

NOMINATIONS COMMITTEE TERMS OF REFERENCE

1. Purpose

1.1 The purpose of the Committee is to establish a formal, rigorous and transparent procedure for the appointment of new directors to the Board.

2. Constitution and Membership

2.1 The Nomination Committee has been established as a committee of the PRI Advisory Council (the Council).

2.2 The members of the Committee shall be appointed by the Council. The Committee shall comprise a minimum of three and a maximum of five members from the Advisory Council, the majority of which shall be Asset Owners, plus one representative from either of the UN partners.

2.3 The chair of the Committee shall be appointed by the Council. In the absence of the chair of the Committee, the members present shall elect one of their number present to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Council.

2.4 Appointments to the Committee shall be for a period of three years, which may be extended for further periods of up to three years, provided the person still meets the criteria for membership of the Committee.

2.5 The Committee Chair shall appoint a secretary and cause minutes to be taken of all Committee meetings and, subject to his/her prior review, made available to all Council members.

3. Meetings

3.1 The Committee will meet at least twice each year and at such other times as the chair of the Committee shall think fit.

3.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any member.

3.3 Unless otherwise agreed by all members of the Committee, notice of meetings, confirming the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member of the Committee, to any other person required to attend at least five working days prior to the date of the meeting.

3.4 The quorum for meetings of the Committee shall be two members.

3.5 Decisions of the Committee will be made by majority vote.

4. Reporting

4.1 Sufficient time should be allowed after committee meetings for the committee to report to the Council on the nature and content of discussion, on recommendations, and on actions to be taken. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance. Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Council.

4.2 The Committee chair shall report to the Council on its proceedings after each meeting on all matters within its duties and responsibilities.

4.3 The Committee shall make whatever recommendations to the Council that it deems appropriate on an area within its remit where action or improvement is needed.

4.4 The Committee shall produce a report to be included in the Company's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

4.5 The chair of the Committee should be present at the annual Signatory General Meeting to respond to questions on matters within the responsibility of the Committee.

5. Duties of the Committee

The Committee should carry out the duties below.

The Committee shall:

5.1 annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Council with regard to any changes;

5.2 give full consideration to succession planning for directors in the course of its work, taking into account the challenges and opportunities facing PRI, and the skills and expertise needed on the Board;

5.3 keep up to date and fully informed about strategic issues and changes affecting the environment in which PRI operates;

5.4 be responsible for identifying and nominating for the approval of the Asset Owner Members of the Council, candidates to fill board vacancies and when they arise;

5.5 before any appointment is made by the members of PRI Association evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment.

In identifying suitable candidates the Committee shall:

5.5.1 use open advertising or the services of external advisers to facilitate the search;

5.5.2 consider candidates from a wide range of backgrounds; and

5.5.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the board, including gender, taking care that appointees have enough time available to devote to the position;

5.6 prior to the appointment of a director, the proposed appointee should be required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest;

5.7 ensure that on appointment to the Board, directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings;

5.8 review the results of the Board performance evaluation process that relate to the composition of the Board; and

5.9 review annually the time required from directors. Performance evaluation should be used to assess whether directors are spending enough time to fulfil their duties.

The Committee shall also make recommendations to the Board concerning:

5.10 formulating plans for succession for directors:

5.11 the re-appointment of director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required;

5.12 the re-election by members of directors under the provisions in the Company's articles of association, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board;

5.13 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of director

6. Other matters

The Committee shall:

6.1 have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;

6.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;

6.3 give due consideration to laws and regulations,

and

6.4 arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Council for approval.

7. Authority

7.1 The Committee is authorised by the Council to investigate any activity or state of affairs within its terms of reference.

7.2 The Committee is authorised to seek any information it requires from any employees or officers. In seeking any advice or assistance from any of the Company's executives, the Committee is to ensure that such role is clearly separated from the executive's role within the business.

7.3 The Committee is authorised to obtain, at the Company's expense, expert advice from the Company's auditors, professional advisers or otherwise, and to take independent professional advice and to require the attendance of outsiders with relevant experience and expertise if it considers it necessary so long as resources permit.

(Terms of Reference approved by the PRI Advisory Council in March 2014.)