

SIGNATORY STATUS COMMITTEE TERMS OF REFERENCE

DATE	January 2019
1. CONSTITUTION	<p>1.1. The PRI Association Board (the Board) has established a committee of the Board, known as the Signatory Status committee, with terms of reference as set out below.</p> <p>1.2. The Articles of Association of PRI Association (the Articles) state that Directors may: (i) constitute committees to facilitate the workings of the Board; and (ii) may, if they choose, delegate any of their powers to those committees on the basis set out in the Articles.</p> <p>1.3. All committees constituted in accordance with Articles must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by the Directors.</p> <p>1.4. The terms of reference of, and any delegation of executive power by the Board to, a committee must be recorded in the Board's minutes.</p> <p>1.5. The Directors may revoke or alter a delegation in whole or part, or alter its terms and conditions.</p> <p>1.6. As instructed by the Articles Directors must specify in writing the terms of reference (including such conditions as they see fit) of each committee in accordance with the Articles.</p> <p>1.7. No rule, policy or terms of reference will be inconsistent with anything contained in the Articles, but in the event of any inconsistency, the Articles will prevail.</p>
2. PURPOSE	<p>2.1. The Board committee's purpose is to advise the Executive and make recommendations to the Board as necessary on:</p> <p>2.1.1. Signatory categorisation;</p> <p>2.1.2. Signatory accountability - minimum standards;</p> <p>2.1.3. Signatory accountability - integrity of the PRI initiative; and</p> <p>2.1.4. Other any other issues around signatory status.</p> <p>2.2. The committee's responsibility and authority covers the entire PRI Association and any joint ventures that may be entered into.</p>
3. DUTIES	<p>Signatory categorisation</p> <p>3.1. Signatory categories are defined in the PRI Articles and supporting rules.</p> <p>3.2. It is the ultimate decision of the Board to determine signatory status and which signatory category an organisation belongs to, according to the Articles and supporting rules.</p> <p>3.3. Any dispute as to categorisation, or suitability for, signatory status will be ultimately determined by the Board.</p> <p>3.4. The role of the committee, with regards to signatory status and categorisation, includes but is not limited to:</p> <p>3.4.1. provide guidance to the Executive on the interpretation of the Articles and the supporting rules approved by the Board:</p> <p>3.4.2. make recommendations to the Board on new precedents and / or items of significant risk;</p>

	<p>3.4.3.seek the final decision of the Board on items that the committee is not in agreement or uncertain of;</p> <p>3.4.4.recommend decisions to the Board that have been escalated via the signatory appeal process; and</p> <p>3.4.5.review on an annual basis rules related to signatory categorisation and status.</p>
<p>4. DUTIES</p>	<p>Signatory accountability - minimum standards</p> <p>4.1. The Board, by way of a majority vote of the Board, has the authority to delist a signatory if the Board believes the signatory has not made sufficient effort to meet the minimum requirements for commitment to the six Principles. The Board can delegate the investigation, recommendations and monitoring of failure to meet minimum requirements to a Board committee and / or the Executive. The final decision to engage, monitor and or delist a signatory resides with the Board.</p> <p>4.2. The Board has oversight of the engagement process.</p> <p>4.3. The Board has the authority to approve exceptions to the minimum requirements.</p> <p>4.4. The role of the committee, with regards to signatory accountability - minimum standards, includes but is not limited to:</p> <p>4.4.1.recommend to the Board the engagement list of signatories that fail to meet the minimum requirements;</p> <p>4.4.2.oversee the engagement process and progress;</p> <p>4.4.3.recommend to the Board signatories to delist after or during the engagement period for insufficient effort to meet the minimum requirements;</p> <p>4.4.4.recommend to the Board any exceptions to the minimum requirements and measures to ensure that the PRI is transparent about its decision-making;</p> <p>4.4.5.recommend decisions to the Board that have been escalated via the signatory appeal process; and</p> <p>4.4.6.review the minimum requirements periodically and recommend to the Board any revisions to the criteria, process, and any related rules.</p>
<p>5. DUTIES</p>	<p>Signatory accountability - integrity of the PRI initiative</p> <p>5.1. The Board, by way of a majority vote of the Board, has the authority to delist a signatory if the Board believes the behaviour of the signatory puts the integrity of the initiative at risk.</p> <p>5.2. The Board can delegate the investigation, recommendations and monitoring of any scenario within this policy to a committee or other suitable body.</p> <p>5.3. The final decision(s) to engage, monitor and / or delist resides with the Board.</p> <p>5.4. The role of the committee, with regards to signatory accountability - integrity of the PRI initiative, includes but is not limited to:</p> <p>5.4.1.investigate any signatory behaviour, escalated from the Executive or requested by the Board, that might put the integrity of the initiative at risk;</p> <p>5.4.2.recommend to the Board a course of action, including but not limited to engagement, monitoring and / or delisting;</p> <p>5.4.3.oversee the engagement process and progress if required; and</p>

