

GOVERNANCE COMMITTEE TERMS OF REFERENCE

DATE	January 2019
1. CONSTITUTION	<p>1.1 The PRI Association Board (the Board) has established a committee of the Board, known as the Governance committee, with terms of reference as set out below.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>1.5 The Directors may revoke or alter a delegation in whole or part, or alter its terms and conditions.</p> <p>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.</p> <p>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.</p>
2. PURPOSE	<p>2.1 The committee is a committee of the Board and its purpose is to provide guidance to the Executive and make recommendations to the Board as necessary on:</p> <p>2.1.1 the Board and company's governance, including guidelines, policies and practices;</p> <p>2.1.2 the PRI Board's effectiveness, including skills, diversity and expertise;</p> <p>2.1.3 the PRI Board elections; and</p> <p>2.1.4 the PRI Code of Ethics and related ethical issues.</p>
3. DUTIES	<p>PRI governance</p> <p>3.1 The Board is responsible for oversight of good governance. This includes but is not limited to upholding signatory rights as set out in the Articles, devising and publishing rules and policies that support the PRI's governance, including Signatory Rules, Election Rules, Procurement Policy, Code of Ethics, Diversity Policy, SGM Rules, Terms of Reference for Directors and committees' terms of reference.</p> <p>3.2 The role of the committee includes but is not limited to providing guidance and recommendations, as necessary, to the Executive and Board on:</p> <p>3.2.1. the Board and company governance, including guidelines, policies and practices; and</p>

	<p>3.2.2. governance framework for strategic partnerships that the PRI might enter into.</p> <p>3.3 The role of the committee does not extend to operational governance within the Executive. The CEO is responsible for the leadership and management of operational and administrative functions.</p>
<p>4. DUTIES</p>	<p>PRI Board effectiveness, including skills, diversity and expertise</p> <p>4.1 The role of the committee is to provide guidance and recommendations to the Board on the measures to promote a Board with the appropriate skills, diversity and expertise for the Board as a whole to carry out its duties effectively. This may include:</p> <p>4.1.1 keeping the Board self-assessment framework under review and recommending any changes it considers necessary, to ensure that it is fit for purpose, for Board approval;</p> <p>4.1.2 coordinating the Board self-assessment and external independent review processes;</p> <p>4.1.3 evaluating and making recommendations to the Board on committee functionality, composition and structure to ensure that the Board is effectively supported by committees;</p> <p>4.1.4 evaluating and keeping under review the composition of the Board, including the balance of skills, knowledge, experience and diversity of the Board (and the changes likely to be necessary for the future);</p> <p>4.1.5 making recommendations to the Board, on the basis of the results of the Board assessment, on the programme for Board learning and development;</p> <p>4.1.6 oversight of the Board induction process;</p> <p>4.1.7 utilising the annual Board assessment results to identify key skills or experience gaps and making recommendations to the Board on skills and experience requested in the election notice for potential candidates and / or ask signatories to reflect upon the identified key skills or experience gaps when considering the election candidates;</p> <p>4.1.8 making recommendations to the Board on any additional eligibility requirements for candidates wishing to stand for election as Directors with a view to setting high leadership standards and enhancing the collective skills and / or experience and / or diversity of the Board;</p> <p>4.1.9 identifying diversity gaps on the Board and recommending to the Board that the identified diversity gaps are highlighted to signatories at the formal publication of the election notice; and</p> <p>4.1.10 recommending to the Board that the PRI asks signatories to consider diversity when voting for candidates.</p>

