

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY GUARANTEE  
NOT HAVING A SHARE CAPITAL**

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**ARTICLES OF ASSOCIATION  
OF  
PRI ASSOCIATION**

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**Company Number: 7207947  
Date of Incorporation: 30 March 2010  
Adopted by Written Resolution passed on [●] 2015**

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**ARTICLES OF ASSOCIATION**

**- of -**

**PRI ASSOCIATION**

**1. DEFINITIONS AND INTERPRETATION**

1.1 In these Articles, the following words and phrases have the following meanings unless the context otherwise requires:

<b>Act</b>	means the Companies Act 2006 including any statutory modification or re-enactment of the same for the time being in force;
<b>Annual Election</b>	has the meaning given to it in Article 10.1;
<b>Articles</b>	means these Articles of Association;
<b>Asset Owner</b>	has the meaning given to it in Article 17.1;
<b>Asset Owner Signatory</b>	means an Asset Owner that has been admitted as a Signatory in the Asset Owner category in accordance with the Signatory Rules;
<b>Authorised Conflict</b>	has the meaning given in Article 7.3;
<b>Board</b>	means the board of Directors of the Company;
<b>Chair</b>	on the date of adoption of these Articles, means the person named as the Chair in accordance with Article 9.5, and, following the termination of that person's office, means the person appointed as the Chair in accordance with Article 9.1.4;
<b>Code of Ethics</b>	has the meaning given in Article 19.1.4;
<b>Committee Terms of Reference</b>	has the meaning given in Article 14.4;

<b>Company</b>	means PRI Association;
<b>Director</b>	means a director of the Company and includes any person occupying the position of director, by whatever name called;
<b>Diversity Policy</b>	has the meaning given in Article 19.1.5;
<b>document</b>	includes, unless otherwise specified, any document sent or supplied in electronic form;
<b>Election Rules</b>	has the meaning given in Article 19.1.2;
<b>electronic form</b>	has the meaning given in section 1168 of the Act;
<b>Electronic Poll</b>	means an electronic poll of Signatories conducted by the Directors in accordance with the Signatory Rules;
<b>Extraordinary Election</b>	has the meaning given in Article 18.10;
<b>Formal Consultation</b>	has the meaning given in Article 18.6;
<b>Former Relevant Officer</b>	means a person who is a former Relevant Officer of a Signatory;
<b>Initiative</b>	means the United Nations-supported Principles for Responsible Investment Initiative;
<b>Interim Director</b>	has the meaning given in Article 10.27;
<b>Investment Manager</b>	has the meaning given in Article 17.2;
<b>Investment Manager Signatory</b>	means an Investment Manager that has been admitted as a Signatory in the Investment Manager category in accordance with the Signatory Rules;
<b>Mid-Term Election</b>	has the meaning given to it in Article 10.8;
<b>Non-binding Resolution</b>	has the meaning given in Article 18.11;
<b>Objects</b>	the objects of the Company as set out in Article 4;
<b>Ordinary Resolution</b>	has the meaning given to it in section 282 of the Act;
<b>Original Signatory</b>	has the meaning given to it in Article 11.2;
<b>Permanent UN Advisor</b>	has the meaning given in Article 9.2;
<b>PRI's Mission</b>	has the meaning given in Article 4.2;

<b>Principles for Responsible Investment or Principles</b>	means the principles for responsible investment in the form set out in Schedule 1 (as amended from time to time) that each Signatory commits to implementing;
<b>Procurement Policy</b>	has the meaning given in Article 19.1.3;
<b>Professional Service Partner</b>	has the meaning given in Article 17.3;
<b>Professional Service Partner Signatory</b>	means a Professional Service Partner that has been admitted as a Signatory in the Professional Service Partner category in accordance with the Signatory Rules;
<b>Relevant Category</b>	has the meaning given in Article 10.2;
<b>Relevant Officer</b>	means a person who is employed or otherwise serving as: <ul style="list-style-type: none"><li>(i) the Chief Executive Officer of a Signatory; or</li><li>(ii) the Chief Investment Officer of a Signatory; or</li><li>(iii) in the case of a Signatory that does not have the offices of Chief Executive Officer or Chief Investment Officer: the most senior investment professional of that Signatory; or</li><li>(iv) a director serving on the main governing board (and not merely any subsidiary boards, subordinate boards or committees) of a Signatory; or</li><li>(v) a trustee of a Signatory; or</li><li>(vi) an executive employee of a Signatory in a role where his or her immediate line manager is one of the persons described in sub-paragraphs (i), (ii) or (iii) of this definition of Relevant Officer;</li></ul>
<b>Secretary</b>	means any person appointed to perform the duties of the secretary of the Company;
<b>SGM</b>	means the annual general meeting of the Signatories, being the Signatory General Meeting as defined, constituted and held in accordance with the SGM Rules;
<b>SGM Rules</b>	has the meaning given in Article 19.1.6;

<b>Signatories</b>	means Asset Owner Signatories, Investment Manager Signatories and Professional Service Partner Signatories;
<b>Signatory Rules</b>	has the meaning given in Article 19.1.1;
<b>Special Resolution</b>	has the meaning given in section 283 of the Act;
<b>Statutory Member</b>	means a person who is admitted to membership (within the meaning of the Act) of the Company following his or her appointment as a Director in accordance with Article 20 <sup>1</sup> ;
<b>Strategic Plan</b>	has the meaning given in Article 12.7;
<b>Surplus Assets</b>	has the meaning given in Article 8.1;
<b>Terms of Reference for Directors</b>	has the meaning given in Article 19.1.7;
<b>United Kingdom</b>	means the United Kingdom of Great Britain and Northern Ireland; and
<b>writing</b>	means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2 Unless the context otherwise requires, words or expressions contained in these Articles will have the same meaning as in the Act. Any statutory modification of such meaning that is not in force when these Articles become binding on the Company is to be disregarded.
- 1.3 All words importing the singular number will include the plural and vice versa.
- 1.4 The introductory sections of, and any headings in, the Articles are used for convenience only and are to be disregarded in any construction or interpretation of the Articles.
- 1.5 The model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) that would otherwise apply to the Company by default, as a matter of law, are excluded.
- 1.6 A reference to a Schedule is a reference to a schedule to these Articles. The Schedules form part of, and are deemed incorporated into, these Articles.
- 1.7 A reference to a date is to that date in London, England.

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<sup>1</sup> PRI Association is a company incorporated in England under the Companies Act 2006. Any such company must have “members” as well as directors. In these Articles, these “members” are called the Statutory Members and they must be the same individuals as the Directors. The Companies Act 2006 requires various matters to be approved by resolutions of these individuals in their capacity as “members”. It is for this reason that the Articles provide rules for meetings of Statutory Members in Schedule 2



## COMPANY DETAILS

### 2. NAME

2.1 The name of the Company is PRI Association.

### 3. REGISTERED OFFICE

3.1 The registered office of the Company is to be situated in England and Wales.

## OBJECTS AND POWERS

### 4. OBJECTS<sup>2</sup>

4.1 The objects of the Company are to:

4.1.1 promote the Initiative, launched in April 2006 by the United Nations Secretary-General in New York, by advancing the Principles for Responsible Investment; and

4.1.2 promote the consideration of environmental, social and governance issues:

4.1.2.1 in the management and ownership of investments;

4.1.2.2 relating to investment policies and practices by investment managers and owners and other interested parties including consumers, non-governmental organisations, regulators and governments; and

4.1.2.3 promote the PRI's Mission,

and thereby to promote sustainable global commerce and a sustainable financial system.

