activities and to assist and encourage such organisations to meet the required membership criteria.
- To provide company membership with regular reports on relevant legislative, regulatory and commercial developments.

Composition

- (i) The Council shall comprise a Chairman and a Vice Chairman, who shall be appointed by the Federation Council members – which appointments shall be ratified at the Federation Council Annual General Meeting – supported by no more than 13 members, at least three of whom shall be Fellows of the Institute. The members of the Council shall, so far as possible, fairly represent both the geographical spread and activities of the Company Members.
- (ii) Elections shall be called every year in accordance with procedures determined by Controlling Council and at least one third of the Council shall retire annually in accordance with their period of service upon the Council. Any such member, at retirement or at any time during the term of office, may be nominated for the position of Vice Chairman. Otherwise any retiring member shall be ineligible for re-election for a period of one year.
- (iii) The Chairman shall, subject to annual approval by Council, serve a maximum two year term. The Chairman shall not be a member of any ICS branch committee.
- (iv) For a period of one year the outgoing Chairman of Federation council shall also be an ex officio of the council.
- (v) The President, Vice President, Chairman and Vice Chairman of the Institute's Controlling Council and the Director of the Institute shall be ex officio members of the Council. For a period of one year following retirement, the outgoing Chairman shall also be an ex officio of the Council.
- (vi) The Council may, as it sees fit, co-opt those who serve as Institute representatives on external bodies.

Frequency: Twice per year, one in London and one as hosted in the regions.

Funding: Members of Federation Council are reimbursed travel expenses associated with attendance in accordance with the ICS expenses policy.

13. MEMBERSHIP COMMITTEE – TERMS OF REFERENCE

Accountable to: EC.

Primary role: To be the primary focus for all professional membership and branch issues.

Additional responsibilities

- To consider all applications for Membership of the Institute, other than under Bye Law 50, and make recommendations to the EC.
- To consider all applications for promotion to Fellowship of the Institute and make recommendations to the EC.
- To make recommendations to the EC for the withdrawal of membership (at any level) in cases where members are in default of their subscription obligations.
- Insofar as they relate to membership issues, to report on the facts of any case brought before the Chairman of the ICS Disciplinary Committee. The Membership Committee shall not be required to provide any opinions or recommendations to the Disciplinary Committee.
- Assist the Director/CEO and local branches in the promotion and expansion of ICS professional membership in accordance with the ICS Marketing strategy paper.
- Consider and, within the guidelines set by Council, approve any amendments to Branch rules concerning membership.

- Whilst recognising that matters relating to ICS Company Membership will remain within the remit of the Federation Council, the Committee shall liaise with Federation Council where membership issues are common.
- The Institute Vetting Committee shall be an autonomous sub-committee of the Membership Committee and shall report on its activities to the Chairman of the Membership Committee.

Objectives

- Develop enhanced added value benefits for members.
- Develop networking opportunities for members worldwide.
- Address the problem of an increasing lapse rate of membership.

Composition

(i) The Membership Committee will comprise a Chairman and 10 members, one whom shall be the Chairman of the Vetting Committee, which are to be appointed by the Controlling Council at its first meeting after the AGM and one of those persons to be appointed as its chairman. Three members of the Membership Committee excluding ex-officio members shall constitute a quorum.

(ii) CC shall ratify the appointment of the Chairman and that appointment shall be subject to annual confirmation. The Chairman shall not serve a term in excess of 5 years. A retiring Chairman may nominate himself for re-election to the Committee on completion of his term of office but shall not be eligible for re-election as Chairman for a period of one year following the completion of his previous term of office.

(iii) Members of the Committee shall not serve for a period of more than 5 years but may at any time during this period offer themselves for election as Chairman should the vacancy arise. Upon completion of their period of office, members of the Committee shall not be eligible for re-election to the Committee for a period of one year.

(iv) The Chairman shall not be a member of any ICS branch committee; this restriction shall not apply to other members of the Membership Committee who shall be ratified by Council in Controlling session to, so far as possible, reflect the diversity of ICS professional membership. The Chairman of the Committee shall be a member of Council sitting in Executive and Controlling session and shall report on the activities of his Committee to the Council.

Frequency of meetings: Due to the international make up of the MC, the vast bulk of the work is conducted by email and meetings are convened on an opportunity basis.

Funding: In accordance with the ICS Expenses policy.

14. INTERNATIONAL VETTING COMMITTEE

Accountable to: MC.

Primary role: Vet all applications for membership (MICS) and promotion to Fellowship (FICS).

Additional responsibilities

- Advise the MC on the ICS vetting process.

Composition: Chairman, VC, Chairman ETC, Chairman MC and Chairman Federation Council.

Tenure: Whilst holding appointment.

Funding: In accordance with ICS expenses policy.

15. DISCIPLINARY COMMITTEE

Accountable to: EC.

Primary role: To consider all disciplinary cases brought against ICS members and report findings to EC.

Additional responsibilities

- Advise EC on disciplinary procedures applicable in professional misconduct cases.

Composition: Disciplinary Committee membership comprising Chairman, VC, President, VP, IPC/P, Chairman Education and Training Committee, Chairman Federation Council, Chairman Membership Committee and Chairman of Finance Committee as approved at CC annually.

Tenure: Ex officio as above.

Funding: In accordance with ICS expenses policy.

