



International Oil Pollution
Compensation Funds

Agenda Item 6	IOPC/NOV23/6/3	
Date	27 September 2023	
Original	English	
1992 Fund Assembly	92A28	●
1992 Fund Executive Committee	92EC81	
Supplementary Fund Assembly	SA20	●

APPOINTMENT OF MEMBERS OF THE JOINT INVESTMENT ADVISORY BODY

Note by the Secretariat

Summary:

The joint Investment Advisory Body (IAB) of the 1992 Fund and the Supplementary Fund, established by the IOPC Funds' governing bodies, advises the Director on matters relevant to the Funds' investments. The IAB is composed of three members appointed by the 1992 Fund Assembly for three years.

At its December 2020 session, the 1992 Fund Assembly reappointed Mr Alan Moore and Ms Beate Grosskurth for a term of three years until the regular sessions of the IOPC Funds' governing bodies in 2023 (document IOPC/NOV20/11/2, paragraph 6.2.6). At its October 2022 session, the 1992 Fund Administrative Council, on behalf of the 1992 Fund Assembly, appointed Mr Marcel Zimmermann as a member of the IAB from 1 November 2022 up to the next regular sessions of the IOPC Funds' governing bodies in November 2023 (document IOPC/OCT22/11/1, paragraph 6.2.5).

As the mandate of the current IAB expires in November 2023, the governing bodies are invited to appoint members of the joint Investment Advisory Body for the next three-year period, until the regular sessions of the IOPC Funds governing bodies in 2026.

Even though there is no requirement for a prescriptive rotation of the IAB members, the Director consulted with the IOPC Funds' Audit Body on this matter in order to develop rotation and succession planning guidelines for consideration by the governing bodies. It was agreed that in future the members of the IAB should be elected for a term of three years up to a maximum of twelve years. The Director therefore proposes that the three present members of the IAB be reappointed for a full three-year term.

The reappointment of Mr Moore, the most senior IAB member, will exceed the twelve-year term limit proposed for the future IAB members. However, the Director is of the view that his experience and institutional knowledge are especially important given the recent changes in the internal structure of the Secretariat and considering that the other two IAB members have joined the IAB quite recently. The Director considers that Mr Moore's reappointment would benefit the continuity of the work of the IAB. Furthermore, his reappointment would result in the establishment of a succession cycle in which, upon the departure of any one of its members, the two remaining IAB members would have substantial experience and institutional knowledge and would still be eligible for reappointment for their last three-year term. In addition, Mr Moore would assist the Secretariat with the election of his successor at the end of his three-year term.

The Director proposes that Mr Alan Moore, Ms Beate Grosskurth and Mr Marcel Zimmermann be reappointed as IAB members for a full three-year term, until the regular sessions of the IOPC Funds' governing bodies in 2026.

Action to be taken: 1992 Fund Assembly

- (a) Take note of the information contained in this document;
- (b) appoint the current members of the joint Investment Advisory Body for a term of three years; until the regular sessions of the governing bodies in 2026; and
- (c) consider and approve the rotation and succession planning guidelines developed for the appointment of the members of the joint Investment Advisory Body in the future, as set out in Section 3 of this document.

Supplementary Fund Assembly

Information to be noted.

1 Background

- 1.1 The joint Investment Advisory Body (IAB) of the 1992 Fund and the Supplementary Fund, first established by the IOPC Funds' governing bodies in 1994, advises the Director on procedures for investment and cash management controls. The IAB also reviews the IOPC Funds' investments and foreign exchange requirements to ensure that reasonable investment returns are achieved without compromising the safety of the IOPC Funds' assets. The IAB normally meets four times a year with the Secretariat. It also meets with the Audit Body and External Auditor normally once a year to share information, and reports to the governing bodies at their regular sessions. The current mandate of the IAB is attached at Annex I.
- 1.2 The IAB is composed of three members appointed by the 1992 Fund Assembly for three years. At its December 2020 session, the 1992 Fund Assembly reappointed Mr Alan Moore and Ms Beate Grosskurth for a term of three years until the regular sessions of the IOPC Funds' governing bodies in 2023 (document IOPC/NOV20/11/2, paragraph 6.2.6). At its October 2022 session, the 1992 Fund Administrative Council, on behalf of the 1992 Fund Assembly, appointed Mr Marcel Zimmermann as a member of the IAB from 1 November 2022 up to the next regular sessions of the IOPC Funds' governing bodies in November 2023 (document IOPC/OCT22/11/1, paragraph 6.2.5).

2 *Director's proposal in relation to the appointment of the next joint Investment Advisory Body*

- 2.1 As the mandate of the current IAB expires in November 2023, the governing bodies will have to appoint members of the joint Investment Advisory Body for the next three-year period, until the regular sessions of the IOPC Funds governing bodies in 2026.
- 2.2 Even though there is no requirement for a prescriptive rotation of the IAB members, the Director consulted with the IOPC Funds' Audit Body on this matter in order to develop rotation and succession planning guidelines for consideration by the governing bodies. It was agreed that in future the members of the IAB should be elected for a term of three years up to a maximum of twelve years. The Director therefore proposes that the three present members of the IAB be reappointed for a full three-year term.
- 2.3 The reappointment of Mr Moore, the most senior IAB member, would exceed the twelve-year term limit proposed for the future IAB members. However, the Director is of the view that his experience and institutional knowledge are especially important given the recent changes in the internal structure of the Secretariat and considering that the other two IAB members have joined the IAB quite recently. The Director considers that Mr Moore's reappointment would benefit the continuity of the work of the IAB. Furthermore, his reappointment would result in the establishment of a succession cycle in

which, upon the departure of any one of its members, the two remaining IAB members would have substantial experience and institutional knowledge and would still be eligible for reappointment for their last three-year term. In addition, Mr Moore would assist the Secretariat with the election of his successor at the end of his three-year term.