<p>5. DUTIES</p>	<p>PRI Board elections</p> <p>5.1 The role of the committee includes the oversight of the election (Annual, Mid-Term and Extraordinary) processes, including:</p> <p>5.1.1 the notification and guidance to potential candidates and signatories on skills, diversity and experience requested or required on the Board generally and for specific Board elections.</p> <p>5.1.2 the eligibility of candidates as set out in the Articles and any additional eligibility requirements.</p> <p>5.1.3 the election timetable, communications, election campaigning, voting procedures and other election processes.</p> <p>5.1.4 reporting to the Board after every election process, including an evaluation of the election process, reporting any complaints received and providing recommendations and guidance to the Board on how to improve the election process.</p> <p>5.2 Outside of the defined election processes the committee will also:</p> <p>5.2.1 oversee the maintenance of a 'registry of interest' of potential candidates that have declared an interest to the PRI in serving on the Board; and</p> <p>5.2.2 facilitate proactive outreach to the signatory base, through local and regional networks, to familiarise potential candidates with the Board role and requirements.</p>
<p>6. DUTIES</p>	<p>PRI Code of Ethics</p> <p>6.1 The Board as a whole is responsible for taking decisions related to the Code of Ethics and ethical issues in general related to the Company.</p> <p>6.2 The committee is responsible for monitoring the application of the rules and processes set out in the Code of Ethics.</p> <p>6.3 The role of the committee is to consider and make recommendations to the Board on issues related to the Code of Ethics and related ethical issues. This may include:</p> <p>6.3.1 providing advice to the Board, signatories or PRI employees on ethical questions related to the Code of Ethics;</p> <p>6.3.2 evaluating potential conflicts of interest where it is requested to do so by the Board, Executive or signatories;</p> <p>6.3.3 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</p> <p>6.3.4 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.</p> <p>6.4 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.</p> <p>6.5 The committee will review the Code of Ethics at least once a year and recommend any changes as appropriate.</p>

7. DUTIES	<p>7.1 If the Board Chair cannot not make a Board meeting at the last minute, the chair of the governance committee will be asked to chair the meeting, if available.</p> <p>7.2 The Board may request the committee to recommend the criteria and search process for a new Board Chair.</p> <p>7.3 The committee will also consider other topics, as referred to it from time to time by the Board.</p>								
8. COMPOSITION	<p>8.1 The committee will comprise a maximum of 4 Directors and a maximum of one Permanent UN advisor.</p> <p>8.2 There is to be a minimum of three and a maximum of five committee members at all times.</p> <p>8.3 Any Director standing for election must recuse themselves from discussions related to the elections.</p> <p>8.4 The Chair cannot be a member of the committee.</p> <p>8.5 Committee members and the committee chair are appointed by the Board.</p>								
9. QUORUM	<p>9.1 A quorum of the committee is set out in the table below:</p> <table border="1" data-bbox="520 792 1102 943"> <thead> <tr> <th>Committee members</th> <th>Quorum</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>2</td> </tr> <tr> <td>4</td> <td>3</td> </tr> <tr> <td>5</td> <td>3</td> </tr> </tbody> </table>	Committee members	Quorum	3	2	4	3	5	3
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3	2								
4	3								
5	3								
10. MEETING PROCEDURES	<p>10.1 In the absence of the committee chair, the remaining members present can elect one of themselves to chair the meeting.</p> <p>10.2 Questions arising at any meeting must be determined by a majority of votes of the committee members present that are entitled to vote.</p> <p>10.3 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.</p>								
11. ATTENDANCE AT MEETINGS	<p>11.1 The expectation is that committee members attend all committee meetings, either in person or by conference call.</p> <p>11.2 Other Board Directors and Permanent UN Advisors have the right to attend the committee meetings.</p> <p>11.3 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.</p> <p>11.4 The PRI Director of Planning and Operations or their nominee is the secretary of the committee and will attend the meetings.</p>								
12. FREQUENCY OF MEETINGS	<p>12.1 Meetings are to be held not less than twice annually and at such other times as required.</p>								
13. NOTICE OF MEETINGS	<p>13.1 Meetings of the committee are called by the secretary of the committee at the request of the committee chair.</p> <p>13.2 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.</p>								

14. MINUTES OF MEETINGS	<p>14.1 The secretary of the committee will ensure that a formal record of committee proceedings and resolutions is maintained.</p> <p>14.2 Following approval of the minutes by the chair of the committee they are to be circulated to all members of the committee.</p>
15. AUTHORITY	<p>15.1 The committee is authorised by the Board to:</p> <p>15.1.1 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;</p> <p>15.1.2 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;</p> <p>15.1.3 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;</p> <p>15.1.4 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</p> <p>15.1.5 delegate any of its duties as is appropriate to such persons or person as it thinks fit.</p>
16. REVIEW	<p>16.1 The committee will conduct an annual review of 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.</p> <p>16.2 These terms of reference will be reviewed and, where necessary updated, at least once a year.</p>
17. REPORTING PROCEDURES	<p>17.1 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.</p> <p>17.2 The committee terms of reference, including any duties delegated by the Board, will be disclosed on the PRI website.</p> <p>17.3 The Board will provide an annual report to signatories on the committee's activities, including any recommendations made, the number of meetings and attendance by each committee member.</p> <p>17.4 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.</p>