

## PRI ASSOCIATION BOARD CODE OF ETHICS

Directors must at all times abide by and conform to the following Code of Ethics in their capacity as PRI Association Board (the **Board**) Directors.

### RELEVANT ARTICLES

#### Article 7. Conflicts of Interests

- 7.1 Whenever a Director has a personal interest (including but not limited to a personal financial interest or a duty of loyalty owed to another organisation or person) directly or indirectly in a matter to be discussed at a meeting of the Directors or a committee of the Directors or in any transaction or arrangement with the Company (whether proposed or already entered into), the Director concerned must:
- 7.1.1 declare his or her interest at or before any discussion on the item;
  - 7.1.2 not take part in from any discussion on the item save to the extent that he or she is invited expressly to contribute information;
  - 7.1.3 not be counted in the quorum for the part of any meeting and any vote devoted to that item; and
  - 7.1.4 withdraw during the vote and have no vote on the item.
- 7.2 Articles 7.1.2 to 7.1.4 (inclusive) will not apply where the matter to be discussed is in respect of a policy of insurance as authorised in the Articles.
- 7.3 If a conflict of interests arises for a Director (whether due to a personal financial interest or to a duty of loyalty owed to another organisation or person or otherwise) and the conflict is not authorised by virtue of any other provision in the Articles, then, on the matter being proposed to the Directors, the unconflicted Directors may authorise the conflict of interests (the Authorised Conflict) subject to the conditions in Article 7.4.
- 7.4 A conflict of interests may only be authorised under Article 7.3 if:
- 7.4.1 the unconflicted Directors consider it is in the interests of the Company to do so in the circumstances applying;
  - 7.4.2 the procedures of Article 7.1 are followed in respect of the Authorised Conflict; and
  - 7.4.3 the terms of the Procurement Policy are complied with in respect of any direct or indirect benefit to the conflicted Director which may arise from the Authorised Conflict.
- 7.5 Where a conflict is authorised in accordance with Articles 7.3 and 7.4 above, the unconflicted Directors, as they consider appropriate in the interests of the Company, may set out any express terms of the authorisation, which may, but need not, include authorising the conflicted Director:
- 7.5.1 to disclose information confidential to the Company to a third party; or
  - 7.5.2 to refrain from taking any step required to remove the conflict, and may impose conditions on the authorisation.

#### Article 11. Removal of a Director

- 11.1 The office of Director (including the Chair) is immediately vacated on the expiry of the Director's term of office or if:
- 11.1.7 the Director is directly or indirectly interested in any contract with the Company and fails to declare the nature of his or her interest as required by the Act or the Articles and the Directors resolve by simple majority of those voting on the resolution that his or her office be vacated;
  - 11.1.9 the Director is declared by the Board to have failed to fulfil or to be incapable of fulfilling his or her proper functions as a Director, and/or to have brought the Company or the Initiative into disrepute, and, after having been given an opportunity to be heard, is accordingly removed by a resolution of the Board approved by two thirds of all of the Directors other than the Director who is the subject of the resolution for removal.

## **Article 12. Powers and Duties of the Directors**

- 12.6 The Directors must comply with the Code of Ethics.

## **CODE OF ETHICS**

### **General behaviour guidelines**

1. Directors shall adhere to the highest standards of ethical and responsible behaviour in carrying out their roles as Directors and conduct themselves in a manner that does not bring the PRI into disrepute.
2. Directors must treat their colleagues, Signatories and PRI staff with courtesy.
3. Directors will ensure that the Signatory with which they are connected maintain their status as a Signatory in good standing at all times.

### **Integrity, culture and ethical behaviour**

4. It is the role of the Board to seek actively to cultivate and sustain an ethical corporate culture in the Company. The PRI will take active measures to ensure that its ethical standards are adhered to in all aspects of its business.
5. The Board is responsible for overseeing the implementation and maintenance of a culture of integrity. The Board should encourage a culture of integrity permeating all aspects of the Company.
6. Although every Board Director will come to the Board with his/her views informed by his/her experience and the broad regional, sectoral or organizational constituency in which he/she is or has been active, it is a fundamental principle of the Board that all its members are acting in their personal capacities and are in no way delegated to represent any group or organisation. Directors are nominated by Signatory organisation and elected by signatories, from one signatory category, but have a responsibility to fulfil their duties as an individual and in the best interests of the PRI Initiative as a whole.