4.2 The **PRI's Mission** is:

*"We believe that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole.*

*The PRI will work to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; fostering good governance, integrity and accountability; and addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation."*

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<sup>2</sup> An amendment to the Articles, including the Objects and Principles, requires: (i) under the Companies Act 2006, a Special Resolution of the Statutory Members; and (ii) the approvals of the requisite majority of Signatories set out in Article 18.1.2. An amendment to the Articles which also amends the Principles would additionally require the approval of the UN Global Compact and UNEP Finance Initiative (or their respective successor agencies within the United Nations, if any), as set out in Article 18.1.3.

## **5. POWERS**

- 5.1 The Company has the following powers for the purpose of promoting the Objects:
- 5.1.1 to organise or otherwise promote training and education and capacity building;
  - 5.1.2 to arrange, hold or otherwise promote conferences, lectures, meetings, courses, seminars and discussions;
  - 5.1.3 to collect, analyse, distribute, exchange or publish information, statistics and advice;
  - 5.1.4 to foster, undertake, carry out and commission research and to disseminate and exchange the results of any such research;
  - 5.1.5 to co-operate with UNEP Finance Initiative, the UN Global Compact (or their respective successor agencies within the United Nations, if any) and other United Nations programmes and divisions and any other authority or organisation, international, national, local or otherwise;
  - 5.1.6 to borrow and raise money in such manner and on such security as the Company may think fit;
  - 5.1.7 to raise funds and to invite and receive contributions from any person or persons whatsoever by way of subscription, donation or otherwise and to accept any gift or transfer of property, provided that this will be without prejudice to the ability of the Company to disclaim any gift in whole or in part in such circumstances as the Company may think fit;
  - 5.1.8 to make grants or loans of money and to give guarantees or provide security for the performance of contracts;
  - 5.1.9 to operate bank accounts;
  - 5.1.10 to deposit and invest funds with all the powers of a beneficial owner, including but not limited to the power to delegate the management of such funds;
  - 5.1.11 to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges and to construct, maintain and alter any buildings or erections in which the Company for the time being has an interest;
  - 5.1.12 to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of the Company;
  - 5.1.13 to insure and arrange insurance cover of every kind and nature in respect of the Company, its property and assets, and to take out other insurance policies to protect the Company, its employees, agents or members as required, including but not limited to indemnity insurance to cover the liability of the Directors and any other officer of the Company;

- 5.1.14 to employ and pay staff, agents, consultants and other professional persons or advisors;
- 5.1.15 to make all reasonable and necessary provision for the payment of pensions and superannuation to or on behalf of employees and their widows and other dependants;
- 5.1.16 to enter into contracts to provide services to or on behalf of other bodies;
- 5.1.17 to purchase or form trading companies alone or jointly with others;
- 5.1.18 to subscribe to, become a member of, or amalgamate or co-operate with any other organisation, institution, society or body not formed or established for purposes of profit (whether incorporated or not and whether in Great Britain or Northern Ireland or elsewhere) whose objects are wholly or in part similar to those of the Company and which by its constitution prohibits the distribution of its income and property amongst its members to an extent at least as great as is imposed on the Company under or by virtue of Article 6, and to purchase or otherwise acquire and undertake all such part of the property, assets, liabilities and engagements as may lawfully be acquired or undertaken by the Company of any such organisation, institution, society or body;
- 5.1.19 to enter into partnership, joint venture or other arrangement with any body with objects similar in whole or part to the Objects;
- 5.1.20 to affiliate to or accept affiliation from any body with objects similar in whole or part to the Objects;
- 5.1.21 to act as trustee of any trust;
- 5.1.22 to make any charitable donation either in cash or assets; and
- 5.1.23 to do all such other lawful things as are calculated to further the Objects, or any of them, or are incidental or conducive to doing so.

## **APPLICATION, PAYMENT OR DISTRIBUTION OF THE COMPANY'S INCOME AND PROPERTY**

### **6. APPLICATION OF INCOME AND PROPERTY**

- 6.1 The income and property of the Company must be applied solely towards the promotion of the Objects.
- 6.2 None of the income or property of the Company may be paid or transferred by way of dividend to a person in his or her capacity as a Statutory Member.
- 6.3 A Director:
  - 6.3.1 may be employed and remunerated by the Company for acting as a Director;

- 6.3.2 may be paid reasonable out-of-pocket expenses properly incurred when acting on behalf of the Company;
- 6.3.3 may receive an indemnity from the Company in accordance with Article 25; and
- 6.3.4 may benefit from insurance cover purchased at the expense of the Company in accordance with Article 5.

## **7. CONFLICTS OF INTERESTS**

- 7.1 Whenever a Director has a personal interest (including but not limited to a personal financial interest or a duty of loyalty owed to another organisation or person) directly or indirectly in a matter to be discussed at a meeting of the Directors or a committee of the Directors or in any transaction or arrangement with the Company (whether proposed or already entered into), the Director concerned must:
  - 7.1.1 declare his or her interest at or before any discussion on the item;
  - 7.1.2 not take part in from any discussion on the item save to the extent that he or she is invited expressly to contribute information;
  - 7.1.3 not be counted in the quorum for the part of any meeting and any vote devoted to that item; and
  - 7.1.4 withdraw during the vote and have no vote on the item.
- 7.2 Articles 7.1.2 to 7.1.4 (inclusive) will not apply where the matter to be discussed is in respect of a policy of insurance as authorised in the Articles.
- 7.3 If a conflict of interests arises for a Director (whether due to a personal financial interest or to a duty of loyalty owed to another organisation or person or otherwise) and the conflict is not authorised by virtue of any other provision in the Articles, then, on the matter being proposed to the Directors, the unconflicted Directors may authorise the conflict of interests (the **Authorised Conflict**) subject to the conditions in Article 7.4.
- 7.4 A conflict of interests may only be authorised under Article 7.3 if:
  - 7.4.1 the unconflicted Directors consider it is in the interests of the Company to do so in the circumstances applying;
  - 7.4.2 the procedures of Article 7.1 are followed in respect of the Authorised Conflict; and
  - 7.4.3 the terms of the Procurement Policy are complied with in respect of any direct or indirect benefit to the conflicted Director which may arise from the Authorised Conflict.
- 7.5 Where a conflict is authorised in accordance with Articles 7.3 and 7.4 above, the unconflicted Directors, as they consider appropriate in the interests of the Company, may set out any express terms of the authorisation, which may, but need not, include authorising the conflicted Director:

7.5.1 to disclose information confidential to the Company to a third party; or

7.5.2 to refrain from taking any step required to remove the conflict,

and may impose conditions on the authorisation.

## **8. SURPLUS ASSETS**

8.1 If on the winding-up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever of the Company (the Company's **Surplus Assets**), the same must not be paid to or distributed among the Statutory Members of the Company, but must be given or transferred in accordance with this Article.