Disciplinary hearing criteria:

- Have all other resolutions been tried?
- Has there been a breach of Institute rules?
- Has there been a breach of branch rules?
- Is the Institute being brought into disrepute?

Types of complaint:

- Member about another Member
- External complainant about a member
- Member about a Company Member

16. FINANCE COMMITTEE

Primary Role: The primary role of the **Finance Committee** is to assist the Controlling Council in fulfilling its oversight responsibilities with respect to the monitoring and control of the Institute finances. The Finance Committee shall act with authority on behalf of Council and make recommendations to the Controlling Council on any observations it has with regards to the Institute's finances.

Accountable to: Controlling Council

Additional responsibilities:

Review the proposed annual financial budget for the Institute and its underlying assumptions which should be submitted in draft as soon as it is ready but at least 30 days prior to the start of the new financial year and make any recommendations to the Council it feels are necessary with respect to the draft budget.

Review the monthly detailed management P&L accounts pack of the Institute which shall be provided by the Director/Head of Finance within 15 days at the end of each month.

The Director/Head of Finance shall provide a narrative to accompany the monthly management accounts which explain any variation to the annual budget forecast.

Approve expenditure and any financial tenders/awards above £10,000 threshold for any single contract, expense accruing to any company or individual.

To monitor and review total staff and salary costs per month.

To monitor and review cost of external staff contractors/interns

To monitor and review travel & subsistence for all staff, contractors and committees, sub-committees, working groups.

Review on a regular basis the suitability and effectiveness and operation of the Institutes accounting policies, financial and cash flow management and internal financial controls inside the Institute.

Identify and recommend suitable financial performance metrics which the Institute should adopt to measure the actual financial performance against short, medium and long term targets.

Provide at least a quarterly Finance Committee assessment of the finances of the Institute to the Controlling Council including making any recommendations for further consideration with respect to the performance of finances of the Institute. However these recommendations can be brought forward earlier if deemed necessary by the Finance Committee.

Frequency of meetings: The FC shall meet at least 4 times per year.

Funding: In accordance with the Travel Policy of the Institute.

Members: Three Elected from Council , Chairman & Vice Chairman. The FC shall have the power to co-opt Members with relevant skills from the Institute/Membership that can assist it with its work

17.OFFICERS OF THE INSTITUTE

a. Chairman ICS

Primary role: Chair the Council meetings.

Additional responsibilities

- To represent the Institute’s case at the highest levels and use his/her influence to help ICS meet its mission statement - “Promoting professionalism to the shipping industry worldwide”.
- To call on the other officers of the Institute to work together and with the CEO to achieve objectives agreed by the CC/EC.
- To be the primary point of contact for all Branch Chairmen.
- To hear all complaints that the CEO is unable to handle to the satisfaction of the complainant.
- Member of ICS specialist committees and Federation Council.
- To act as the line manager to the CEO and to conduct an annual work review meeting with him.

Tenure: 2 years

Authority: As vested in the current ICS Bye-Laws.

b. President

Primary role: Represent the Institute’s case at the highest levels and use his/her influence to help ICS meet its mission statement - “Promoting professionalism to the shipping industry worldwide”.

Additional responsibilities

- Member of CC and EC.
- Advise the Council on the shipping industry on an ad hoc basis.
- Preside at the Institute’s Annual Prize giving luncheon.
- Chair the ICS AGM.

- Chair any Special AGM as required.
- Work with the other officers of the Institute and the Director/CEO to achieve objectives agreed by the CC/EC.
- Support the Chairman on an ad hoc basis.

Tenure: 2 years.

c. **Vice Chairman**

Primary role: Deputise for the Chairman.

Additional responsibilities

- To represent the Institute's case at the highest levels and use his/her influence to help ICS meet its mission statement - "Promoting professionalism to the shipping industry worldwide".
- To call on the other officers of the Institute to work together and with the Director/CEO to achieve objectives agreed by the CC/EC
- Member of ICS specialist committees and Federation Council.
- Support the Chairman on an ad hoc basis.
- To take part in the Chairman's annual work review meeting with the CEO.
- Act on behalf of the Chairman as the Internal Auditor

Tenure: 2 years.

d. **Vice President**

Primary role: Deputise for the President.

Additional responsibilities

- Member of CC and EC.
- Advise the Council on the shipping industry on an ad hoc basis.
- Attend ETC and Federation Council meetings as available.
- Work with the other officers of the Institute and the Director/CEO to achieve objectives agreed by the CC/EC.
- Support the Chairman on an ad hoc basis.

Tenure: 2 years.

e. **Immediate Past President / Chairman**

Primary role: Provide continuity and advice to ICS.

Additional responsibilities

- To represent the Institute's case at the highest levels and use his/her influence to help ICS meet its mission statement - "Promoting professionalism to the shipping industry worldwide".
- To call on the other officers of the Institute to work together and with the Director/CEO to achieve objectives agreed by the CC/EC.
- Support the Chairman on an ad hoc basis.

Tenure: 1 year immediately following own Presidency / Chairmanship.

f. **ICS Ambassador**

Primary role: As determined by the EC, a recently retired senior officer of ICS may be invited to further the Institute's interests in a region of the world based on his/her expertise. The incumbent would be termed "ICS Ambassador".

