PRI PRIVATE EQUITY ADVISORY COMMITTEE TERMS OF REFERENCE

A. INTRODUCTION

The PRI’s signatories are its greatest strength. Advisory committees (formerly known as ‘steering committees’) and working groups (together known as ‘signatory groups’) provide opportunities for signatories to convene, to share knowledge and to collaborate for change and impact. Through their work with signatory groups, the PRI Executive (Executive) aims to deliver practical, action-oriented research, tools, events and support to signatories around the world.

The Private Equity Advisory Committee (PEAC) advises the Executive on the strategy and execution of the PRI private equity (PE) work stream. The PE work stream was launched in 2008 with a handful of General Partners (GPs) and Fund of Funds and today is one of the PRI’s most mature with over 240 specialised private equity managers and more than 160 Limited Partners (LPs) as PRI signatories. The work stream is at the forefront of exploring the possibilities of ESG integration within PE investing, working with other industry associations to deliver widespread impact.

The PEAC is composed of signatories that are demonstrating leadership in the implementation of the Six Principles in PE investing. Through this collaboration and expertise-sharing, the work stream can achieve maximum impact in alignment with the overarching strategy of the PRI.

PEAC composition should be fairly representative of the PRI PE signatory base in order to best inform their discussions on work stream strategy. The PEAC will also take into account signatory feedback through formal and informal channels in these discussions.

This TOR has been drafted in full accordance with the PRI Rules for Advisory Committees and Working Groups (approved by the PRI Board in June 2015).
B. OBJECTIVES

The PE work stream brings together LPs, Funds of funds, GPs and Advisors to raise awareness and support implementation of the Principles.

The four work stream objectives are to:

■ Create clarity around ESG issues in relation to PE. This includes understanding how ESG issues impact PE and promoting ESG integration within investment processes;
■ Develop thought leadership on responsible investment in PE;
■ Provide guidance and implementation support to LPs, GPs and funds of funds, and;
■ Build outreach and engagement with industry stakeholders including industry associations, existing and potential signatories.

These objectives have been defined by the Executive in partnership with the PEAC. They can be refined over time; any proposed changes must be agreed with the PEAC and are subject to final approval by the Executive.

C. MEMBERS

2016 MEMBERSHIP

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
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<tbody>
<tr>
<td>Anders Strömblad (Chair)</td>
<td>Head of External Management</td>
<td>AP2</td>
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<tr>
<td>Ellen de Kreij</td>
<td>Director, Operational Excellence</td>
<td>Apax Partners</td>
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<td>Marta Jankovic</td>
<td>Senior Sustainability and Governance Specialist</td>
<td>APG</td>
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<td>Candice Brenet</td>
<td>Managing Director - Head of Corporate &amp; Investment Responsibility;</td>
<td>Ardian</td>
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<td>April Tissier</td>
<td>Corporate &amp; Investment Responsibility Manager</td>
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<td>James Holley</td>
<td>Head of ESG</td>
<td>Bridgepoint</td>
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<tr>
<td>Tammy Bodnar</td>
<td>Senior Associate, Sustainable Investing</td>
<td>CPPIB</td>
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<tr>
<td>Ana Lei Ortiz</td>
<td>Managing Director, Relationship Management Europe</td>
<td>Hamilton Lane</td>
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<tr>
<td>Michael Cappucci</td>
<td>Senior Vice President - Sustainable Investing</td>
<td>Harvard MC</td>
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<tr>
<td>Joanne Saleeba</td>
<td>Investments Manager ESG</td>
<td>HESTA</td>
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<tr>
<td>Lee Coker</td>
<td>ESG Officer</td>
<td>Oak Hill Capital</td>
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<tr>
<td>Jie Gong</td>
<td>Partner, Hong Kong</td>
<td>Pantheon</td>
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<tr>
<td>Elizabeth Lowery</td>
<td>Principal – ESG &amp; Sustainability</td>
<td>TPG Capital</td>
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<tr>
<td>David Russell</td>
<td>Co-Head of Responsible Investment</td>
<td>USS</td>
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<tr>
<td><strong>PRI Executive position</strong></td>
<td><strong>Investment Practices Senior Manager, Private Equity</strong></td>
<td>PRI</td>
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<tr>
<td>Natasha Buckley</td>
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<td><strong>Observer position</strong></td>
<td><strong>Chair of the PRI Japan PE Working Group</strong></td>
<td><strong>Partners Group</strong></td>
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<td>Shunsuke Tanahashi</td>
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TARGET COMPOSITION

- 10-12 member organisations (PRI signatories only);
- 50% indirect investors (of which the majority should be asset owners) and 50% direct investors;
- Should reflect a geographic spread, reflecting target continents / countries based on market segmentation;
- PEAC composition should encompass a broad and diverse range of skills, backgrounds and expertise;
- Representatives should be relatively senior within their organisation;
- Member organisations will also be selected on the strength and engagement of their representative. PEAC members ideally will have demonstrated proactive interest/a history of activity in the PE work stream, leadership in the responsible investment world (including connections with PE associations and other relevant industry associations).