8.2 The Directors may at any time before, and in expectation of, the Company's dissolution resolve that the Surplus Assets are to be, on or before the dissolution, applied or transferred in any of the following ways:

8.2.1 directly for one or more of the Objects; or

8.2.2 to any one or more institutions that has or have objects similar to the Objects provided that any such institution prohibits the distribution of its income and property to an extent at least as great as is imposed on the Company under or by virtue of Article 6.

8.3 In the event of no resolution being passed by the Directors in accordance with Article 8.2, on the winding-up or dissolution of the Company, the Surplus Assets must be applied or transferred only in the manner set out in either Article 8.2.1 or 8.2.2 as directed by the UN Global Compact and the UNEP Finance Initiative (or their respective successor agencies within the United Nations) acting jointly. If either of those agencies (or their respective successor agencies within the United Nations) is no longer functioning then the remaining agency will be entitled to act alone. Any direction made under this Article 8.3 that requires the application or transfer of the Surplus Assets other than in the manner set out in either Articles 8.2.1 or 8.2.2 is to be disregarded.

8.4 If:

8.4.1 no direction has been made under Article 8.3 in respect of any or all of the Surplus Assets within six (6) months of the date of the winding-up or dissolution of the Company; or

8.4.2 both of the UN Global Compact and the UNEP Finance Initiative (or their respective successor agencies within the United Nations) are no longer functioning,

then the Surplus Assets must instead be applied as directed by the High Court of England and Wales.

8.5 If the Company is a trustee of any trusts at the time it is wound up or dissolved, the Company must procure the appointment of a new trustee or trustees of those trusts in the place of the Company.

## **PROVISIONS RELATING TO THE BOARD**

### **9. MEMBERSHIP OF THE BOARD**

#### **Composition**

- 9.1 Subject to the transitional arrangements set out in Article 9.5, the Board will be constituted as follows:
- 9.1.1 seven Directors who have been elected by the Asset Owner Signatories in accordance with Article 10;
  - 9.1.2 two Directors who have been elected by the Investment Manager Signatories in accordance with Article 10;
  - 9.1.3 one Director who has been elected by the Professional Service Partner Signatories in accordance with Article 10; and
  - 9.1.4 one Director, who has been nominated by the Directors to serve as the Chair and has had such nomination confirmed by the Signatories in accordance with Article 10.

#### **Permanent UN Advisors**

- 9.2 UN Global Compact and UNEP Finance Initiative (or their respective successor agencies within the United Nations) may each appoint one senior representative to serve as one of two permanent UN advisors to the Board (each a **Permanent UN Advisor**).
- 9.3 Each of the UN Global Compact and the UNEP Finance Initiative (or their respective successor agencies within the United Nations) may remove its respective appointee Permanent UN Advisor and appoint another individual in his or her place from time to time by giving written notice of the removal and appointment to the Company.
- 9.4 Each of the Permanent UN Advisors is entitled to receive notice of, attend and speak at all meetings of the Board, but is not entitled to vote on any resolution of the Board.

#### **Transitional Arrangements**

- 9.5 The Directors as at the date of adoption of these Articles are the individuals named in the table below, each of whom will continue in office until 31 December in the year set out opposite his or her name in the table (unless his or her office is terminated earlier). Each of the Directors named in the table below is to be deemed for all purposes under these Articles to have been elected by the category of Signatories set out opposite his or her name:

<b>Director</b>	<b>Category of Signatories</b>	<b>End of current term of office</b>	<b>Number of current consecutive terms served (including current term)</b>
Martin Skancke (Chair)	Not applicable	2017	1
Niels Erik Petersen	Asset Owner Signatories	2016	2
Daniel Simard	Asset Owner Signatories	2015	3
David Atkin	Asset Owner Signatories	2015	2
Renosi Mokate	Asset Owner Signatories	2017	1
Priya Mathur	Asset Owner Signatories	2017	2
Mark Chaloner	Asset Owner Signatories	2017	1
Eric Wetlaufer	Asset Owner Signatories	2015	1
Marcel Barros	Asset Owner Signatories	2017	2
Luciane Ribeiro	Investment Manager Signatories	2017	2
Peter Webster	Professional Service Partner Signatories	2016	1
Geeta Aiyer	Investment Manager Signatories	2017	1
Colin Melvin	Professional Service Partner Signatories	2016	1

**10. ELECTION OF DIRECTORS, APPOINTMENT OF CHAIR AND TERM OF OFFICE**

**Election of Directors**

- 10.1 The Directors will, in each calendar year, organise an election of Directors to fill vacancies on the Board that will arise on the termination of office of one or more Directors at the end of that calendar year (an **Annual Election**).
- 10.2 To be eligible to stand for election as a Director by a category of Signatories (a **Relevant Category**), a person must:
- 10.2.1 be a Relevant Officer or Former Relevant Officer of a Signatory of the Relevant Category; and
  - 10.2.2 be:
    - 10.2.2.1 nominated by a Signatory of the Relevant Category and seconded by another Signatory of the Relevant Category; or
    - 10.2.2.2 in the case of a Mid-Term Election, nominated: (a) by a Signatory of the Relevant Category and seconded by another Signatory of the Relevant Category, OR (b) by the Board; and
  - 10.2.3 satisfy any additional eligibility requirements prescribed by the Board in accordance with Article 10.10 in respect of the vacancy for which he or she is standing; and
  - 10.2.4 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.
- 10.3 In any election under this Article 10:
- 10.3.1 a Signatory may only nominate any one person for election and second any one person for election (and having nominated a person may not also second that person in the same election); and
  - 10.3.2 each nomination or seconding of a person by a Signatory must be in writing.

**Term of Office of Elected Directors**

- 10.4 Each Director who is elected in an Annual Election is elected for a term of three (3) calendar years, commencing on 1 January of the year next following the announcement of his or her election.
- 10.5 Each Director who is elected in a Mid-Term Election is elected for a term commencing on the date of his or her election and ending on 31 December of that same year.
- 10.6 No person elected as a Director may serve more than three (3) consecutive terms as an elected Director. In the case of a person deemed elected as set out in Article 9.5, the number of consecutive terms served by that person as a PRI Advisory Council Representative immediately prior to the date of the adoption of these Articles (as set



out in the last column in the table in Article 9.5) will be deemed to be consecutive terms that such person has served as a Director for the purpose of these Articles.

- 10.7 A Director who has served for three (3) consecutive terms as an elected Director will be eligible to stand for election as a Director (subject to satisfying the other eligibility requirements of these Articles) provided that the office for which he or she seeks election commences no sooner than twelve (12) months after the end of those three (3) consecutive terms.

### **Mid-Term Elections**

- 10.8 If, during a calendar year, there is a vacancy or there are vacancies on the Board for any of the positions referred to in Articles 9.1.1 to 9.1.3 (inclusive), the Directors may organise an election by Signatories of the Relevant Category or Relevant Categories to fill such vacancy or vacancies (a **Mid-Term Election**).

