

Governance Procedures

22 July 2021

Governance Procedures

RATIONALE

The Irish Solar Energy Association (ISEA or the “Association”) was established in 2013. It is an opportune time to consider how the Association’s governance operates considering:

- The appointment of a new CEO in January 2021
- The growth in membership (currently over 150 members approximately)
- The migration of the previous, unincorporated body into the new company limited by guarantee (CLG)
- Evolution of the sector, with grid scale projects due to deploy in 2021, the expectation is that significant capital will begin to flow through the sector
- As the Association broadens both in numbers and type of member organisation, transparency, clarity on responsibility and accountability for decision making is important in terms of the legitimacy of the Association

This document sets out a framework for governance of the Association, and discusses its potential operations.

ORGANISATIONAL STRUCTURE (HIGH-LEVEL)

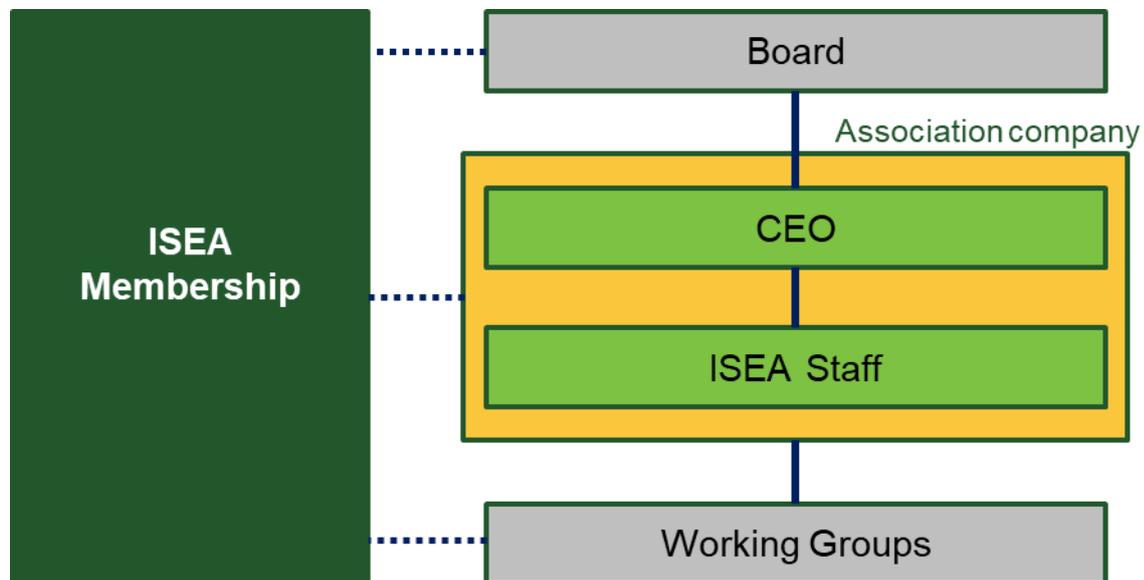


Figure 1: Envisaged high-level organisational structure

Set out above is the high-level architecture of the Association. Much of the remainder of this document describes the envisaged roles and responsibilities of the different parties in the above, excluding the membership. However, in brief:

- a. The Board – in addition to standard company director duties and obligations, they oversee the performance of the CEO and the Association on behalf of the membership.
- b. CEO – ultimately accountable for performance of the Association against the strategy and metrics/objectives agreed with the Board. The CEO is the face of the Association and directs any staff or service providers serving in lieu of staff where delivering internal functions to deliver that agreed ISEA strategy (the “Strategy”).
- c. ISEA Staff – working under the direction of the CEO, they deliver functions to assist delivery of the Strategy.
- d. Working Groups – formal mechanism whereby membership can directly participate in developing policy/lobbying positions and influence the direction of ISEA.

Outside of the formal structures set out in this document and such mechanisms as AGMs and EGMs, the membership would be expected to liaise and engage directly at all levels of the Association (reflected by the hashed lines in Figure 1).

MISSION STATEMENT

ISEA is committed to delivering 5GW of solar between now and 2030. We will lead the way in driving the energy transition by working with stakeholders and Government to decarbonise the electricity system. We will champion the solar industry, on behalf of our members, to policymakers and the public to highlight the benefits that solar brings.