2.4 The Director proposes that the three present members of the IAB, Mr Alan Moore, Ms Beate Grosskurth and Mr Marcel Zimmermann be reappointed for a full three-year term, until the regular sessions of the IOPC Funds' governing bodies in 2026.

2.5 The present members of the IAB have confirmed, upon the invitation of the Director, that they would be pleased to be proposed for re-appointment for the next three-year period. Their profiles are at Annex II.

3 *Director's proposal in relation to the rotation and succession planning guidelines developed for the appointment of the members of the joint Investment Advisory Body in the future*

3.1 The Director heavily relies on the advice on investment matters provided to him by the external experts with specialist knowledge who compose the IAB. The unique structure of the IOPC Funds, the nature of its the work and the context in which it operates, require highly experienced technical experts with a clear understanding of the IOPC Funds' culture, a solid institutional knowledge and an excellent insight of its work, which can only be acquired after several years of serving on the IAB. Against this background, careful succession planning, a substantial aspect of good governance and best practice, becomes a vital issue for the IAB.

3.2 To minimise the loss of the institutional knowledge and valuable technical expertise that is unique to the work of the Funds upon the departure of IAB members, the Director proposes, after having consulted with the Audit Body, the following rotation and succession guidelines:

- The future members of the IAB should be appointed for three-year terms up to a maximum of twelve years;
- In order to ensure a staggered IAB composed of experienced members with different service terms and vast institutional knowledge and the continuity of the work of the IOPC Funds, a new IAB member will be appointed only when the other two remaining members have served a minimum of three years but not more than nine years at the time of the appointment; and
- The Director will retain the necessary flexibility to extend, exceptionally, the tenure of the IAB members, beyond their fourth three-year term, if so required as a result of unforeseeable and unexpected circumstances beyond his control.

4 Action to be taken

4.1 1992 Fund Assembly

- (a) Take note of the information contained in this document;
- (b) appoint the current members of the joint Investment Advisory Body for a term of three years; until the regular sessions of the governing bodies in 2026; and
- (c) consider and approve the rotation and succession planning guidelines developed for the appointment of the members of the joint Investment Advisory Body in the future, as set out in Section 3 of this document.

4.2 Supplementary Fund Assembly

Information to be noted.

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ANNEX I

MANDATE OF THE JOINT INVESTMENT ADVISORY BODY OF THE 1992 FUND AND THE SUPPLEMENTARY FUND

- 1 The Investment Advisory Body of the International Oil Pollution Compensation Fund 1992 and the International Oil Pollution Compensation Supplementary Fund is composed of three persons appointed by the Assembly of the International Oil Pollution Compensation Fund 1992 for three years.
- 2 The mandate of the Investment Advisory Body is:
 - (a) to advise the Director in general terms on investment matters;
 - (b) in particular, to advise the Director on the tenor of the Funds' investments and the suitability of institutions used for investment purposes;
 - (c) to draw the Director's attention to any developments which may justify a revision of the Funds' investment policy as laid down by the governing bodies; and
 - (d) to advise the Director on any other matters relevant to the Funds' investments.
- 3 The Body shall meet at least three times a year. The meetings shall be convened by the Director. Any member of the Body may request a meeting to be held. The Director, the Head of Administration Department, the Chief of Finance and the Finance Manager shall be present at the meetings.
- 4 The members of the Body shall be available for informal consultations with the Director in case of need.
- 5 The Body shall submit, through the Director, to each regular autumn session of the governing bodies, a report on its activities since the previous autumn sessions of the governing bodies.

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ANNEX II

Profiles of candidates

Beate Grosskurth

Based in London, Beate Grosskurth is an international banker with over 20 years' experience across an extensive range of products and services within the Banking and Global Markets Industry. Beate has direct knowledge in sales and consulting in Trading and Clearing for Banks and Exchanges in the UK and EMEA and built a number of new market infrastructure platforms in Europe. During her career, she held a series of leadership positions with both global and regional remits for State Street, Brown Brothers Harriman, CME Group and LCH. Areas of expertise include Operational Management, Institutional Sales (Forex, Equity, Derivatives), Asset and Business Management, Strategic Advice and Planning and Industry liaison. Beate Grosskurth joined the IAB in May 2018.

Alan Moore

Alan Moore is a financial and investment consultant, and has worked in an advisory capacity with many top-tier banks and financial institutions. Formerly a member of the board of trustees for the State Street Bank (UK) Pension & Life Assurance Funds, he was also Managing Director, Global Markets (Europe) of State Street Bank & Trust, and joint global head of foreign exchange trading. He was Managing Director, Global Link and FX Connect and a co-founder and advisor to Molten Markets Inc. He has held senior management positions at other various financial institutions, and worked as an editor at Dow Jones Newswires contributing to the Wall Street Journal. Alan Moore joined the IAB in October 2011.

Marcel Zimmermann

Marcel Zimmermann is an independent financial advisor and Board member. Until 2022, he worked at the Swiss National Bank (SNB), most recently as Head of Money Market and Foreign Exchange (2014-2022) and General Manager of the SNB StabFund (2008-2014), a special purpose vehicle set up in the financial crisis to take over 39bn USD of illiquid assets from UBS. Furthermore, while at the SNB, he worked regularly as a consultant at other central banks, including by participating in technical assistance missions by the International Monetary Fund (IMF) in Central Asia, the Caucasus and Africa. He was a member of the SNB's Investment Committee (2008-2014) and the Board of the SNB's Pension Fund (2001-2015). In 2007, he joined the Board of ACI Suisse where he currently serves as its Vice-President. Marcel Zimmermann joined the IAB in October 2022.