	5.4.4. review the accountability criteria as required and recommend to the Board any revisions to the criteria, process, and any related rules.								
6. DUTIES	6.1. The committee will also consider other topics, as referred to it from time to time by the Board.								
7. COMPOSITION	7.1. The committee will comprise of Directors. 7.2. There is to be a minimum of three and a maximum of five committee members at all times. The ideal number is three members. 7.3. The committee must include representatives from asset owner and investment manager signatories. 7.4. Committee members and the committee chair are appointed by the Board.								
8. QUORUM	8.1 A quorum of the committee is set out in the table below: <table border="1" data-bbox="534 676 1114 824"> <thead> <tr> <th>Committee members</th> <th>Quorum</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>2</td> </tr> <tr> <td>4</td> <td>3</td> </tr> <tr> <td>5</td> <td>3</td> </tr> </tbody> </table>	Committee members	Quorum	3	2	4	3	5	3
Committee members	Quorum								
3	2								
4	3								
5	3								
9. MEETING PROCEDURES	9.1. In the absence of the committee chair, the remaining members present can elect one of themselves to chair the meeting. 9.2. Questions arising at any meeting must be determined by a majority of votes of the committee members present that are entitled to vote. 9.3. In the case of an equality of votes, the chair of the committee will not have a second or casting vote but a decision on the relevant matter must be referred to the next available meeting of the Directors.								
10. ATTENDANCE AT MEETINGS	10.1. The expectation is that committee members attend all committee meetings, either in person or by conference call. 10.2. Other Board Directors have the right to attend the committee meetings. Permanent UN Advisors, members of the PRI Executive and any advisers appointed by the committee may attend any meeting of the committee if invited by the committee. 10.3. The PRI Director of Planning and Operations or their nominee is the secretary of the committee and will attend the meetings.								
11. FREQUENCY OF MEETINGS	11.1. Meetings are to be held not less than twice annually and at such other times as required. 11.2. The expectation is that the committee will be available to meet frequently, once per month, dependent upon signatory categorisation cases or other matters.								
12. NOTICE OF MEETINGS	11.3. Meetings of the committee are called by the secretary of the committee at the request of the committee chair. 11.4. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, are to be forwarded to each member of the committee, any other person required to attend, no later than five working days before the meeting. Supporting papers are to be sent to committee members and to other attendees as appropriate, at the same time.								

13. MINUTES OF MEETINGS	<p>11.5. The secretary of the committee will ensure that a formal record of committee proceedings and resolutions is maintained.</p> <p>11.6. Following approval of the minutes by the chair of the committee they are to be circulated to all members of the committee.</p>
14. AUTHORITY	<p>11.7. The committee is authorised by the Board to:</p> <p>11.7.1. investigate, or cause to be investigated, any activity within its terms of reference and make any recommendations which it deems appropriate on any area where action or improvement is needed;</p> <p>11.7.2. seek any information that it requires from any employee or Director of the Company in order to perform its duties and require all employees to co-operate with any request made by the committee;</p> <p>11.7.3. obtain at the Company's expense, so long as resources permit, external legal or independent professional advice from such advisers as the committee select, who may at the invitation of the committee attend meetings as necessary;</p> <p>11.7.4. meet for despatch of its business, adjourn and otherwise regulate its meetings as it sees fit including approving items of business by the written resolution procedure set out in the Company's articles of association; and</p> <p>11.7.5. delegate any of its duties as is appropriate to such persons or person as it thinks fit.</p>
15. REVIEW	<p>11.8. The committee will conduct an annual review of its performance, ensure that it is provided with sufficient resources to undertake its duties and recommend any changes it considers necessary to the Board for approval.</p> <p>11.9. These terms of reference will be reviewed and, where necessary updated, at least once a year.</p>
16. REPORTING PROCEDURES	<p>11.10. The committee chair is responsible for reporting to the Board the activities of the committee at the next available in person Board meeting, either verbally or in writing, or earlier if required. The approved minutes of all meetings and resolutions of the committee are to be circulated in a timely manner to the Board after every meeting. The secretary will retain copies of the minutes and the papers.</p> <p>11.11. The committee terms of reference, including any duties delegated by the Board, will be disclosed on the PRI website.</p> <p>11.12. The Board will provide an annual report to signatories on the committee's activities, including any recommendations made, the number of meetings and attendance by each committee member.</p> <p>11.13. The committee chair or another designated member of the committee is expected to attend the Signatory General Meeting to answer questions on the committee's activities and responsibilities.</p>