APPOINTMENT OF MEMBERS

The Executive will publicise membership opportunities as they arise, including the criteria for appointment of members and timelines – via relevant newsletters and the PRI website for a minimum of four weeks. The Executive will review applications in partnership with the PEAC Chair and will consult the existing PEAC for their advice on member selection. Final decisions on PEAC composition are at the discretion of the Executive.

The balanced composition of the PEAC will be preserved to the greatest extent possible when replacing outgoing members.

The Executive has the discretion to accept two representatives from an organisation to sit on the PEAC; in which case(s), dual representation should offer complementary strengths from the two individuals rather than a duplication. PEAC members are not permitted to appoint a delegate for their position on the Committee, given that they commit to attending PEAC meetings upon accepting their appointment.

If a member steps down from the PEAC during their tenure, they are welcome to appoint an appropriate replacement from their organisation (according to the criteria described in the first paragraph of this section). If the new member does not demonstrate the required level of commitment and engagement, then the Executive may cancel that signatory’s participation and invite other interested signatories to participate. If a member steps down from the PEAC towards the end of their organisation’s tenure, then it is at the Executive’s discretion whether to accept a replacement from their organisation for the rest of their tenure or whether to open the position up to other interested signatories.

TENURE

- Members are appointed for three year terms (calendar year);
- Members have the option at the end of each year to step down;
- Members cannot serve two consecutive terms. After two calendar years, they will be eligible to re-apply;
- The Executive will review the PEAC composition on a yearly basis, keeping in mind that there should be some degree of continuity from year to year;
The term of the Chair is typically between one and three years. The maximum tenure for a signatory organisation to sit on the PEAC, including a term as Chair, is five years. The Chair is appointed at the start of the calendar year. All members are entitled to submit their names for consideration. However, the Executive retains the right to choose the Chair at its discretion based on the skills and experience required for the role.

NOTE ON IMPLEMENTATION GROUPS
The PRI regional Networks are welcome to establish groups that support the implementation of PE work stream activities and outputs but all formal activities and outputs must be aligned with the central work stream strategy and coordinated through the PEAC, and subsequently reported to the PEAC. Implementation groups may be offered an observer position on the PEAC, subject to the approval of both the Executive and the PEAC.

Observer position for the PRI Japan Private Equity Working Group
The PRI Japan Private Equity Working Group was established in 2013 to (i) raise awareness of the PRI in the Japanese private equity community; (ii) promote practical understanding of ESG integration in private equity. The group meets quarterly and is open to both signatories and non-signatories.

An observer position has been created on the PRI PEAC for the Chair of the PRI Japan Private Equity Working Group from September 2015. The PRI Japan Private Equity Working Group Chair is invited to attend all PEAC meetings in order to maintain a communication flow between the two groups.

D. RESPONSIBILITIES

ROLE OF THE EXECUTIVE
The role of the Executive is implemented through the PRI representative that sits on the PEAC. In this case, the PRI representative is the PE work stream manager. The PE work stream manager sits in the PRI Investment Practices team, which is dedicated to providing support tools to help investors implement the Principles across multiple asset classes. Annual PE work stream objectives are translated into KPIs which the PE work stream manager is appraised against through an annual performance review. The PRI Executive is committed to ensuring the PE work stream has the appropriate resourcing and capacity. The PRI Executive provides senior oversight of the PE work stream; work stream activities are monitored by the Associate Director of Investment Practices and reported directly to PRI senior management.

The Executive manages the productivity of the PEAC and will assess regularly the groups’ aims, work plan and composition.

The Executive commits to:

- Convening and administering PEAC meetings and facilitating PEAC activities; keeping PEAC members updated on PE work stream activities in between meetings;
Developing the PE work stream action plan for consensus at the first PEAC meeting of each year;

Assigning each PEAC members to a PEAC Sub-Committee;

Providing expertise required for PE work stream activities from either internal or external sources;

Managing and delivering PE work stream outputs; setting out the guidelines for the operations of a project, including the establishment of a dedicated working group if required;

Providing support in the form of background research and presentation slides to any PEAC members who are speaking at events where the work of the PRI is mentioned;

Providing support in the form of background research and pitching material for PEAC members who are undertaking outreach and engagement activities on behalf of the PRI;

Coordinating communication on the activities of the private equity work streams to signatories and the PRI Board; quarterly reporting on PEAC activities through the PRI signatory portal; publishing PEAC meeting minutes once approved by the PEAC Chair; keeping all references to PEAC membership updated on the PRI signatory portal;

Managing communication flow with Implementation Groups and PRI regional networks on their PE activity and ensuring alignment with PE work stream objectives;

Overseeing PEAC composition: reviewing commitment and tenure; managing application process for open positions.