### **Diversity**

- 10.9 The Directors will seek to promote diversity of the Board through engagement with Signatories, the UN Global Compact and the UNEP Finance Initiative (or their respective successor agencies within the United Nations) and the Company's executives, by adoption of the Diversity Policy and appropriate Election Rules and by such other means as they deem appropriate.
- 10.10 In the case of any Annual Election or Mid-Term Election, the Board may, in respect of one or more of the vacancies to be filled, prescribe eligibility requirements for candidates wishing to stand for election as Directors additional to the other eligibility requirements of Article 10.2 with a view to setting high leadership standards and enhancing the collective skills and/or experience and/or diversity of the Board. Such additional eligibility requirements will be prescribed in accordance with the guidelines provided in the Election Rules.
- 10.11 If, in the case of any Annual Election or Mid-Term Election, the Board prescribes additional eligibility requirements in accordance with Article 10.10, the Board will notify the Signatories of such requirements and the reason(s) for them before the relevant period for nomination opens.

### **Election Rules**

- 10.12 Only Asset Owner Signatories may vote in an election to fill a vacancy arising on the termination of the office of a Director who was elected by Asset Owner Signatories
- 10.13 Only Investment Manager Signatories may vote in an election to fill a vacancy arising on the termination of the office of a Director who was elected by Investment Manager Signatories.
- 10.14 Only Professional Service Partner Signatories may vote in an election to fill a vacancy arising on the termination of the office of a Director who was elected by Professional Service Partner Signatories.
- 10.15 In each election:

- 10.15.1 each Signatory will have as many votes as there are vacancies on the Board to be filled by election by its category of Signatories; and
  - 10.15.2 no Signatory may vote more than once for the same candidate.
- 10.16 In any election by a category of Signatories to fill a vacancy or vacancies on the Board (not being subject to additional eligibility requirements specified by the Board in accordance with Article 10.10), the candidates, equal in number to the number of vacancies to be filled, who receive the highest number of votes from Signatories of the relevant category voting in an Electronic Poll will be deemed to be elected. When determining those candidates who have received the highest number of votes from Signatories of the relevant category for the purpose of this Article, any candidate who is elected under Article 10.17 at that election by the relevant category of Signatories will not be included as part of such determination.
- 10.17 If, in any election:
- 10.17.1 a single vacancy is the subject of particular additional eligibility requirements specified by the Board in accordance with Article 10.10, the eligible candidate who: (a) satisfies those additional eligibility requirements, and (b) receives the highest number of votes amongst eligible candidates who also satisfy those particular additional eligibility requirements, from Signatories of the relevant category voting in an Electronic Poll, will be deemed to be elected to fill such vacancy; or
  - 10.17.2 any two or more vacancies are the subject of the same particular additional eligibility requirements specified by the Board in accordance with Article 10.10, the eligible candidates who: (a) satisfy those particular additional eligibility requirements; (b) are equal in number to the number of vacancies to be filled; and (c) receive the highest number of votes amongst eligible candidates who also satisfy those additional eligibility requirements, from Signatories of the relevant category voting in an Electronic Poll, will be deemed to be elected to fill such vacancies.
- 10.18 If, in any election, there is only one eligible candidate nominated for election to fill a particular vacancy, that candidate will not be deemed automatically appointed as a Director. His or her appointment as a Director will require the approval of a simple majority of those Signatories of the relevant category voting in an Electronic Poll.
- 10.19 If, in any election, the number of eligible candidates nominated for election to fill particular vacancies is equal to or less than the number of such vacancies, those candidates will not automatically be deemed appointed as Directors. The appointment of any of those candidates as a Director to fill any of those particular vacancies will require the approval of a simple majority of those Signatories of the relevant category voting in an Electronic Poll.
- 10.20 Except as otherwise provided in these Articles, the procedures for the nomination and election of Directors will be determined by the Election Rules.

### **Appointment of Chair**

- 10.21 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.
- 10.22 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:
- 10.22.1 a simple majority of Signatories, including
- 10.22.2 a simple majority of Asset Owner Signatories,
- voting in an Electronic Poll.
- 10.23 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 Chair**

- 10.24 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 these Articles.
- 10.25 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 these Articles) provided that the appointment commences no sooner than twelve (12) months after the end of those three (3) consecutive terms.

### **Independence of the Chair**

- 10.26 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.

### **Interim Directors**

- 10.27 If, in any circumstances, the Company has no Directors, the UN Global Compact and the UNEP Finance Initiative (or their respective successor agencies within the United Nations) will jointly be entitled to appoint two (2) persons to be Directors (each an **Interim Director** and together the **Interim Directors**). If either of those agencies (or their respective successor agencies within the United Nations) is no longer functioning, then the remaining agency will be entitled to act alone. The Interim Directors will, as soon as reasonably practicable after their appointment, invite nominations from the Signatories for persons to stand for election as Directors. The Interim Directors will have the power to conduct such an election for Directors as they see fit. Each Interim Director must step down at that election, although he or she will be entitled to stand for election as a Director if he or she fulfils the eligibility criteria set out in Article 10.2.

## **11. TERMINATION OF OFFICE**

- 11.1 The office of Director (including the Chair) is immediately vacated on the expiry of the Director's term of office or if:
- 11.1.1 the Director ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;
  - 11.1.2 the Director becomes bankrupt or makes any arrangement or composition with his or her creditors generally;
  - 11.1.3 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;
  - 11.1.4 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;
  - 11.1.5 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;
  - 11.1.6 the Director is absent from all Directors' meetings without leave during such period as is set by the Directors in the Terms of Reference for Directors and the Directors resolve by simple majority of those voting on the resolution that his or her office be vacated;
  - 11.1.7 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;
  - 11.1.8 the Director did not satisfy the criteria set out in Article 10.2 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
  - 11.1.9 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.
- 11.2 If a Director, having been elected under Article 10, ceases to hold the position as Relevant Officer of a particular Signatory (an **Original Signatory**) that qualified him or her to be so elected, that Director will automatically retire from his or her office upon such cessation unless, before that retirement, the Company is notified in writing by the Original Signatory that it wishes the Director to complete his or her term of office, in which case, the Director, if he or she is so willing, may remain in office for the rest of that term. Any Director who retires from office in accordance with this Article 11.2

may be permitted to stand for re-election as a Director provided that he or she satisfies the eligibility requirements of Article 10.2.

## **12. POWERS AND DUTIES OF THE DIRECTORS**

12.1 Subject to the provisions of the Act and 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.

12.2 No alteration of the Articles and no direction given by Special Resolution will invalidate anything which the Directors have done before the making of the alteration or the passing of the resolution.

12.3 A meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

### **Terms of Reference for Directors**

12.4 Each Director must comply with the Terms of Reference for Directors applicable to him or her.

### **Procurement Policy**

12.5 The Directors must comply with the Procurement Policy.

### **Code of Ethics**

12.6 The Directors must comply with the Code of Ethics.

### **Strategic Plan**

12.7 The Directors must every three (3) years devise, and, subject to a Formal Consultation required by Article 18.6, adapt and publish a three-year strategic plan for the Company (a **Strategic Plan**).

## **13. PROCEEDINGS AND DECISIONS OF THE DIRECTORS**

13.1 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit.

