

# PRI POLICY ADVISORY COMMITTEE

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## TERMS OF REFERENCE

Version 1.3, 13<sup>th</sup> November 2015

To replace Terms of Reference dated December 2013

### 1. PURPOSE AND RESPONSIBILITIES

#### 1.1 Purpose of the Policy Advisory Committee

The PRI Policy Advisory Committee (the '*Committee*') is primarily to advise the PRI policy team on policy reform projects that form part of PRI's framework plan to address systemic risks and sustainability challenges in the financial system. The Committee will also contribute to the development of the framework plan to address systemic risks and sustainability challenges.

Committee members are asked to contribute ideas, expertise and guidance, from an investor perspective, on issues that may influence policy reform projects, through meetings and written feedback.

#### 1.2 Responsibilities

The Committee is advisory. Committee members are required to attend, at a minimum, 3 of the 5 meetings a year, as well as the in-person meeting at PRI In Person. Committee members should support, guide and promote the PRI's policy work-stream, for example:

- Facilitating access to policymakers where relevant;
- Participating in meetings;
- Reviewing policy work stream papers;
- Encouraging peers to join various activities to facilitate any actions resulting from the work;
- Presenting PRI work at conferences.

The Committee will be supported by the PRI policy team with secretariat services in the form of background reports, research materials, distributing meeting minutes and information gathering from other relevant policy and investment forums.

### 1.3 Relationship to the Financial System Review Group

The activities of the Committee will align with and support the activities of the Financial System Review Group (FSR Group). The purpose of the 'FSR Group' is, through review and oversight, to prepare PRI's framework program to address systemic risks and sustainability challenges in the financial system for the approval of the PRI Board. The Committee will contribute to the work of the FSR Group.

### 1.4 Relationship to the Research Advisory Committee

One meeting per year will be held with the PRI Research Advisory Committee . Minutes will be shared and collaboration is encouraged.

### 1.5. Organigram



## 2. REQUIREMENTS FOR COMMITTEE PARTICIPATION

Steering committee members should:

- Work for an asset owner signatory in a senior decision making role either in investments as a portfolio manager, manager selection or in a policy role;
- Commit to implementing PRI policy objectives as agreed by the PRI Board and PRI Signatories in 2016 and 2017;
- Dedicate sufficient time to deliver the work-stream's objectives and responsibilities. We estimate 5 days per year, including advisory committee conference calls, face-to-face meetings and support activities;
- Be able to attend, subject to minimum participation requirements, Committee meetings every 2 months, with an in-person meeting at PRI In Person (at which dial-in facilities will be provided).

## 3. POLICY ADVISORY COMMITTEE COMPOSITION

### 3.1 Committee composition

The Committee will comprise 10 -12 asset owner signatories who will have:

- Representatives from at least Europe, North America, South America and Australasia and other geographic regions if possible..
- Diversity across different retirement benefit structures, including participation from signatories operating defined benefit (DB) defined contribution (DC) schemes as well as insurance based schemes.
- Diversity of asset owners with externally managed and internally managed funds.
- Up to four non-asset owner / non-signatory members co-opted to the committee to provide additional expertise with additional resource as required on an ad hoc basis.

### **3.2 Role of the Committee Chair**

- The Chair of the Committee will be determined by members of the advisory committee.

### **3.3 Responsibilities of the Committee Chair**

The Chair of the Committee will:

- Chair the meetings of the Committee
- Develop consensus for implementation of the policy projects
- Assist the PRI policy team, where required with strategic input to the policy work-stream.

## **4. TIMETABLE FOR 2015**

Key dates relevant to the activities of the Committee are:

- Fiduciary Duty in the 21<sup>st</sup> Century launch events: August '15 – February '16
- Beliefs, Governance and Mandates in Enabling a Sustainable Financial System, December '15
- Internal Financial System Reform White Paper by March '16
- Fiduciary Duty in the 21<sup>st</sup> Century, Phase 2, including; International Statement, Fiduciary Duty in Asia and Country Strategy Plans, January – December '16
- Signatory Consultation paper on financial system reform by March '16
- Regulatory Mapping Paper, July '16
- Signatory consultation results by August '16
- Signatory Workshop on financial system reforms – September '16
- 10 year Blueprint for Responsible Investment – March '17

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