### **Gifts policy**

7. Directors, in relation to their role as a PRI director, must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. They must

not offer, solicit, or accept any gift, benefit, compensation, or consideration that could reasonably be expected to compromise their own, or another's, independence and objectivity.

8. Directors, in relation to their role as a PRI director, must not accept gifts, services or any other benefit valued at more than £100 from any individual, company, or organization that has a business relationship or affiliation with PRI. Gifts of cash, stocks, loans or similar items must not be accepted at any time and should be returned immediately. If the value of a gift is undetermined, it should be returned. Gifts of any value must never be solicited. Directors may accept reasonable and appropriate business entertainment such as dining if the purpose of the event is to hold business discussions or to foster better business relations.
9. Directors, in relation to their role as a PRI director, may accept promotional items without significant value and which are distributed routinely. In some international business transactions, it is customary and lawful for business leaders in a host country to give gifts. Because refusing the gift could offend the host, such gifts may be accepted. If the gifts are valued at more than £100, they must become the property of the PRI Initiative.

### **Procedures**

10. Board Directors must report to the Board Chair or relevant committee Chair any behaviour of another Board Director that they believe to be inappropriate, unethical or in breach of the Articles, or of this Code of Ethics, or threatening the PRI's and/or the Board's good standing and reputation.
11. The Board should ensure that the company has in place a mechanism whereby an employee, supplier or other stakeholder can without fear of retribution raise issues of particular concern with regard to potential or suspected breaches of the Code of Ethics, or any other failure to comply with laws or standards. The Board should assure itself that any concerns raised in such a way are handled appropriately.
12. The Board may delegate issues related to the Code of Ethics and related ethical issues to a Board committee for in depth consideration and to make recommendations to the Board, but the Board as a whole is responsible for taking decisions related to the Code of Ethics and ethical issues in general related to the Company.

### **Review**

13. The Board should consider annually whether the Code of Ethics remains complete and appropriate.

### **Confidentiality**

14. Directors will treat all information and documents exchanged, disclosed or obtained in the context of Board meetings or otherwise obtained as a result of their role as a Director (including, but not limited to, all information and documents pertaining to matters of strategic importance in respect of PRI Association (PRIA) ) as confidential, save that a director may disclose such information (i) to the other directors of PRIA, and (ii) to third parties with the prior consent of the chair of the Board or a majority of the directors of PRIA.
15. For the purpose of promoting a transparent and accountable Board, Board Directors can discuss the topics raised at Board meetings with signatories (unless it is agreed that a particular topic should be treated as confidential). Staffing matters should always be treated as confidential and Board Directors should only use agreed public positions (including the Chair's report to signatories after a Board meeting) in conversation with the media, or in other public statements they make.

## **Data protection**

16. By agreeing to be a director of the PRIA, directors consent to PRIA holding and processing data about directors for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data (as defined in the Data Protection Act 1998) relating to a director. The sorts of personal data which PRIA processes about a director may include:
  - 16.1. information about physical or mental health in order to take decisions as to a director's fitness to perform his or her duties;
  - 16.2. information in order to monitor compliance with equal opportunities legislation;
  - 16.3. information relating to any criminal proceedings in which a director has been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties; and
  - 16.4. information which a director has disclosed to PRIA in relation to any actual or potential conflicts of interest in regard to their appointment. Where this information relates to individuals other than the director in question, the director should obtain the consent of the relevant individual before disclosing the information to PRIA.
17. Directors consent to PRIA making their personal data available in each case solely for the purposes set out in paragraph 15 to any of its group companies, those who provide products or services to PRIA or any company in PRIA's group (such as advisers and payroll administrators), regulatory authorities and governmental or quasi-governmental organisations.
18. Directors also acknowledge that some of the recipients of their personal data referred to above may be located outside the European Economic Area, including in countries which may have a lower level of protection for personal data than the United Kingdom. By agreeing to become a Director consent is given to such transfers of personal data.

## **Audit**

19. The auditors should observe high-quality auditing and ethical standards. To limit the risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the Finance, Audit and Risk committee and disclosed in the annual report. No audit firm staff involved in the audit should be rewarded in any way for selling, or the provision of, non-audit services.