ROLE OF THE CHAIR

The PEAC Chair commits to:

Designating enough time to fulfil Chairing responsibilities (which include, but are not limited to: reviewing documents, advising the PE work stream manager, chairing meetings, acting as PE work stream spokesperson where required);

Providing the Executive with guidance and working with the Executive to provide leadership to the PEAC as needed.

ROLE OF ADVISORY COMMITTEE MEMBERS

PEAC members are expected to act in an advisory role to the Executive on work stream strategy and activity. Members of the PEAC agree to commit sufficient time to promoting and overseeing the PE work stream. Typical responsibilities may include, but are not limited to:

A minimum of three PEAC conference calls/meetings per year, between one and three hours duration, one of which will be in person on the day after the annual PRI-PEI Responsible Investment Forum;

Regular guidance/feedback to the Executive on relevant issues. This may include providing advice/feedback on outputs such as publications, toolkits and work stream strategy;

Commit to representing the PE work stream/speaking engagements where practical to do so. The Executive can provide support in the form of background research and presentation slides; and

Outreach and engagement with peers on behalf of PRI. The Executive can provide support in the form of background research and pitching material.
All PEAC members are welcome to undertake additional work, for example, drafting documents if their schedules enable them to do so.

**ROLE OF THE PRI BOARD**

The PRI Board oversees the constructive relationship between the Executive and Signatories as well as acting as a final point of escalation on matters related to the Executive’s work to drive signatory implementation of the Principles, including ESG incorporation, active ownership, collaboration and reporting. The Board has oversight of the terms of reference for all signatory groups.

If a signatory has a significant concern with the operations of a signatory group the signatory can escalate the issue(s) to the head of the PRI Executive. If the matter cannot be resolved by the head of the PRI Executive the issue(s) will be escalated to the PRI Board.

**E. ACTION PLAN AND TIMELINE**

An action plan with suggested time frames and milestones will be established by the Executive and presented to the PEAC for approval at the first PEAC meeting of each year. Progress against the action plan should be evaluated by the PEAC during the last meeting of each year.

**F. REPORTING REQUIREMENTS**

The Executive will report on PEAC activities every quarter on the signatory website. Meeting minutes will be published to the signatory website once approved by the PEAC Chair.

This PEAC Terms of Reference will be published on the signatory website, including an up-to-date list of individual members and designations of Chair and Sub-Committee Chairs.

**G. CODE OF CONDUCT**

- An Advisory Committee meeting should proceed only if a majority of members can attend (in person and/or on the phone). Due to regional time differences, separate calls may on occasion be held with members unable to join the meetings.
- The proactive involvement of signatories is important to the success of the group. The Executive may cancel individual signatories’ participation and invite other interested signatories to participate if the required level of commitment is not demonstrated.
- Signatories must refrain from using these forums for explicit commercial purposes and should focus on furthering the goals and objectives of the work stream. Failure to meet these requirements may also lead the Executive to cancel signatory participation.
- Advisory Committee members are welcome to advertise their participation in other forums such as LinkedIn.
H. TASKFORCES, DELIVERABLES AND WORKING GROUPS

Aside from providing oversight of strategic objectives, PEAC members will be invited to join short-term and reactive taskforces to provide advice and input into specific projects (i.e. assembling formal feedback to a consultation).

In delivering the PE work stream strategic objectives, the Executive is responsible for deliverables such as events/workshops, webinars, best practice case studies, guidelines and publications/research notes. The PEAC will provide oversight of the deliverables and ensure that they are relevant to the work stream strategic objectives.

The Executive, as advised by the PEAC, can set out guidelines for the operations of a project deliverable, including the establishment of a dedicated working group if required. The aim of the guidelines is to facilitate effective projects that work towards the desired aim by establishing from the outset the required commitment, timeline, responsibilities and other contributors to a successful project. The guidelines are ultimately decided by the Executive, having taken input from the PEAC into account.

When the PEAC action plan includes specific deliverables that require an intensive amount of signatory input, the Executive will form a signatory working group to support the deliverable. The Executive will publicise opportunities to join PE working groups as they arise, including the criteria for application and timelines, via relevant newsletters and the PRI website for a minimum of four weeks. The Executive may consult with PEAC on the composition of the working group. The working groups will be given detailed information on the project plan and should have a clear idea of their role and time commitment.

PEAC members are welcome, though not obliged, to participate in these working groups. The PEAC will retain ultimate oversight of the project deliverable.

The Executive will present all outputs of strategic deliverables to the PEAC for feedback and approval. The Executive at all times retains ownership and final sign-off of any outputs of signatory groups that are published under the name of the PRI. The Executive is responsible for the timelines, resources and budget that have been allocated to the project. Outputs can be sponsored by signatories and other stakeholders. Signatories and stakeholders can determine whether or not to add their names and logos, when required, to the final outputs.

I. CONTACT

If you are interested in understanding more about the Private Equity Advisory Committee, please contact Natasha Buckley (natasha.buckley@unpri.org or +44 203 714 3171).