THE BOARD

Structure

- The Board (of Solar Energy Developers Ireland CLG) shall be comprised of 6-10 independent, non-executive Directors plus a Company Secretary.
- Half the Board seats shall be reserved for Gold members and half for Silver and Bronze members, except where no appropriate candidate puts themselves forward within a category.
- Each member of the Association may only occupy one seat on the Board.
- The Board may appoint Directors to honorary officer positions where it deems it appropriate (see “Roles and Responsibilities”).
- The Board may create sub-committees where the Board deems it necessary, in order to advance the interests of the Association. These sub-committees would bring suggestions to the Board, as opposed to retaining full decision-making powers. Possible sub-committees include an audit and risk committee, remuneration committee, nomination committee, finance committee, planning committee and a health, safety and environment committee.

Operations

- The Board shall aim to operate via consensus, however where matters are subject to a vote, a simple majority will be sufficient. Where there is an equality of votes, the Chairperson shall have a second or casting vote.
- The term for each Director shall be three years.
- The Board shall meet at least monthly with the proceedings minuted by the Company Secretary.

- Each year, one third of Board seats (or, depending on number of Directors in situ at the point in time, the number nearest one-third) shall be made available, either through Director(s) choosing to resign, or the longest serving Director(s) resigning.
 - Those available Board positions will be opened up to competition, with members invited to submit candidature for the positions. Candidates must be seconded by a member in good standing.
 - All valid nominated candidates shall submit proposals which will be circulated by the Association to members for their consideration.
 - Each Gold, Silver and Bronze member will be eligible to vote for each open position (i.e. if there are three positions, they can vote for three candidates).
 - The top candidates receiving the most votes shall join the Board, with the result ratified at an AGM/EGM.
- As previously mentioned, the Board may also at its discretion choose to form a nomination committee in order to deal specifically with the appointment of new Directors. Were such a committee to be formed, this committee would essentially lead the process of appointing any new Directors, while also making recommendations to the Board.

Roles and responsibilities

- Beyond the specific legal duties of a director, the Board shall represent the interests of the wider membership and the industry.
- The Board shall determine the appropriate business strategies and plans to be pursued by the Association.
- The Board shall oversee the financial health of the Association and ensure that all statutory legal reporting obligations are met.
- The Board oversees the performance of the CEO relative to:
 - The norms, standards and practices appropriate for the leader of an industry trade Association
 - Agreed goals, objectives and metrics that may be agreed between the Board and the CEO
 - Delivery of the Strategy
 - Ensuring the CEO does not bring the Association into disrepute
- In relation to the Working Groups, the Board shall:
 - Approve the formulation and dissolution of any such group
 - Approve the Terms of Reference (ToR) for each Working Group
 - Monitor performance of the Working Groups relative to those ToR
- The Board may choose to establish honorary offices as follows, subject to the proviso that any person being appointed to such role shall be a Director at the time of their appointment:
 - Chairperson, responsible for:
 - Leading and managing the meetings of the Board
 - Creating the agenda of the Board and allocating adequate discussion time to all agenda items
 - Encouraging openness amongst Board members
 - Facilitating constructive debate amongst those with opposing views
 - Providing guidance to the CEO
 - Determining vote in case of requirement for a tie break in a Board vote
 - Treasurer, responsible for:

- Budgetary authority
 - Monitoring cashflow and financial health of Association
 - Inputting and reviewing Budget from CEO
- Decisions on policy and consultation documents as set out below in “Policy Decisions” and “Consultation Practice”
- The Board may decide upon disputes within Working Groups, or where Members raise concerns in relation to a policy position or performance of the Association. The Board may choose to operate a full dispute resolution mechanism
- The Board are responsible for both monitoring and addressing risk. The ISEA is subject to a multitude of risks including a sudden reduction of members, a loss of funding, cyber security, or a loss of information. A key role of the Board is to engage in risk mitigation activities so that both financial and operational risks are identified, analysed and controlled. In order to mitigate against such risks, internal controls have been put in place within ISEA so that the Association can react effectively and efficiently to risks that may impose on the Association’s ability to meet its strategic goals. These internal controls include:
 - Authorisation and approval limits (e.g. financial transactions above €5,000 require Board approval)
 - Maintenance of accurate financial data
 - The provision of a clear audit trail so that transactions can easily followed from either end
 - Reporting against key organisational risks and associated risk mitigation activities by the CEO
- The Board shall establish and maintain the Association’s vision, mission and values which should be prompted throughout the Association in order to set the pace for both current operations and future developments
- The Board is responsible for setting the tone of the Association’s culture from the top down and ensuring that the culture of the organisation remains aligned with the Association’s core values. The Board shall instil a culture of high performance, openness and integrity underpinned by the ultimate aim to promote the growth of solar energy on the behalf of members
- The Board shall exercise accountability to the Association’s members and exercise responsibility to other relevant stakeholders, ensuring the effectiveness of communication both to and from both parties
- In the absence of a full time CEO, the Board may employ a Consultant or Contractor to fulfil some or all of the Roles and Responsibilities described in the sections on the CEO and ISEA Staff. The exact scope of those responsibilities shall be subject to contractual agreement with any Consultant. No such agreement shall relieve the Directors of their legal responsibilities or duty of care for the association