18. DIRECTOR / CEO – TERMS OF REFERENCE

Primary responsibilities: To operate as Chief Executive Officer to deliver the Controlling Council approved strategic objectives within budget and to be responsible to the Chairman of Controlling Council in the performance of all his duties.

Additional tasks

- To comply with the requirements as laid down in the Institute's Bye Laws and to ensure compliance by all Institutes' staff (both permanent and temporary).
- To make periodic reports and provide all necessary support and resources to the Controlling Council, Executive Council and all Institute Committees as may be required by them.
- To market the Institute worldwide and to travel to Institute Branches and on Institute business accordingly.
- To be Line and HR manager for all ICS permanent staff and to agree staff remuneration and recruitment with the Remuneration Committee. To dismiss staff in consultation with the Chairman.
- To oversee the annual budget approved by the Executive Council and to ensure all significant variances of the Institute's finances are reported to the Chairman.
- To ensure that information and support is provided to Institute Branches and members worldwide in relation to all issues and matters affecting the Institute and members' interests.
- To act as a Trustee to the Education Fund.

Authorities

- Financial - to commit up to £10,000 of ICS funds in accordance with the Council approved Budget.
- To be a signatory to the audited Annual accounts.
- To be a cheque signatory for ICS funds.
- Liaison - Liaise as necessary with all outside authorities at the appropriate level.

19. HEAD OFFICE STAFFING

Staff structure.

Please see **Appendix 1**

20. BRANCHES

a. **Branches.** Branches are a vital part of the overall ICS network. In effect they are the focal point for all ICS activities in their geographic locality. Importantly they are also the visible and tangible image of the ICS – an international organisation. To be authorised as a Branch of ICS, Branches agree to comply with the following requirements:

- Conduct themselves in accordance with their approved Branch rules which reflect the principles in the ICS Bye Laws and Royal Charter.
- Provide added value benefits to their members.
- Provide networking opportunities to their members.

- Align their financial years with the ICS year – 1 June to 31 May
- Submit financial statements and remittances in accordance with paragraph 19 h and 19 i below.
- Use the current ICS marketing material.
- Identify opportunities for expanding ICS in their locality.
- Use the designated ICS email address provided by ICS head office.

b. **Branches legal status:** To be completed – ICS having sought legal opinion.

c. **Branch Chairman - Role and responsibilities.**

The Branch Chairman and Committee are invited to arrange the following:

- Periodic Branch committee meetings, the minutes of which, or a Branch Chairman's report, are to be forwarded to the Membership department by 30 Sept and 31 March annually.
- Professional development seminars/lectures/visits etc 6 times per year for the benefit of your members and students.
- An annual open day to brief the shipping industry locally
- Branch dinner/Awards ceremony annually.
- Students events in preparation for their ICS examinations
- Raise ICS media profile with regional and local media.
- Recommend introductions for Director/CEO to follow up.

d. **Branch procedures.**

(1) **UK branches**

A. Membership subscriptions. Members forward their subscriptions directly to the Membership department in head office.

(2) **International branches**

A. Membership subscriptions. Overseas subscriptions are collected by branches and the percentage remitted to head office is in accordance with the following table:

First	10%
Second	25%

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Third	40%
Fourth	60%

B. Registration fees. Collect and retain Registration fees with which to fund ICS Examinations in their locality.

e. **Branch Rules.**

Branches are to forward a copy of their current Branch rules, preferably in electronic format, to Head Office. Any amendments to Branch Rules are to be forwarded to the Chairman Membership Committee for approval. It is accepted that Branches have to be set up in accordance with their own National laws whilst aligning them with ICS Bye laws. Branches that wish amendments against ICS Bye Laws compliance are to forward them to ICS head office for approval having sought MC advice if necessary.

g. **Branch Finances.**

The Branch financial year is to align with the ICS Financial year namely 1 June to 31 May.

h. **Financial statements**

All Branches are to forward a copy of their branch's draft Annual accounts by 31 July and their audited accounts by 30 September.

i. **Remittances from overseas branches**

- (i) Membership subscriptions are to be remitted to the ICS accountant in head office by 30 September each year with a consolidated list of payments.
- (ii) Examination entry fees are to be remitted to the ICS accountant in head office by 31 March each year with a consolidated list of payments.

21. BRANCHES IN DEVELOPMENT

Developing new branches are an important activity for the Institute. They are supported through the process by the head office and Membership Committee. There is a developing branches model that is regularly reviewed by the Membership Committee.

- Conduct themselves in accordance with the Institute's byelaws and governance.
- Use the current ICS marketing material.
- Identify opportunities for expanding ICS in their locality.
- The local development team chair/man is given observer status at Controlling Council, at which they also report on their development.
- Professional development seminars/lectures/visits etc at least twice per year for the benefit of local members and students.
- Students events in preparation for their ICS examinations
- Raise ICS media profile with regional and local media.

22. EDUCATION & TRAINING – POLICY – Appendix 2

23. EXAMINATION POLICY– Appendix 3

24. MEMBERSHIP POLICY– Appendix 4

25. COMPLAINTS PROCEDURE

Any member who wishes to make a complaint is to strictly adhere to the following procedure.

a. Complaints against Head office staff.