### **Number of meetings**

13.2 The Directors must hold at least three (3) meetings in each calendar year.

### **Calling a meeting and notice**

13.3 A meeting of the Directors may be called by any Director.

13.4 Notice of any meeting of the Directors must indicate:

13.4.1 its proposed date, time and subject matter;

13.4.2 where it is to take place; and

- 13.4.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 13.5 In fixing the date and time of any meeting of the Directors, the Director calling it must try to ensure, subject to the urgency of any matter to be decided by the Directors, that as many Directors as practicable are likely to be available to participate in it.
- 13.6 Notice of a meeting of the Directors must be given to each Director and each Permanent UN Advisor, but need not be in writing.
- 13.7 Notice of a meeting of the Directors need not be given to Directors who waive their entitlement to notice of that meeting, which they may do by giving notice to that effect to the Company not more than seven days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 13.8 Directors are to be treated as having waived their entitlement to notice of a meeting if they have not supplied the Company with the information necessary to ensure that they receive the notice before the meeting takes place.

### **Participation**

- 13.9 Any Director or any Permanent UN Advisor may participate in a meeting of the Directors by means of video conference, telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in such a meeting will constitute presence in person at that meeting.

### **Quorum**

- 13.10 No decision other than a decision to call a meeting of the Directors or a general meeting will be taken by the Directors unless a quorum participates in the decision-making process.
- 13.11 The quorum for decision-making by the Directors is as follows:

	<b>Quorum</b>
at any time during which the number of serving Directors elected by the Asset Owner Signatories is four (4) or more:	four (4) Directors elected by the Asset Owner Signatories;
at any time during which the number of serving Directors elected by the Asset Owner Signatories is three (3):	three (3) Directors elected by the Asset Owner Signatories;
at any time during which the number of serving Directors elected by the Asset Owner Signatories is two (2):	two (2) Directors elected by the Asset Owners Signatories;

at any time during which there is a sole serving Director elected by the Asset Owner Signatories:	two (2) Directors, one of whom must be the sole serving Director elected by the Asset Owners Signatories;
at any time during which there are no serving Directors elected by the Asset Owner Signatories:	any two (2) Directors, unless there is a sole serving Director at the relevant time in which case that serving Director may act alone.

If the number of Directors elected by the Asset Owner Signatories serving as Directors is less than four (4) the remaining Directors must as soon as reasonably practicable arrange a Mid-Term Election of the Asset Owner Signatories for the purpose of filling all, or as many as possible, of the relevant vacancies.

- 13.12 A Director will not be counted in the quorum present at a meeting of the Directors in relation to a resolution on which he or she is not entitled to vote.

**Voting and the Chair**

- 13.13 Questions arising at a meeting will be decided by a simple majority of votes unless otherwise specified in these articles.
- 13.14 The meetings of the Board will be run by the Chair or, in his or her absence, such Director as the Chair directs. If neither the Chair, nor the Chair’s appointee is present within 30 minutes of the time appointed for the holding of a meeting, the Directors present may choose one of their number to chair the meeting. In the case of an equality of votes, the Chair (or chair, as the case may be) will not have a second or casting vote.
- 13.15 All acts done by any meeting of the Directors or of a committee, or by any person acting as a Director, will be as valid as if every such person had been duly appointed and was qualified to be a Director, even if it becomes apparent afterwards that there was some defect in the appointment of any such Director or person acting as a Director; or they or any of them were disqualified; or they or any of them were not entitled to vote on the matter.

**Voting by a Director unable to attend a meeting of the Board**

- 13.16 A Director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the Directors except as provided in Articles 13.17 to 13.19 (inclusive).
- 13.17 Any Director (other than the Chair) may, by giving notice in writing to the Company, appoint:
- 13.17.1 any other Director who has been elected by the same category of Signatories as that Director; or
- 13.17.2 the Chair,

to be his or her alternate Director (and remove any person so appointed). Each person acting as an alternate Director will be entitled to attend and vote at all meetings of the

Board in his or her appointer's absence and to exercise at such meeting all the powers, rights and authorities of his or her appointer. Each person acting as an alternate Director has a separate vote at Board meetings for each Director for whom he or she acts as alternate in addition to his or her own vote. Any person acting as an alternate Director will only count as one for the purpose of determining whether a quorum is present. If, under the terms of these Articles, any such person acting as an alternate Director is not entitled to exercise his or her own vote in respect of a particular proposed resolution of the Board, then he or she may not exercise any additional vote in respect of that resolution that he or she has otherwise been appointed to exercise in accordance with this Article.

- 13.18 Each person acting as an alternate Director will alone be responsible to the Company for his or her own acts and defaults and will not be deemed to be the agent to the Director appointing him or her.
- 13.19 A Director appointed as an alternate Director under the terms of Articles 13.17 to 13.19 (inclusive) will cease to exercise any powers, rights or authorities of his or her appointer immediately if his or her office as a Director is vacated for any reason or his or her appointer's office as a Director is vacated for any reason.

#### **Written Board Resolutions**

- 13.20 A resolution in writing, signed by a majority of all of the Directors entitled to receive notice of a meeting of the Directors and to vote upon the resolution will be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held, and it may consist of several documents in like form each signed by one or more Directors.

#### **14. BOARD COMMITTEES**

- 14.1 The 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, in each case on the basis set out in this Article 14. The provisions of Articles 14.4 to 14.9 (inclusive) will apply to committees constituted in accordance with this Article 14.
- 14.2 If the Directors constitute a committee to which they do not delegate any of their executive powers, then any Director or Permanent UN Advisor is eligible to be appointed to, and may vote on any resolution of, that committee. A committee constituted in accordance with this Article 14.2, may invite any other person to attend its meetings and participate in any way that such committee sees fit, as long as that participation does not include a vote on any resolution of that committee.
- 14.3 If the Directors constitute a committee to which they delegate any of their executive powers then any Director or Permanent UN Advisor is eligible to be appointed to that committee, but only the Directors appointed to such committee may vote on any resolution of that committee. A committee constituted in accordance with this Article 14.3, may invite any other person to attend its meetings and participate in any way that such committee sees fit, as long as that participation does not include a vote on any resolution of that committee.



- 14.4 The Directors will specify in writing the terms of reference (including such conditions as they see fit) of each committee constituted in accordance with this Article 14 (in respect of each such committee, the **Committee Terms of Reference**).
- 14.5 Subject to and in default of any other terms imposed by the Directors:
- 14.5.1 a committee may elect a chair of its meetings; if no such chair is elected, or, if at any meeting the chair is not present within ten minutes after the time the meeting was due to start, the committee members present may choose one of their number to chair the meeting;
  - 14.5.2 a committee may meet and adjourn as it thinks proper;
  - 14.5.3 questions arising at any meeting must be determined by a majority of votes of the committee members present that are entitled to vote in accordance with Articles 14.2 or 14.3, as the case may be; and
  - 14.5.4 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.
- 14.6 All Committees constituted in accordance with Article 14 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.
- 14.7 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.
- 14.8 The Directors may revoke or alter a delegation in whole or part, or alter its terms and conditions.
- 14.9 All acts and proceedings of committees must be reported to the Directors fully and promptly.

