

PRI ASSOCIATION BOARD CHAIR TERMS OF REFERENCE

Approved by the PRI Board in September 2016.

CONSTITUTION

1. Subject to the provisions of the UK Companies Act (the **Act**) and the Articles of Association of PRI Association (the **Articles**) and to any directions given by Special Resolution, the business of the Company will be managed by the Directors who may exercise all the powers of the Company.
2. The Chair of the PRI Association Board (the **Board**) is responsible for the leadership of the Board and performing a key strategic leadership and representation role for the PRI Initiative.
3. The role and responsibilities of the Board are set out in the PRI Association Board Directors' Terms of Reference.

ROLES AND RESPONSIBILITIES OF THE CHAIR

Leadership of the Board

4. The Chair is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role, including, but not limited to:
 - 4.1. Setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
 - 4.2. The promotion of a culture of openness and debate by facilitating the effective contribution of all directors;
 - 4.3. Ensuring that the Board receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge its duties;
 - 4.4. Ensuring a good information flow between the Board and its committees and the Executive as appropriate;
 - 4.5. Ensuring that the Board adopts a prompt and constructive approach to making decisions;
 - 4.6. Leading the annual Board assessment process, of its own performance, that of its committees and individual directors, taking into consideration the balance of skills, experience, independence and knowledge of the company on the Board, its diversity, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness;
 - 4.7. Acting on the results of the performance evaluation of the Board, including where appropriate, seeking specific skills, diversity and / or experience in prospective Board Director candidates;
 - 4.8. Reporting the results of the annual Board assessment at the following Signatory General Meeting (the **SGM**);
 - 4.9. Ensuring that all new Directors receive a formal induction on joining the Board;
 - 4.10. Monitoring progress towards the timely and effective achievement and implementation of the objectives, policies and strategies set by the Board; and

- 4.11. Ensuring that there is appropriate delegation of authority from the Board to the Executive.
5. Ensuring effective communication with Signatories on Board matters, including, but not limited to:
 - 5.1. Reporting to Signatories on PRI strategy, Board performance and other Board related matters within the Annual Report and other communications;
 - 5.2. Chairing the annual SGM, including reporting to signatories on the work undertaken by the Board and its committees since the previous SGM; and
 - 5.3. Oversight of timely responses to formal communications from Signatories to the PRI Initiative.

Strategic leadership, relationship and representation roles

The Chair's role is to:

6. Oversee and ensure ongoing strong relationships and engagement with Signatories, including with their senior leadership teams;
7. Oversee and identify, initiate and build relationships with senior representatives from potential signatory organisations, the public policy community, or other key stakeholders, such as funding bodies;
8. Support the Executive in representing the organisation in the public domain, including public speaking on behalf of the PRI, and other outreach activities; and
9. Provide thought leadership, insight and strategic input to the Board and Executive on how the PRI may further achieve its mission.
10. Act, with the Managing Director, as the primary contacts with the UN partners.

RELATIONSHIP BETWEEN CHAIR AND MANAGING DIRECTOR

11. The Chair is responsible for the leadership of the Board and the Managing Director is responsible for implementing the strategy.
12. The Chair and the Managing Director must ensure that each is appropriately informed of the other's current areas of activities and work together as a team.
13. The Chair and Managing Director must agree on their respective roles in setting major tasks and in taking new initiatives.
14. There should be shared vision to promote the long-term success of the Initiative.

APPOINTMENT OF THE CHAIR¹

15. To be eligible to be nominated by the Directors to be the Chair a person must be a natural person (not a company or other organisation) who confirms in writing his or her willingness to be a Director and a Statutory Member.
16. A person nominated by the Directors to be the Chair must, before taking office, have his or her appointment as Chair, and term of office (including commencement date), confirmed by the approval of:
 - 1.1. a simple majority of Signatories, including
 - 1.2. a simple majority of Asset Owner Signatories, voting in an Electronic Poll.