- i. Submit complaint by Private and Confidential (P&C) email to Director/CEO.
- ii. If not happy with response submit complaint to Chairman ICS with a copy to Director/CEO.

b. Complaints against Director/CEO

- i. Submit P&C complaint to the ICS Chairman copy to Director/CEO

c. Complaints against a Council/Committee Chairman

- i. Submit P&C complaint to the ICS Chairman copy to the Council/Committee Chairman.

d. Complaints against a Council/Committee member

- i. Submit P&C complaint to the Council/Committee Chairman copy to ICS Chairman.

e. Complaints against a Branch Chairman

- i. Submit P&C complaint to the Chairman Membership Committee with a copy to ICS Chairman.

26. CONFLICT OF INTEREST DECLARATION

All ICS Committee members, Tutors and lecturers are to declare any conflict of interest that they may have before accepting or continuing to hold an official ICS appointment. This will not prevent the appointment being made but will make the conflict transparent to the good management of the Institute.

27. CONFIDENTIALITY

All Committee members agree to the confidential nature of Committee business.

28. Anti-trust / competition law policy statement.

- a. The Institute of Chartered Shipbrokers (the Institute) policy is firmly committed to maintaining a fair and competitive environment in the activities in which it is involved and to adhere to all applicable laws which regulate the Institute, its Councils and Committees.

These laws include the anti-trust/competition laws which the United States, the European Union and many nations of the world have adopted to preserve the free enterprise system, promote competition and protect the public from monopolistic and other restrictive trade practices. The Institute's activities will be conducted in compliance with its Anti-trust/Competition Law Guidelines.

b. Anti-trust / competition law guidelines

The Institute, through its Councils and Committees, is committed to free competition and, therefore, will adhere to all applicable anti-trust/competition laws including, but not limited to, such laws and regulations enacted in the USA and the European Union.

All Institute meetings, including meetings of its Councils and Committees and also the Annual General Meeting shall be conducted in accordance with the guidelines.

- c. All publications produced by the Institute shall conform to these guidelines.
- d. All advice/information given to members by the Institute staff shall be in conformity with these guidelines.
- e. Guidelines:
 - 1. All agendas and minutes of meetings shall confirm that the meetings have been conducted in accordance with the Institute's Anti-trust/Competition Law Guidelines;
 - 2. Neither the Institute nor members of its Councils and Committees shall engage in any discussions on or agree upon:
 - i. Fixing of terms, prices, rates.
 - ii. Matters relating to particular customers or suppliers.
 - iii. Boycott or black list particular customers or suppliers.
 - iv. Divide markets or customers.
 - v. Otherwise seek to distort competition.

29. FINANCE

- a. **Budget.** The Accountant builds up the ICS budget based on inputs from the CC/EC and Institute committees. It is approved by the EC.
- b. **Expenses policy** – at Appendix 5.
- c. **Authority.** The Accountant is authorised to:
 - i. Settle invoices within the budget.
 - ii. Reallocate Reserves within the guidelines approved by the EC from time to time.

30. INTERNAL AUDITOR – TERMS OF REFERENCE

Primary responsibility: To discuss with the Accountant and CEO the ICS finances, budget and the financial/budgetary controls in place. To make a written assessment with recommendations to the Chairman ICS within 10 days of the visit.

Additional responsibilities

To review and report on:

- The adequacy and effectiveness of the ICS systems of financial control.
- Compliance with budgetary controls as laid down by Executive Council.
- The adequacy of systems controlling the security of the Institute's funds and assets, including the investment strategy.
- The adequacy of financial information and reporting systems.
- The final draft of the Report and Accounts before its submission to the AGM .
- The performance of the Institute's external auditors and their suitability for reappointment at the AGM.
- To be undertaken within 6 months of the start of the ICS financial year (1 June) , at a time to be agreed with the ICS Accountant over a maximum of two working days in Head Office.

Appointment process: The Internal Auditor is the Vice Chair/man of the Institute unless otherwise appointed by CC annually.

Qualifications required: A Fellow or Member of the Institute with sufficient knowledge about accounting.

Tenure of appointment: 1 year.

Funding: Travel and hotel expenses in accordance with ICS expenses policy.

31. NOMINATION PROCEEDURE FOR SPECIALIST COMMITTEES

Nominations for candidates for the election as Chairmen for The Education & Training Committee, Membership Committee and Disciplinary Committee are to be made by The Branches six weeks prior to a Controlling Council Meeting. The Secretary of Controlling Council to give timely reminders in writing by e-mail. The outgoing chairman of each named committee has the option to nominate a candidate as successor in the same way as the Branches. Any so proposed candidate has to be a member of the relevant committee for the year preceding this election. The Branches are to take opinion from their membership for their selected candidate.

The nomination of the candidates are to include a CV (not more than one page – showing their main activities and positions held) and a short statement (not more than one page) indicating the reasons for the Branch's, respectively the outgoing Chairman's nomination of that candidate.

