

## ETHICS COMMITTEE TERMS OF REFERENCE

### 1. CONSTITUTION

- 1.1 The PRI Association Board (the **Board**) has established a committee of the Board, known as the Ethics 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 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.
- 1.4 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.
- 1.5 The Directors may revoke or alter a delegation in whole or part, or alter its terms and conditions.
- 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.
- 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 is responsible for overseeing the values, ethics and good reputation of the Company, including matters related to the PRI Association Board Code of Ethics (Code of Ethics) and ethical issues in general related to the Company.
- 2.2 The committee's responsibility and authority covers the entire PRI Association, any subsidiary companies and any joint ventures that may be entered into.

### 3. DUTIES

- 3.1 The committee is responsible for:
  - 3.1.1 Monitoring the application of the rules and processes set out in the Code of Ethics;
  - 3.1.2 Reviewing the Code of Ethics at least once a year and recommending any changes as appropriate; and
  - 3.1.3 Providing guidance and recommendations to the Board on all aspects related to the rules and processes set out in the Code of Ethics. This may include:
    - 3.1.3.1 Providing advice to the Board, signatories or PRI employees on ethical questions related to the Code of Ethics;
    - 3.1.3.2 Evaluating potential conflicts of interest where it is requested to do so by the Board, Executive or signatories;
    - 3.1.3.3 Providing advice on whether an 'interest' requires registration when requested to do so by those required to register their interest in the PRI Register of Interests; and

- 3.1.3.4 Reviewing suspected breaches of the Code of Ethics referred to the committee (by a PRI employee, Director, UN partner or signatory) before making a recommendation to the Board on possible sanctions.
- 3.2 The committee is responsible for acting as a point of contact for signatories or stakeholders to address any concerns or issues they might have about the Board Chair and Directors related to their role and position at the PRI, and making subsequent recommendations to the Board on the concerns or issues.
- 3.3 The committee will also consider any other topics referred to it by the Board from time to time.

#### 4. COMMITTEE COMPOSITION

- 4.1 The committee will be comprised of any Board Directors, excluding the Board Chair, and a maximum of one Permanent UN advisor.
- 4.2 There is to be a minimum of three and a maximum of five committee members at all times.
- 4.3 Committee members and the committee chair are appointed by the Board.

#### 5. QUORUM AND MEETING PROCEDURES

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

Committee members	Quorum
3	2
4	3
5	3

- 5.2 In the absence of the committee chair, the remaining members present can designate one of themselves to chair the meeting.
- 5.3 Agenda items for decision at any meeting must be determined by a majority of votes of the committee members present that are entitled to vote. 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.

#### 6. ATTENDANCE AT MEETINGS

- 6.1 The expectation is that committee members attend all committee meetings, either in person or by conference call.
- 6.2 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.
- 6.3 Board Directors, Permanent UN Advisors and members of the PRI Executive cannot attend any part of a committee meeting at which their own position is being discussed, except by invitation.
- 6.4 The PRI Managing Director or their nominee is the secretary of the committee and will attend the meetings.

#### 7. FREQUENCY OF MEETINGS

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

## **8. NOTICE OF MEETINGS**

8.1 Meetings of the committee are called by the secretary of the committee at the request of the committee chair.

8.2 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, 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.

8.3 All directors will be notified of all committee meetings and have access to every committee's materials and minutes.

## **9. MINUTES OF MEETINGS**

9.1 The secretary of the committee will ensure that a formal record of committee proceedings and resolutions is maintained.

9.2 Following approval of the minutes by the chair of the committee they are to be circulated to all members of the committee for final approval.

## **10. AUTHORITY**

The committee is authorised by the Board to:

10.1 investigate, or cause to be investigated, any activity within its terms of reference;

10.2 seek any information that it requires from any employee of the Company in order to perform its duties and require all employees to co-operate with any request made by the committee;

10.3 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;

10.4 meet to conduct 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

10.5 With the agreement of the committee delegate any of its duties to a relevant PRI staff member or consultant (if required), provided it retains the responsibility for the discharge of such duties.

## **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 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 recommendations made, 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.