## **15. DELEGATION OF DAY-TO-DAY MANAGEMENT TO EXECUTIVES**

- 15.1 The Directors may delegate day-to-day management and administration of the Company to executives on such terms as they see fit, and may appoint one of such executives to be head of the executives with such title as the Directors see fit.
- 15.2 The Directors must provide a description of the head of the executive's role and reporting lines and set the limits on his or her authority.

## **16. BOARD REVIEWS**

### **Annual Board Reviews**

- 16.1 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.

### **Periodic Independent Reviews of the Board**

16.2 The Directors must also instruct an independent expert to conduct, and report in writing on, an independent review of the functioning of the Board:

16.2.1 no sooner than two (2) years nor more than four (4) years after the date of adoption of these Articles; and subsequently

16.2.2 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.

## **PROVISIONS RELATING TO SIGNATORIES AND THEIR INVOLVEMENT IN GOVERNANCE**

### **17. SIGNATORIES**

#### **Categories of Signatory**

17.1 An **Asset Owner** is an organisation that manages or controls investment funds, either on its own account or on behalf of others, and which owns more than half of such investment funds.

17.2 An **Investment Manager** is an organisation that manages or controls investment funds, either on its own account or on behalf of others, and which does not own more than half of such investment funds.

17.3 A **Professional Service Partner** is an organisation that does not manage investment funds but provides services to Asset Owners and/or Investment Managers that assist in the fulfilment of the Principles.

#### **Admission and terms of participation**

17.4 An organisation may apply to be a Signatory in accordance with the rules set out for admission as a Signatory set out in the Signatory Rules. The Company must review all applications to become a Signatory and the admission of a Signatory is at the Company's sole discretion.

17.5 The terms of a Signatory's participation in the Company are governed by the Signatory Rules.

#### **SGMs and Electronic Polls**

17.6 The Company will convene an SGM in each calendar year.

17.7 SGMs will be conducted in accordance with the SGM Rules.

- 17.8 The Company will organise Electronic Polls in circumstances where these Articles require a matter to be determined by an Electronic Poll. Electronic Polls will be conducted in accordance with the Signatory Rules.

## **18. SIGNATORY RIGHTS**

### **Rights to approve amendments to the Articles and the Principles**

- 18.1 These Articles and the Principles for Responsible Investment may only be amended:

18.1.1 in accordance with the Act; and

18.1.2 with the approval of:

18.1.2.1 a simple majority of the Signatories voting on the amendment in question, including:

18.1.2.2 a simple majority of Asset Owner Signatories voting on the amendment in question,

such approval to be given by way of vote at an SGM or by way of an Electronic Poll; and

18.1.3 in the case of a proposed amendment to the Principles, with the written approval of the UN Global Compact and UNEP Finance Initiative (or their respective successor agencies within the United Nations, if any).

### **Rights to elect the Directors/confirm the appointment of the Chair**

- 18.2 The Signatories have the right to elect the Directors and the right to confirm the appointment of the Chair in accordance with Articles 9 and 10.

### **Right to receive annual accounts**

- 18.3 The Company must lay before Signatories at each SGM the Company's latest annual accounts; any reports that the Company or its officers are required to make in respect of such accounts; and (unless the Company is at such time exempt from audit) the auditor's report on those accounts and reports. The Company will provide the Signatories with an opportunity to receive such reports and accounts by way of a vote carried by a simple majority of those voting in an Electronic Poll.

### **Right to confirm the appointment of the auditor**

- 18.4 Where the Company is required by the Act to appoint an auditor (not being the auditor appointed in respect of the Company as at the date of the adoption of these Articles or one deemed re-appointed under the Act), the Company must seek the prior approval of the Signatories by a vote carried by a simple majority of those voting in an Electronic Poll.

### **Right to approve minutes of an SGM**

- 18.5 The proceedings of each SGM will be minuted. The Signatories will have a right to approve such minutes by a vote carried by a simple majority of those voting in an Electronic Poll.

### **Right to Formal Consultation**

- 18.6 The Company will consult with the Signatories in the formal manner set out in Article 18.8 (a **Formal Consultation**) prior to the adoption of a Strategic Plan and report annually to Signatories on progress in implementing the Strategic Plan.
- 18.7 The Company will conduct a Formal Consultation with the Signatories prior to making any:
- 18.7.1 material changes to the governance structure of the Company including material changes to any of the rules or policies that the Company is required to publish under Article 19.1; and/or
  - 18.7.2 material changes to the Objects and/or the PRI's Mission; and/or
  - 18.7.3 material changes to the Principles; and/or
  - 18.7.4 material changes to the Company's fee structure for Signatories.
- 18.8 For the purposes of a Formal Consultation, the Directors will:
- 18.8.1 publish a formal consultation document;
  - 18.8.2 allow a period of no fewer than four weeks for Signatories to respond; and
  - 18.8.3 specify various means of communication by which Signatories may make their responses.
- 18.9 At the first meeting of Directors held after the end of the Formal Consultation period allowed by the Directors, the Directors will discuss Signatories' responses to the Formal Consultation and, as soon as reasonably practicable after that meeting, publish a document setting out the Directors' proposals and decisions in the light of the Formal Consultation.

### **Right to call for an extraordinary election of Directors**

- 18.10 Signatories may, in accordance with the following provisions, require the Company to arrange an election for all ten (10) elected seats on the Board (an **Extraordinary Election**):
- 18.10.1 If Signatories representing at least three (3) per cent of all the Signatories serve written notice on the Company requiring the Company to hold an Extraordinary Election, then the Directors must as soon as reasonably practicable arrange an Electronic Poll. The sole resolution on the poll will be "*The Signatories require an Extraordinary Election to be arranged as soon as reasonably practicable*".

- 18.10.2 If Signatories representing a simple majority of all Signatories voting in the Electronic Poll held in accordance with Article 18.10.1, including a simple majority of Asset Owner Signatories voting in the Electronic Poll, vote in favour of the resolution, then the Directors must arrange an Extraordinary Election as soon as reasonably practicable in accordance with the rules for such elections set out in the Election Rules.
- 18.10.3 In the event of an Extraordinary Election, the Directors, including the Chair, will remain in post until the formal announcement to the Company by the Chair of the results of the Extraordinary Election, whereupon each Director (including the Chair) will automatically vacate his or her office unless he or she has been duly elected as Director in the Extraordinary Election. The election of a Director who was a serving Director immediately prior to such election will be disregarded for the purpose of calculating his or her maximum period of office under Article 10. The Directors elected in an Extraordinary Election must nominate a person to be Chair for confirmation by the Signatories in accordance with Article 10.

### **Right to propose a non-binding resolution**

- 18.11 Signatories representing at least three (3) per cent of a category of Signatories may serve notice on the Company requiring the Company to put a resolution to the vote of Signatories on any matter except a matter otherwise expressly requiring Signatories' approval under the Articles (a **Non-binding Resolution**). As soon as reasonably practicable after receipt of such a request, the Directors must arrange an Electronic Poll of the Signatories on the proposed Non-binding Resolution.
- 18.12 A Non-binding Resolution will be passed if Signatories representing a simple majority of Signatories voting in an Electronic Poll vote in favour of the resolution. A Non-binding Resolution will not be binding on the Company or its Directors except as specified in Article 18.13.
- 18.13 If a Non-binding Resolution is passed, then the Directors must as soon as reasonably practicable meet to decide how to respond. The Directors must report in writing to Signatories on their deliberations in response to the Non-binding Resolution, and, if and to the extent that they have decided not to comply with the requirements of the Non-binding Resolution, they must state their reasons for doing so in the report. The report must be made available to the Signatories at the same time as they are given notice of the next SGM, or, if the Directors so decide, at an earlier date.