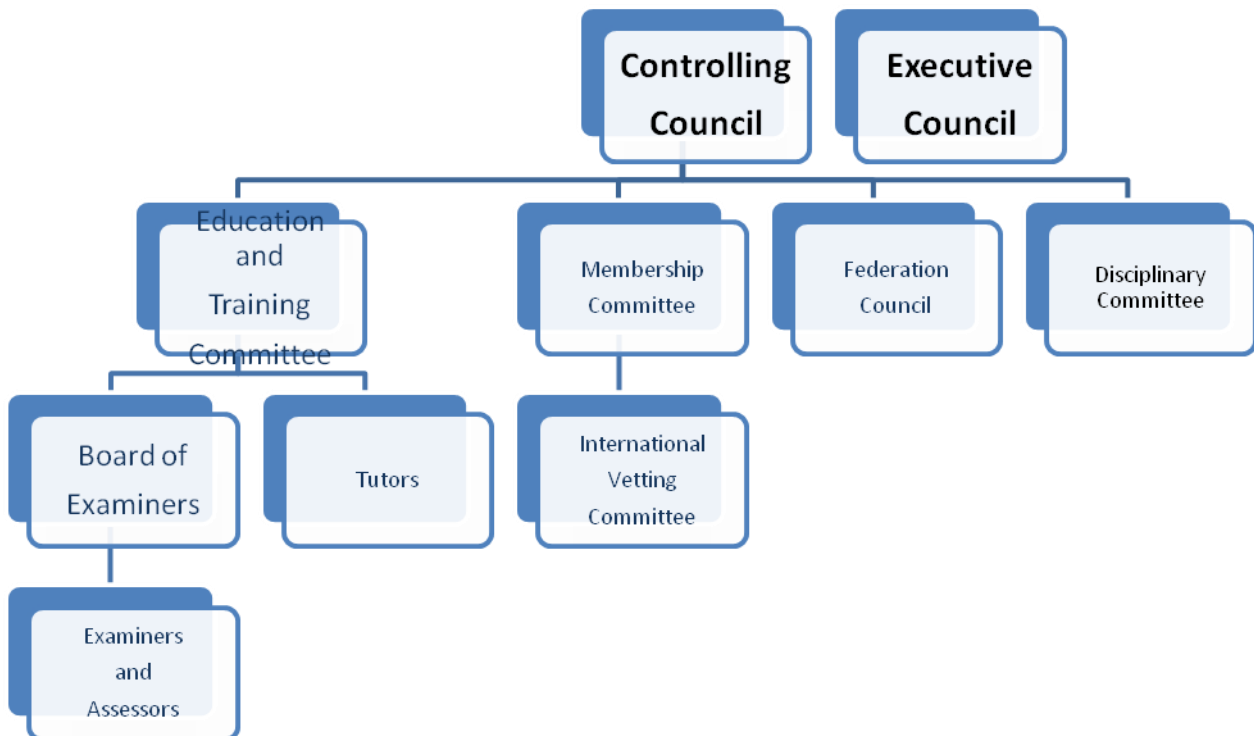
The nomination of each Branch and outgoing Chairman is to be sent by email to the Secretary of the Controlling Council and copied to the Chairman and the Director and constitutes the vote of each branch, the nomination by the outgoing Chairman is not to be considered as a vote. After the time limit for the nominations as set by the Chairman of the Controlling Council has expired The Secretary of the Controlling Council will distribute nominations to the members of the Controlling

Council not representing a Branch for their votes which have to be returned to the Secretary of Controlling Council with copies to the Chairman and Director. The Chairman of the Controlling Council has a casting vote.

The Chairman of the Controlling Council will distribute the result of the election at least 14 days prior to the date set for the Controlling Council meeting. The elected Chairmen of these Committees (as stated above) are to be appointed at this Controlling Council Meeting.