Gold members that do not sit on the Board may observe Board meetings (observer status).

CEO

The CEO shall ultimately be accountable for the performance of the Strategy and the activities of the Association.

Roles and responsibilities

- Provision of day-to-day management of the Association

- Preparation and implementation of the Strategy, covering at least the next three years. The CEO shall update and prepare a new Strategy every twelve months for approval to the Board. Such strategic plans shall be aligned with priorities established by the Board
- The CEO shall own and be responsible for the development of a Business Plan and Budget for the Association. The CEO shall prepare an updated Business Plan and Budget every twelve months for approval by the Board. These documents will cover the same period as the Strategy
- The CEO shall monitor financial and operating results against plans and budgets on an on-going basis
- The CEO shall monitor key organisational risks, liaise with the Board as appropriate on their mitigation, and report on the progress against same to the Board
- Line management and performance management of any association staff, ensuring that all staff are aware of operating objectives as well as performance standards
- Maintaining the operational performance of the Association
- Approval of all association submissions and consultation responses prior to publication or submission
- Representation of the association in media
- Oversight of Working Group outputs and interactions
- Conducting remedial actions when required and informing the Board of any significant changes that occur
- Maintain close and open contact with the Chairman of the Board
- Representation of the association with external stakeholders
- Escalation point for issues amongst the membership
- Oversight of and participation within membership engagement
- The CEO may delegate aspects of these activities to ISEA Staff, but will retain ultimate accountability for performance of same
- The CEO shall have delegated responsibility to approve financial transactions up to €5,000. Beyond that threshold, the CEO shall require Board approval

ISEA STAFF

- The Roles and Responsibilities of any staff shall be as per their agreed Job Description and as may otherwise be agreed with the CEO from time to time
- The association intends to operate lean resourcing model and only procure such staff as necessary, primarily in administrative support and policy/research functions

WORKING GROUPS

The Working Groups are intended as a forum whereby representatives of the membership work with the CEO and/or ISEA Staff to mould the policy positions taken by the association in its engagement with policymakers, regulators and other decision-making bodies.

Operations

- The Working Groups shall meet at least monthly
- The maximum number of participants within a Working Group shall be fifteen

- Initial membership of the Working Group shall be as per the approved ToR and thereafter subject to approval by the CEO and the Chairperson
- A member of the Working Group shall operate as Chairperson. The Chairperson role shall be:
 - At initiation of the Working Group selected by the CEO, but thereafter it shall be opened up every 12 months for other members to take up the role
- The Working Group should operate via consensus, with the Chairperson shaping the output. Conflicts may be referred to the Board for resolution
- One position in each Working Group shall be made available for ISEA representation

Roles and responsibilities

- Develop policy positions and input into the association response for approval by the CEO
- Where decisions are required by the CEO or the Board, the onus shall be on the Working Group chair to raise
- Liaise with ISEA Staff and/or the CEO on crafting of the message around the policy
- Report to the CEO on their activities
- The Chairperson shall maintain the Terms of Reference. These shall be:
 - Subject to approval by the CEO and Board
 - Reviewed and updated if required every twelve months
 - Act as the baseline for measuring performance of the Working Group

INDEPENDENCE & TRANSPARENCY

The Association shall remain independent from all external influence and will always act in the best interest of the Association as a whole. This implies that those in decision-making roles will remain impartial to the undue influence from individual members when making key decisions and shall avoid situations which imply conflicts of interest. Furthermore, ISEA will remain transparent in the decisions and activities that are conducted on behalf of the Association's members.

POLICY DECISIONS

As noted above, there are delegated levels of authority in relation to approving policy/regulatory submissions and reports.