¹ See Article 10

17. Except as otherwise provided in these Articles, the method of the confirmation of the Chair will be determined by the Signatory Rules.

TERM OF OFFICE OF CHAIR²

18. The Chair may be appointed for a term of up to three (3) years, following the expiry of which period he or she will cease to serve as the Chair unless re-appointed in accordance with the provisions of the Articles.

19. A person who has served as the Chair for three (3) consecutive terms will be eligible for appointment as Chair (subject to satisfying the other eligibility requirements of the Articles) provided that the appointment commences no sooner than twelve (12) months after the end of those three (3) consecutive terms.

INDEPENDENCE OF THE CHAIR³

20. The Chair is under a duty at all times to exercise his or her own independent judgment in the performance of his or her office, without regard to any connection he or she may have with any particular Signatory or Signatories, or any other person or organisation.

TIME COMMITMENT

21. By accepting the appointment as Chair, the Chair confirms their ability to allocate sufficient time to the role and duties to discharge the responsibilities effectively.

22. The Chair's time commitment is set out in the contract between the Chair and the PRI Association.

TERMINATION OF OFFICE⁴

23. The office of Director (including the Chair) is immediately vacated on the expiry of the Director's term of office or if:

23.1. the Director ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;

23.2. the Director becomes bankrupt or makes any arrangement or composition with his or her creditors generally;

23.3. a registered medical practitioner who is treating the Director gives a written opinion to the Company stating that the Director has become physically or mentally incapable of acting as a director and may remain so for more than three months;

23.4. by reason of the Director's mental health, a court makes an order which wholly or partly prevents the Director from personally exercising any powers or rights which he or she would otherwise have;

23.5. the Director resigns his or her office by written notice to the Company provided at least two (2) Directors remain in office after the resignation takes effect;

23.6. the Director is absent from Directors' meetings without leave during such period as is set by the Directors and the Directors resolve by simple majority of those voting on the resolution that his or her office be vacated;

² See Article 10

³ See Article 10

⁴ See Article 11

- 23.7. 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;
 - 23.8. the Director did not satisfy the eligibility criteria at the time of his or her election and the Directors resolve by simple majority of those voting on the resolution that the office be vacated; or
 - 23.9. 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.
24. Notwithstanding clause 23 of these Terms of Reference, the office of Chair is vacated if the Directors resolve by simple majority of those voting on the resolution that the office be vacated.

BOARD REVIEWS⁵

25. The Directors must carry out their own annual review of the functioning of the Board. The Chair must report the results of such annual review to the next SGM following such review.
26. The Directors must also instruct an independent expert to conduct, and report in writing on, an independent review of the functioning of the Board:
 - 26.1. no sooner than two (2) years nor more than four (4) years after the date of adoption of these Articles; and subsequently
 - 26.2. no sooner than two (2) years nor more than four (4) years after the date of each independent expert's written report of a review conducted in accordance with this Article, and the Chair must report the results of such independent expert's review to the next SGM following such review.

CHAIR REVIEW

27. The Directors must carry out an annual evaluation of the Chair performance.
28. The Board will consider the results of the annual performance evaluation of the Chair, amongst other factors, when setting the remuneration of the Chair.

PROVISIONS RELATING TO STATUTORY MEMBERS

29. The Company must maintain a register of Statutory Members.
30. Statutory Membership is open only to the Directors.
31. In standing for election as a Director, a person will be deemed to have applied for Statutory Membership, and, on his or her election as a Director, that person must be entered by the Directors in the register of Statutory Membership. A person's Statutory Membership will terminate automatically when he or she ceases to be a Director.
32. Statutory Membership is not transferable.
33. The provisions related to Statutory Members are set out in Schedule 2 of the Articles.

⁵ See Article 16

INDEMNITY⁶

34. Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every Director or other officer of the Company (other than any person (whether an officer or not) engaged by the Company as auditor) may be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that this Article will be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

REVIEW TERMS OF REFERENCE

35. The Board will review annually the Chair's terms of reference.

⁶ See Article 25