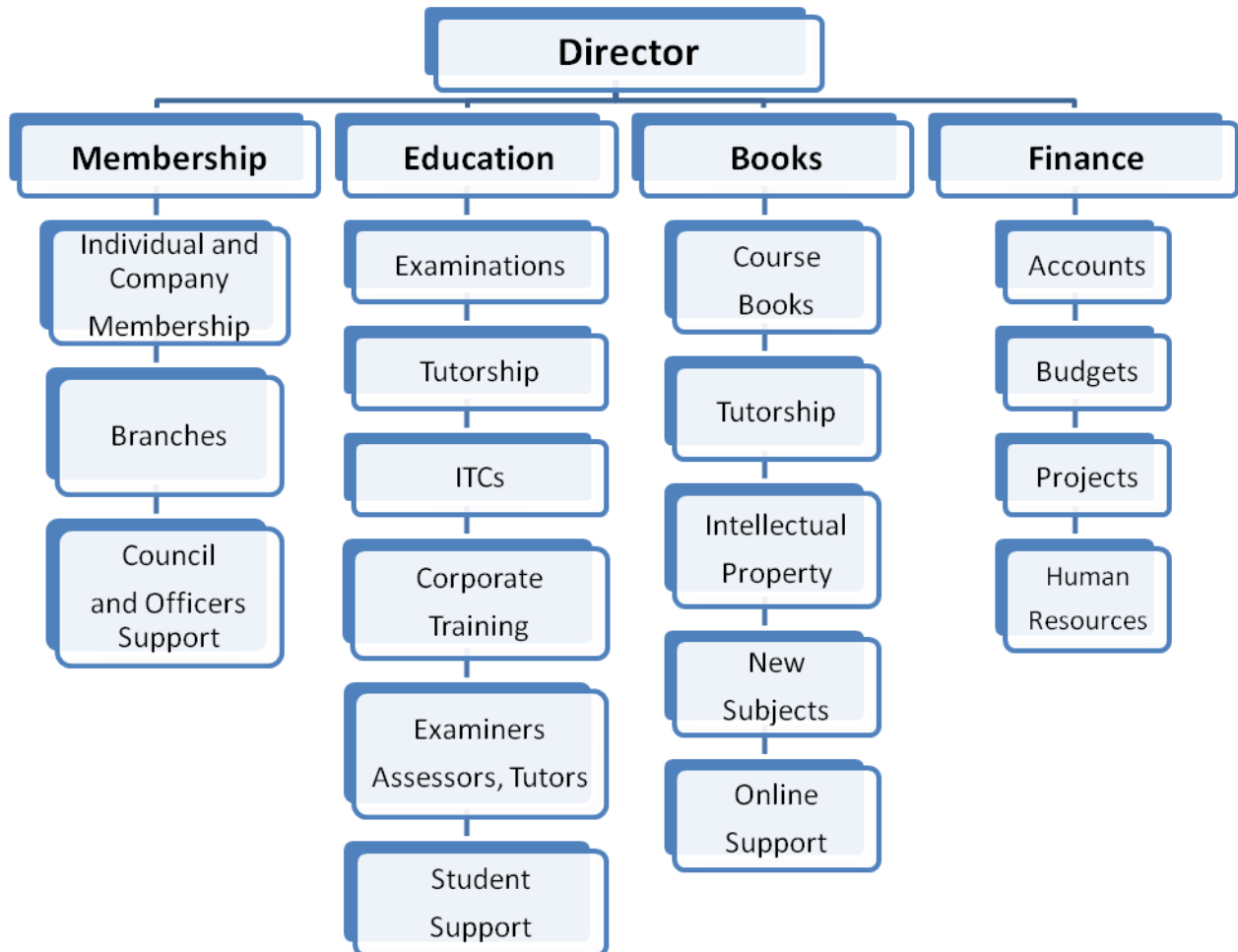
ANNEX A

ICS organisational schematic



Appendix 1

ICS head office staff structure



Appendix 2

ICS Education and Training policy

- 1. Introduction.** One of the roles of the Institute is to provide education for those students preparing for ICS examinations.
- 2. Aim.** The aim of this paper is to provide the overall ICS education and training policy to inform the ETC work.
- 3. ICS Professional Qualifying Examination (PQE) syllabus.** The PQE syllabus is made up of the following subjects:

Compulsory Subjects

Introduction to Shipping
Legal Principles in Shipping Business
Economics of Sea Transport & International Trade
Shipping Business

Specialist Subjects

Dry Cargo Chartering
Ship Operations & Management
Tanker Chartering
Ship Sale & Purchase
Liner Trades
Port Agency
Logistics & Multi-modal Transport
Port & Terminal Management
Offshore Support Industry
Shipping Law
Marine Insurance
Shipping Finance

- 4. TutorShip.** TutorShip provides distance learning for ICS examinations, in preparation for individual papers, PQE, Foundation Diploma and Advanced Diploma. The Tutorship product includes a course book, approved tutor and workbook.
 - a. Tutorship Course Books are reviewed annually and are published for the start of each academic year. The books includes at least 10 assignments and one mock examination.
 - b. Approved Tutorship Tutors support student learning by offering feedback to assignments submitted and by marking the mock examination.
- 5. International Teaching Centres (ITC).** ITCs provide the Tutorship product locally within their specified territory. The terms under which a ITC operates are outlined in the ITC agreement. For consistency all ITCs must operate within the same parameters.
- 6. Tutor Approval.** All tutors whether they contribute to TutorShip through the ICS head office or through an ITC must be first approved and vetted to ensure they meet with ICS standards.

Approval process:

- a. The submission of their CV to the head office to ensure the potential tutor demonstrates adequate experience within the subject they wish to tutor in.
- b. Potential tutors are then provided with a range of assignments (both stronger and weaker ones) that students previously submitted in their chosen subjects. Potential tutors must then submit the feedback to the head office for assessment.
- c. Feedback is compared to the marks already given to the student by an approved tutor before approval is granted.

7. Tutor Guidelines. Tutor quality is paramount to the TutorShip product, and it is therefore imperative that Tutors comply with the guidelines.

8. Approved Education Providers (AEP). AEPs are organisations that wish to support students with learning for their examinations, but do not wish to use the TutorShip model. Such organisations usually employ classroom (face to face) teaching methods. To be recognised formally by the ICS, such organisations sign an AEP agreement.

9. Bespoke Training. Bespoke training is organised by the head office to specifically cater to the needs of an individual client.

10. Non-TutorShip Courses. In response to a ‘gap’ in the market, the head office may choose to provide courses that don’t relate to Tutorship or indeed education towards PQE. Such courses are to be reviewed regularly and should fulfil a commercial need in the industry. Presently these courses include:

- a. Maritime World Explained
- b. Understanding Shipping

Appendix 3

ICS Examinations policy

1. **Introduction.** Under its Royal Charter and Bye laws, the Institute of Chartered Shipbrokers is an **Examining authority** that sets and examines the syllabus for professional membership. The ICS' governing body, Controlling Council, delegates the responsibility through the ICS Governance handbook to the Board of Examiners (B of E) to cause examinations to be held. This authority vested in the Institute differentiates it from many other education providers and the discharging of this responsibility is afforded the highest priority by the Controlling Council.
2. **Aim.** To provide the overall ICS examinations policy to inform the Board of Examiners work.
3. **Membership by examination.** The predominant route to membership is via examination which requires an applicant to pass 4 compulsory subjects plus 3 additional (total 7) and be considered as "Completed PQE". The other routes to membership via Dissertation and Bye law 50 are not considered in this policy document on examinations.
4. **ICS Professional Qualifying Examination (PQE) syllabus.** The PQE syllabus is made up of the following subjects:

Compulsory Subjects

- Introduction to Shipping
- Legal Principles in Shipping Business
- Economics of Sea Transport & International Trade
- Shipping Business

Specialist Subjects

- Dry Cargo Chartering
- Ship Operations & Management
- Tanker Chartering
- Ship Sale & Purchase
- Liner Trades
- Port Agency
- Logistics & Multi-modal Transport
- Port & Terminal Management
- Offshore Support Industry
- Shipping Law
- Marine Insurance
- Shipping Finance

5. **Foundation Diploma (FD).** The Foundation Diploma consists of Introduction to Shipping plus one additional subject to be offered for examination. Both examinations must be passed in the same session to be awarded the diploma. The two papers in the FD are available for carry forward to PQE.

- 6. Advanced Diploma (AD).** The Advanced Diploma consists of Shipping Business plus one additional subject to be offered for examination. Both examinations must be passed in the same session to be awarded the diploma. Successful paper(s) are carried forward to PQE.
- 7. Registration & Entry.** To sit an examination with the ICS, students must first register as an examination candidate, then enter the exams they wish to take. Registration equates to the cost to conduct the examination itself (including venue, invigilation), whereas entry equates to the examination paper (setting, marking, assessing, distribution)
- 8. Syllabus review.** To ensure that the PQE syllabus remains relevant to the changing patterns of the shipping industry a formal review of the PQE syllabus is to be conducted every two years through the meeting of the Examiners, Assessors and Tutors.
- 9. Exemptions.**
 - a. Exemptions may be granted to candidates who can prove that they gained the equivalent level as PQE in all subjects with the exception of Shipping Business.
 - b. Exemptions are not applicable for the Advanced or Foundation Diplomas.
 - c. Students are encouraged to apply and pay for any exemptions within their first study year (exceptions will be made for students who are in the process of studying for qualifications which we would otherwise recognise)
 - d. Exemptions are assessed and approved by the Education and Training Committee.
- 10. Examinations.** PQE examinations (plus those for Foundation Diploma (FD) and Advanced Diploma (AD)) are to be held twiceannually in examination centres worldwide.
- 11. Examination Paper Development.** The development of examination papers is of utmost importance to the examination process, ICS students, the reputation of ICS and the development of our corporate relationships. To that end, the Board of Examiners are responsible for the quality of examination papers. They rely heavily on the contribution of the Examiners who develop the papers. Examination Papers must:
 - a) Fairly and robustly examine the syllabus
 - b) Questions must be articulated in a way that looks to truly reflect the marking scheme provided
 - c) Comprise of a total of 8 questions, of which 5 are to completed, pitched at an appropriate level in line with the status conferred in our qualifications
- 12. Examination centres.** Examinations centres are to enter into a formal signed agreement with ICS before being permitted to open.
- 13. Examination results.** The results of all ICS examinations are to be uploaded on to www.ics.org.uk within four months of the examinations taking place. This does not provide a detailed result, rather a list of those who

have been successful in their attempt. Simultaneously, a results letter will be sent to all students with a more detailed overview of achievements, including the total marks awarded..

14. Examiners and Assessors.

- a. The terms of reference for Examiners/Assistant Examiners/Assessors are outlined in the ‘Guidelines for Examiners and Assessors’.
- b. Appointments for new Examiners/Assistant Examiners/Assessors are to be primarily driven by head office, with the approval of the Board of Examiners necessary for all new appointments.
- c. Examiners and Assistant Examiners should mark no more than 200 papers each (although in exceptional circumstances this may be necessary). This is to ensure the vitality of the marker which in turn supports consistency. It is also to ensure that Examiners and Assistant Examiners feel adequately supported by the ICS.
- d. The appointment of Examiners, Assistant Examiners and Assessors must be approved by the Chairman of the Board of Examiners.

15. Examiners reports. These are to conform to the Examiners’ report template and be submitted to head office by the deadlines given by head office so that they can be prepared for uploading to www.ics.org.uk coincident with the publication of examination results.

16. Post examination review process. Students who are dissatisfied with their results will in the first instance be referred to the examiners reports and to the internal document entitled ‘Guidelines for Post Examination Candidates’. If students are still dissatisfied or wish to have final guidance, they may submit their paper for formal review, carried out by approved representatives of the Board of Examiners.

17. Examination procedures. All the procedures to be followed by candidates, examiners, assessors etc are to be contained in the ICS Examinations procedures manual that is ratified annually by ETC with an effective date of 1 May.

18. Compassionate Consideration

- a) A Compassionate Consideration procedure is to be available for ICS examination candidates to raise formally their concerns about any procedural or administrative issues which they believe may adversely affect them. In all cases these must relate to exceptional circumstances beyond a person’s control. ICS takes such concerns seriously and the Compassionate Consideration Procedure is intended to enable concerns to be considered fully and for appropriate action to be taken when applicable.