The following require Board approval prior to publication/submission:

- a. Strategic level policy - submissions that traverse the work of multiple Working Groups (e.g. the Climate Action Plan)
- b. Submissions where the potential risk level is widespread and substantial
- c. Consultants' report costing more than €10,000

The CEO has authority to approve the following for publication/submission:

- a. Narrower technical policy or regulation submissions that fall within the aegis of one Working Group
- b. The potential risk level is more specific and limited to a subsection of projects or subsector of the industry
- c. Consultants' reports costing less than €10,000

CONSULTATION PRACTICE

The below figure sets out the proposed approach towards management of consultation responses.

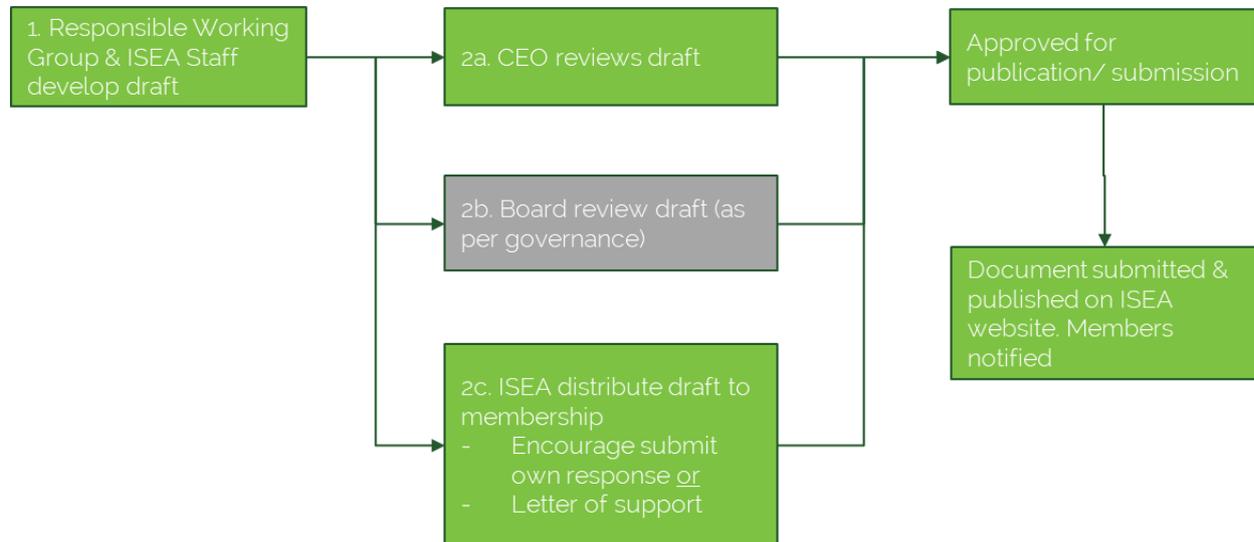


Figure 2: process for delivery of consultation responses

Timelines for delivery of the draft response to the CEO, Board (where appropriate), and the membership are as follows:

- 4 week consultation period – 5 working days in advance of the due date
- 6 week consultation period – 7 working days in advance of the due date
- >6 week consultation period – 10 working days in advance of the due date

Full implementation of the above will be contingent upon resource.

EXTERNAL COMPLIANCE

The ISEA Company Limited by Guarantee (CLG) will operate so as to be consistent with all relevant financial compliance obligations.

ISEA acts consistently with the Regulation of Lobbying legislation and the Company Secretary makes the thrice yearly lobbying returns.

DOCUMENTATION SET

To give effect to the above governance approach, a library of documents shall need to be developed (likely with third-party support) and maintained by the Association. The section “Next Steps” describes the short-term steps. The expectation is that these documents would be developed over the next twelve-month period.

Figure 3 sets out the expected library of documents that will be required

Stakeholder	Required documents
Board	Governance document, Constitution, Election Process, AGM Process
CEO	Strategy, Business Plan & Budget, Objectives, Job Description, Employment Contract, HR processes
ISEA Staff	Job Description, Employment Contract, Objectives, Performance Management Process, HR processes
Company	Working practices (policies and procedures as appropriate) including areas such as: anti-corruption and whistle blowing, IT and privacy
Working Groups	Terms of Reference, Membership Development Programme
Membership	Supporting Administration, Membership Tiers & Agreed Benefits

Figure 3: documents required to support governance structure

AMENDMENTS OF THIS DOCUMENT

This document is intended to be a living document. The Board shall be responsible for approving ongoing changes to the document and an updated version of this document shall be available to the membership on the Association website.