## **19. RULES AND POLICIES, ETC**

- 19.1 The Directors must devise and publish on the Company's website:

19.1.1 rules regulating:

- 19.1.1.1 Signatory status, including: the admission of Signatories; the determination of the criteria for Signatory status; and the termination of a Signatory's status as Signatory;

- 19.1.1.2 Signatory consultation, including: the conduct of Electronic Polls; the conduct of any Formal Consultation and the procedure for proposing a Non-binding Resolution; and
- 19.1.1.3 communications between the Company and the Signatories, (together, the **Signatory Rules**);
- 19.1.2 rules regulating the procedures for: the nomination and election of Directors (including an Extraordinary Election); and the confirmation of the appointment of the Chair by Signatories (the **Election Rules**);
- 19.1.3 a policy for procuring the supply of goods and services to the Company (the **Procurement Policy**);
- 19.1.4 a code of ethics applicable to Directors (the **Code of Ethics**);
- 19.1.5 a diversity policy with respect to the Company, the Board, the Company's executives and the Company's dealings with third parties (the **Diversity Policy**);
- 19.1.6 rules regulating the: convening of, conduct of and the information to be provided in advance of each SGM (the **SGM Rules**);
- 19.1.7 terms of reference for each Director, including the Chair (the **Terms of Reference for Directors**); and
- 19.1.8 the **Committee Terms of Reference** for each committee constituted in accordance with Article 14,

provided that no rule will be inconsistent with anything contained in the Articles, but in the event of any consistency, the Articles will prevail.

- 19.2 The Directors may, from time to time, make such other rules as they may deem necessary or convenient for the proper conduct and management of the Company provided that no rule will be inconsistent with anything contained in the Articles, but in the event of any inconsistency, the Articles will prevail.
- 19.3 Other than where rules or policies or other matters made in accordance with Article 19 contain express provisions relating to their amendment, the Directors may alter or repeal them or make any additions to them at their discretion.

## **PROVISIONS RELATING TO STATUTORY MEMBERS**

### **20. STATUTORY MEMBERS**

- 20.1 The Company must maintain a register of Statutory Members.
- 20.2 The Statutory Members of the Company, as at the date of the adoption of these Articles, are the Directors listed in Article 9.5.

- 20.3 Statutory Membership is open only to the Directors. 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, such 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.
- 20.4 Statutory Membership is not transferable.
- 20.5 The provisions of Schedule 2 apply in respect of Statutory Members.

## **ADMINISTRATION OF THE COMPANY**

### **21. SECRETARY**

- 21.1 Subject to the provisions of the Act, any Secretary will be appointed by the Directors for such term and such remuneration and on such conditions as the Directors may think fit. Any Secretary so appointed by the Directors may be removed by them.

### **22. MINUTES AND RECORDS**

- 22.1 The Directors must ensure that the Company keeps records, in writing, comprising:
- 22.1.1 minutes of all proceedings at general meetings;
  - 22.1.2 copies of all resolutions of Statutory Members passed otherwise than at general meetings; and
  - 22.1.3 minutes of meetings of the Directors and committees of the Directors, including the names of the Directors present at the meeting.
- 22.2 The Directors must ensure that the records comprising the items specified in Article 22.1 are kept for at least ten (10) years from the date of the meeting or resolution, as the case may be.

## **ACCOUNTS AND AUDIT**

### **23. ACCOUNTS**

- 23.1 The Directors must comply with the requirements of the Act for keeping financial records, the audit or other scrutiny of accounts (as required) and the preparation and transmission to the Registrar of Companies of:
- 23.1.1 annual reports;
  - 23.1.2 annual returns; and
  - 23.1.3 annual statements of account.
- 23.2 Accounting records relating to the Company must be made available for inspection by any Director at any reasonable time during normal office hours.
- 23.3 The Directors must supply a copy of the Company's latest available statement of account to any Director or Statutory Member on request, and, within two (2) months of

the request to any other person who makes a written request and pays the Company's reasonable costs of complying with the request.

**24. AUDIT**

24.1 Auditors must be appointed and their duties regulated as required in accordance with the Act and Article 18.4.

**25. INDEMNITY**

25.1 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.



## **SCHEDULE 1 – THE PRINCIPLES**

### **The Principles for Responsible Investment**

1. We will incorporate environmental, social and governance (ESG) issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

## **SCHEDULE 2 – PROVISIONS RELATING TO STATUTORY MEMBERS**

### **1. DEFINITIONS**

1.1 Words and phrases defined in the Articles of which this Schedule forms part apply in this Schedule. In addition, in this Schedule, the following words and phrases have the following meanings unless the context otherwise requires:

**clear days** in relation to a period of notice means a period excluding:

(i) the day when the notice is given (or deemed to be given); and

(ii) the day for which it is given or on which it is to take effect; and

**Proxy Notice** has the meaning given in paragraph 5.2 of this Schedule.

### **2. LIMITED LIABILITY OF STATUTORY MEMBERS**

2.1 The liability of each Statutory Member is limited to £1, being the amount that he or she undertakes to contribute to the assets of the Company for:

2.1.1 payment of the debts and liabilities of the Company contracted before he or she ceases to be a Statutory Member;

2.1.2 payment of the costs, charges and expenses of winding up; and

2.1.3 adjustment of the rights of the contributories among themselves,

in the event that the Company is wound up while he or she is a Statutory Member, or within one year after he or she ceases to be a Statutory Member.

### **3. MEETINGS OF STATUTORY MEMBERS**

3.1 The Company is not obliged to hold an Annual General Meeting of the Statutory Members of the Company.

3.2 General meetings of the Statutory Members may be:

3.2.1 called by the Directors; or

3.2.2 requisitioned by Statutory Members in accordance with the Act.

### **4. NOTICE OF GENERAL MEETINGS OF STATUTORY MEMBERS**

4.1 Subject to paragraph 4.2 of this Schedule, general meetings of Statutory Members must be called by at least fourteen (14) clear days' notice.