Appendix 4

Membership policy

- 1. Introduction.** The Institute of Chartered Shipbrokers (ICS) is the professional body to commercial worldwide. Membership is predominantly by examination although the Bye laws do permit entry by the submission of a Dissertation or in exceptional circumstances via Bye law 50.
- 2. Purpose.** The purpose of this paper is to lay out the current policy on all routes to Membership which is subject to annual Council review. The procedures for applicants are laid out in the Membership procedures manual.
- 3. Routes to Membership.**
 - a. Examination. Applicants must complete or be exempt from 7 subjects in the Professional Qualifying Examinations (PQE) syllabus.
 - b. Dissertation. Applicants must submit a Dissertation that is considered to be equivalent to the completion of PQE.
 - c. Bye law 50. Controlling Council may approve in exceptional circumstances applicants without examination or dissertation.
- 4. Other categories of Membership.** The following categories of membership are available but they do not confer voting rights on the individual
 - a. Affiliate / Student - available to a candidate who has passed his qualifying exams but has not fulfilled the requirements for becoming elected as a member.
 - b. Life – must be recommended by a Branch or committee/Council
 - c. Retired – MICS or FICS with at least 25 years uninterrupted membership of ICS
- 5. Other routes to membership.** The Council has considered a “Professional portfolio” route but has decided to place its introduction in abeyance at the current time.
- 6. Lapsed membership.** Members are automatically entered on the ICS database as “lapsed” when their subscription is 2 years in arrears.

Appendix 5

ICS Expenses policy

- **Assumptions**
 - All branches are financially self supporting.
 - Overseas branches retain a percentage of membership subscriptions and all Registration fees.
- **Mode of travel.**

Standard class unless there are exceptional circumstances in which case seek the Budget Manager's approval before travel.

- Air Fare - Book as early as possible but no later than 1 calendar month prior to travel; in exceptional circumstances within 1 month of travel please contact the Budget manager for authority prior to committing the Institute to an expense.
 - Rail – book as early as possible but no later than 14 days prior to travel; in exceptional circumstances within 14 days of travel please contact the Budget Manager for authority prior to committing the Institute to an expense.
 - Car £0.45 per mile – mileage will only be paid if it the cheapest means of travel or there are exceptional circumstances. Seek Budget Manager approval before making the journey.
- **Accommodation.**
 - Length of meeting.
 - * 1 day meeting - 1 night accommodation; for travel over 6 hours 2 nights accommodation.
 - * 2 days meeting - 2 night accommodation; for travel over 6 hours 3 nights accommodation.
 - * 3 days meeting - 3 night accommodation; for travel over 6 hours 4 nights' accommodation.
- * It is at the discretion of the Chairman to grant an extension to overnight accommodation if/when requested.*
- Accommodation expenses. Plan on the basis that accommodation will be refunded at a rate of no more than £100 per night.
- **Incidental expenses:** Paid against receipt for reasonable expenses attached to claim form
 - Subsistence – not paid.
 - **Members**
 - UK members – ICS HQ refunds travel, accommodation and incidental expenses.

- Overseas branch members – ICS HQ refunds accommodation and incidental expenses. Branch covers cost of travel to the meeting. In exceptional circumstances please contact the accountant BEFORE confirming arrangements.
 - Non branch overseas members – same as UK branches.
 - Executive Council members – ICS funds travel, accommodation and incidental expenses.
-
- **Travel Insurance**
ICS covers permanent staff members ONLY. All other persons are invited to make their own arrangements.

 - **Submission of claims**
All claims for expenses, with receipts attached, are to be submitted to the accountant within 30 days they have occurred.

 - **Expenses**
Expenses will be paid 30 days/or the payment run closest to 30 days - from the moment they are received at the office.

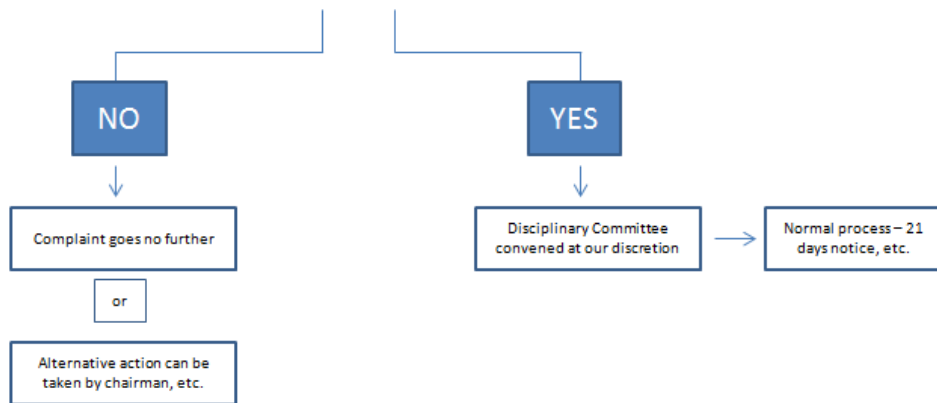
 - **Payment of expenses.**
BACS payment – Provide bank details.

Appendix 6

Disciplinary Procedures

1. Formal complaint arrives - to Director
 - from Director or Chairman
2. Director checks - is it in writing?
 - is this an active member?
3. Goes to Disciplinary Committee 4 times per year (as part of Executive Council Agenda)

Is it a 'valid', 'High risk' or Reputational risk?



Disciplinary Committee make a recommendation

