

SIGNATORY AND STAKEHOLDER ENGAGEMENT COMMITTEE TERMS OF REFERENCE

Terms of reference approved by the PRI Association Board in March 2017.

1. CONSTITUTION

- 1.1 The PRI Association Board (the **Board**) has established a committee of the Board, known as the Signatory and Stakeholder Engagement committee, with terms of reference as set out below.
- 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.
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 The Directors may revoke or alter a delegation in whole or part, or alter its terms and conditions.
- 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.

2. PURPOSE

- 2.1 The committee is a committee of the Board and its purpose is to provide guidance and recommendations to the Board and Executive on signatory and stakeholder engagement. In particular, the committee will advise on issues related to the signatory life cycle and key stakeholders. The main areas of focus of the committee will include:
 - 2.1.1 signatory status and categorisation;
 - 2.1.2 the active participation of signatories in PRI activities and work streams;
 - 2.1.3 guidance on the expectations for signatory accountability and methodologies for delisting;
 - 2.1.4 outreach to prospective signatories; and
 - 2.1.5 effective partnerships with key stakeholders.
- 2.2 The committee will also provide guidance around the key communication messages around the signatory life cycle and stakeholder management.
- 2.3 The committee's responsibility and authority covers the entire PRI Association and any joint ventures that may be entered into.

3. COMMITTEE COMPOSITION

- 3.1 The committee will comprise of any of the Board Directors and may comprise one or more Permanent UN Advisor, dependent upon the committee's annual focus areas within its broader remit.
- 3.2 There is to be a minimum of three and a maximum of six committee members at all times.
- 3.3 Committee members and the committee chair are appointed by the Board.

4. QUORUM AND MEETING PROCEDURES

- 4.1 A quorum of the committee is set out in the table below:

Committee members	Quorum
3	2
4	3
5	3
6	4

- 4.2 In the absence of the committee chair, the remaining members present can elect one of themselves to chair the meeting.
- 4.3 Questions arising at any meeting must be determined by a majority of votes of the committee members present that are entitled to vote.
- 4.4 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.

5. ATTENDANCE AT MEETINGS

- 5.1 The expectation is that committee members attend all committee meetings, either in person or by conference call.
- 5.2 Other Board Directors have the right to attend the committee meetings. Members of the PRI Executive and any advisers appointed by the committee may attend any meeting of the committee if invited by the committee.
- 5.3 The PRI Director of Networks and Global Outreach or their nominee is the secretary of the committee and will attend the meetings.

6. FREQUENCY OF MEETINGS

- 6.1 Meetings are to be held not less than twice annually and at such other times as required.

7. NOTICE OF MEETINGS

- 7.1 Meetings of the committee are called by the secretary of the committee at the request of the committee chair.
- 7.2 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 and 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.

8. MINUTES OF MEETINGS

- 8.1 The secretary of the committee will ensure that a formal record of committee proceedings and resolutions is maintained.
- 8.2 Following approval of the minutes by the chair of the committee they are to be circulated to all members of the committee.

9. AUTHORITY

The committee is authorised by the Board to:

- 9.1 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;
- 9.2 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;
- 9.3 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;
- 9.4 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
- 9.5 delegate any of its duties as is appropriate to such persons or person as it thinks fit.

10. DUTIES

The Board authorises the Signatory and Stakeholder Engagement committee to:

- 10.1 Develop an annual work program, which is aligned with the PRI strategy and within the committee purpose and duties, for approval by the Board.
- 10.2 Provide guidance and recommendations to the Board on matters, escalated from the Executive or signatories, related to signatory status and categorisation, including but not limited to:
 - 10.2.1 Reviewing signatory status and categorisation as required according to the approved signatory status policy and guidelines;
 - 10.2.2 Providing a regular report to the Board on new and delisted signatories, issues escalated from the Executive or signatories on signatory status and categorisation and new precedents set with regards to signatory status and categorisation;
 - 10.2.3 an annual review of the rules on signatory status and categorisation;
- 10.3 Provide guidance and recommendations to the Board and Executive on signatory engagement, which may include issues such as:
 - 10.3.1 signatory satisfaction and/or concerns;
 - 10.3.2 the PRI value proposition, with the aim of ensuring the broad and inclusive engagement of signatories;
- 10.4 Provide guidance and recommendations to the Board and the Executive on signatory accountability, which may include issues such as:
 - 10.4.1 Defining paths for delisting because of no progress against a minimum standard
 - 10.4.2 Defining paths for delisting due to actions contrary to the Principles
- 10.5 Provide guidance and recommendations on the PRI Executive's strategy for outreach, including

- 10.5.1.1 targeted potential signatory outreach; and
 - 10.5.1.2 outreach to other key strategic stakeholders, including governments, international agencies, companies, investor associations and civil society organisations;
 - 10.5.1.3 strategic partnerships and alliances.
- 10.6 The committee will also consider any other topics referred to it by the Board from time to time.

11. REVIEW

- 11.1 The committee at regular intervals will: review the work undertaken by the committee and 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.
- 11.2 These terms of reference will be reviewed and, where necessary updated, at least once a year.

12. REPORTING PROCEDURES

- 12.1 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.
- 12.2 The committee will disclose on the PRI website its terms of reference, including any duties delegated by the Board.
- 12.3 The committee will provide an annual report to signatories on its activities, including any decisions taken, the number of meetings and attendance by each committee member.
- 12.4 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.