4.2 A general meeting may be called by shorter notice if it is so agreed by a majority in number of the Statutory Members having a right to attend and vote at the meeting, being

*a majority together representing not less than 90% of the total voting rights at that meeting of all the Statutory Members.*

- 4.3 *The notice must specify the place, the day and the time of meeting, the general nature of the business to be transacted and a statement pursuant to the Act informing the Statutory Member of his rights regarding proxies.*
- 4.4 *Subject to the provisions of the Articles and to any restrictions imposed on any classes of membership, notice of a general meeting must be given in any manner authorised by these Articles to:*
- 4.4.1 *every Statutory Member; and*
- 4.4.2 *the auditor for the time being of the Company.*
- 4.5 *No person other than as specified in paragraph 4.4 of this Schedule is entitled to receive notice of general meetings.*
- 4.6 *The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.*
- 4.7 *A Statutory Member present at any meeting of the Company either in person or by proxy will be deemed to have received notice of the meeting and, where required, of the purposes for which it was called.*

## **5. PROXIES OF STATUTORY MEMBERS**

- 5.1 *A Statutory Member is entitled to appoint:*
- 5.1.1 *the Chair; or*
- 5.1.2 *any Director that has been elected by the same category of Signatories as that which elected the appointing Statutory Member as a Director,*
- as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at a meeting of the Company.*
- 5.2 *Proxies may only validly be appointed by a notice in writing (a **Proxy Notice**) which:*
- 5.2.1 *states the name and address of the Statutory Member appointing the proxy;*
- 5.2.2 *identifies the person appointed to be that Statutory Member's proxy and the general meeting in relation to which that person is appointed;*
- 5.2.3 *is signed by or on behalf of the Statutory Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and*
- 5.2.4 *is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which it relates.*

- 5.3 *The Company may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes.*
- 5.4 *Unless a Proxy Notice indicates otherwise, it must be treated as:*
- 5.4.1 *allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and*
- 5.4.2 *appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.*
- 5.5 *A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.*
- 5.6 *An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.*
- 5.7 *A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.*
- 5.8 *If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.*

## **6. ORGANISATION AT GENERAL MEETINGS OF STATUTORY MEMBERS**

- 6.1 *No business will be transacted at any general meeting unless a quorum of Statutory Members is present.*
- 6.2 *A quorum for these purposes is such individuals (being Statutory Members) present in person or by proxy, who would also constitute a quorate meeting of the Directors in accordance with Article 13.11.*
- 6.3 *There must be a chair of every general meeting:*
- 6.3.1 *the Chair must chair every general meeting of the Company; and*
- 6.3.2 *if, at any meeting, the Chair is not present within ten (10) minutes after the time appointed for the holding of the meeting and willing to act, the Statutory Members present must elect one of their number to chair the meeting.*
- 6.4 *If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting:*
- 6.4.1 *if convened on the requisition of Statutory Members, will be dissolved; or*
- 6.4.2 *in any other case, will be adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine.*

6.5 *In relation to adjournment of general meetings:*

- 6.5.1 *the chair of the relevant meeting may, with the consent of any meeting at which a quorum is present (and will if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business is to be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place;*
- 6.5.2 *when a meeting is adjourned for fourteen (14) days or more, the Company must give at least seven (7) clear days' notice of it to the same persons to whom notice of the Company's general meetings is required to be given, and containing the same information which such notice is required to contain;*
- 6.5.3 *otherwise it will not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*

**7. VOTING AT GENERAL MEETINGS OF STATUTORY MEMBERS**

- 7.1 *A resolution put to the vote of a general meeting must be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded.*
- 7.2 *Unless a poll is duly demanded, a declaration by the chair of that meeting and an entry to that effect in the minutes of proceedings of the Company that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.*
- 7.3 *A poll on a resolution may be demanded:*
  - 7.3.1 *in advance of the general meeting where it is to be put to the vote; or*
  - 7.3.2 *at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.*
- 7.4 *A poll may be demanded by:*
  - 7.4.1 *the chair of that meeting; or*
  - 7.4.2 *two or more Statutory Members having the right to vote on the resolution.*
- 7.5 *A demand for a poll may be withdrawn if:*
  - 7.5.1 *the poll has not yet been taken; and*
  - 7.5.2 *the chair of that meeting consents to the withdrawal.*
- 7.6 *A poll demanded on the election of a person to chair a meeting or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken either at the meeting at which it is demanded or at such time and place as the chair of that meeting directs, save that it must be taken within thirty days after it was demanded.*

- 7.7 *If the poll is not taken at the meeting at which it was demanded, at least seven (7) clear days' notice must be given specifying the time and place at which the poll is to be taken.*
- 7.8 *The poll will be taken in such manner as the chair of that meeting directs.*
- 7.9 *The chair of that meeting may fix a time and place for declaring the results of the poll. The result of the poll will be deemed to be the end of the meeting at which the poll was demanded, save where there are other polls still to be taken in respect of the same meeting.*
- 7.10 *If a poll is demanded, the meeting may continue to deal with any other business that may be conducted at the meeting.*

## **8. VOTES OF STATUTORY MEMBERS**

- 8.1 *Every Statutory Member has one vote on any resolution at a general meeting.*
- 8.2 *On a vote on a resolution on a poll taken at a meeting, all or any of the voting rights of a Statutory Member may be exercised by a duly appointed proxy.*

## **9. WRITTEN RESOLUTIONS OF STATUTORY MEMBERS**

- 9.1 *Save for a resolution to remove a Director before the expiration of his or her period of office or to remove an auditor before the expiration of his or her term of office, any resolution of the Statutory Members may be proposed and passed as a written resolution in accordance with the Act.*
- 9.2 *Any resolution of the Statutory Members to be taken in writing for which the Act does not specify whether it is to be passed as an Ordinary Resolution or a Special Resolution will be passed by a simple majority.*

## **COMMUNICATION**

### **10. MEANS OF COMMUNICATION**

- 10.1 *Subject to the Articles, the Company may deliver a notice or other document to a Statutory Member:*
- 10.1.1 *by delivering it by hand to an address as provided in accordance with Paragraph 4 of Schedule 5 to the Act;*
- 10.1.2 *by sending it by post or other delivery service in an envelope (with postage or delivery paid) to an address as provided in accordance with Paragraph 4 of Schedule 5 to the Act;*
- 10.1.3 *by fax to a fax number notified by the Statutory Member in writing;*
- 10.1.4 *in electronic form to an address notified by the Statutory Member in writing;*  
*or*
- 10.1.5 *by a website, the address of which will be notified to the Statutory Member in writing.*

- 10.2 *This Article does not affect any provision in any relevant legislation or the Articles requiring notices or documents to be delivered in a particular way.*
- 10.3 *If a notice or document:*
- 10.3.1 *is delivered by hand, it is treated as being delivered at the time it is handed to or left for the Statutory Member;*
  - 10.3.2 *is sent by post or other delivery service in accordance with paragraph 10.1 of this Schedule above it is treated as being delivered:*
    - 10.3.2.1 *24 hours after it was posted, if first class post was used; or*
    - 10.3.2.2 *48 hours after it was posted or given to delivery agents, if first class post was not used,*  
*provided it can be proved conclusively that a notice or document was delivered by post or other delivery service by showing that the envelope containing the notice or document was:*
      - 10.3.2.3 *properly addressed; and*
      - 10.3.2.4 *put into the postal system or given to delivery agents with postage or delivery paid;*
  - 10.3.3 *is sent by fax, provided that the Company can show that it was sent to the fax number provided by the Statutory Member, it is treated as being delivered at the time it was sent;*
  - 10.3.4 *is sent in electronic form, provided that the Company can show that it was sent to the electronic address provided by the Statutory Member, it is treated as being delivered at the time it was sent; or*
  - 10.3.5 *is sent by a website, it is treated as being delivered when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.*