

JAPAN NETWORK PRIVATE EQUITY WORKING GROUP TERMS OF REFERENCE

A. Introduction

The Private Equity Working Group was established to provide an opportunity for LP and GP to learn ESG practices and the market into this asset class.

B. Objectives

The WG raises awareness of responsible investment in the Japanese private equity industry and studies how the PRI's six Principles can be implemented in this asset class as well as recruitment of potential PE signatories.

C. Responsibilities

PRI Executive responsibilities

The PRI Executive commits to:

- Providing expertise, convening, facilitating and co-creating with signatories.
- Coordinate meetings, provide suggested agendas, clear time-lines, produce meeting minutes, write the report, communicate the outcomes etc.

Working group chair

The working group chair commits to:

- Designate enough time to fulfil working group goals;
- Support the Executive and provide the working group with leadership and guidance as needed; and
- Report progress of the working group to the advisory committee regularly.

Working group members

Working group members are expected to act in an advisory role to the PRI Executive. Their main job is to commit time and resources to producing the agreed output of the working group.

Members also agree to commit sufficient time to promoting and overseeing the working group.

Typical responsibilities may include, but are not limited to:

- Conference calls/meetings as and when needed;
- Regular guidance/feedback to the Executive on relevant issues. This may include providing advice/feedback on outputs such as publications and toolkits;
- Support with compiling drafts of required work including integrating all working group feedback.

All members are welcome to undertake additional work, if their schedules enable them to do so.

D. Suggested action plan and timeline

Action items	Date	Responsibility

<p>1. Implementation as PRI signatories</p> <ul style="list-style-type: none"> - Study for PE section of “PRI reporting framework” - Study for “Standard Due Diligence Questionnaire” * Deepen understanding of above two items inviting outside professionals 	<p>Full Year 2016</p>	
<p>2. Implementation as Japanese ESG practitioners</p> <ul style="list-style-type: none"> - Consider “Case Study” of Japanese ESG implementation: start sharing actual ESG practices, basically not making public. 	<p>Full Year 2016</p>	
<p>3. Co-working with Japanese government</p> <ul style="list-style-type: none"> - Ministry of Environment : think about using database of “ECO Action 21” - Financial Service Agency(FSA) :Talk about “Stewardship code” and “Corporate Governance Code” 	<p>Full Year 2016</p>	
<p>4. Co-working with PE related association</p> <ul style="list-style-type: none"> - AVCJ : lobbying to create “ESG session” in the event in June - Talk with PE Association, VC Association, and other 	<p>Full Year 2016</p>	

E. Reporting requirements

The group will report every year on the signatory website its activities.

F. Contact

If you are interested in understanding more about the Private Equity working group, please contact Michiyo Morisawa (michiyo.morisawa@unpri.org).