

Terms of Reference – FAIRR Collaborative Engagements

ELIGIBILITY AND MEMBERS

This Terms of Reference applies to all investor signatories involved in collaborative engagements that are established and coordinated by the FAIRR Initiative.

All FAIRR members can join FAIRR coordinated collaborative engagements. Please refer to FAIRR's Member Terms of Reference for details on how to join FAIRR.

ROLE OF FAIRR AND INVESTORS IN COLLABORATIVE ENGAGEMENTS

FAIRR

The FAIRR Research & Engagement team plays a key role in leading and coordinating collaborative engagements through:

- Carrying out the necessary research to inform the development of collaborative engagements
- Defining project objectives, timelines, and company target lists based on input from signatories and stakeholders
- Coordinating, drafting and finalising the customisation of engagement letters based on input from signatories and stakeholders
- Providing administrative support that includes coordinating meetings, agendas, meeting notes, investor update calls and briefing presentations
- Establishing a relevant evaluation framework to assess and measure company progress
- Producing an update to FAIRR members, signatories and target companies on the progress made to date
- Providing subject matter expertise to FAIRR members, signatories and target companies

NOTE: FAIRR retains ownership and final sign-off of all outputs resulting from collaborative engagements published under the FAIRR trademark including events, research, and evaluation frameworks.

Investor engagement signatories

We encourage signatories to co-sign onto all company engagement letters. Signatories can also choose to sign on to specific company letters limited to their investment holdings.

We encourage signatories to fully participate in every stage of the collaborative engagement process, but signatories may choose to participate as ‘leading’ or ‘supporting’ investors.

Responsibilities associated with **leading investors** may include the following:

- Leading the dialogues with a selected target company or more
- Providing further insight on additional engagements with the company or companies that are part of the engagement, including filing shareholder resolutions
- Where necessary, supporting FAIRR by contacting the target companies or companies that are not responding to FAIRR
- Participating in engagement group update calls or webinars to provide input, the frequency of which will depend on project needs
- Voluntary commitment to discuss and present the work of the engagement group, supported by FAIRR

At a minimum, we request that all signatories provide their feedback on the company target list, engagement asks and template company letter.

ESCALATION

In cases where a target company has failed to engage or demonstrate progress, FAIRR will highlight any concerns to the engagement group and will encourage investors to contact the company in question directly.

FAIRR may also factually highlight in public communications a target company that has not responded to the investor letter or engaged with either FAIRR or the broader engagement group.

DATA AND PRIVACY

FAIRR will **publicly disclose** high-level information pertaining to the collaborative engagement including:

- Background and key objectives
- Company target list
- Aggregate number of investor signatories and the total assets in support
- Engagement progress update including company response rate, number of meetings held, and key outcomes

FAIRR will maintain the following information pertaining to the collaborative engagement *private* (available to FAIRR and/or signatories only):

- Individual names of participating investors, unless prior approval has been obtained
- Information on assets under management or under advice pertaining to an individual investor signatory (not shared with signatory group or FAIRR members)
- Detailed analysis and evaluation of target companies including meeting notes, which are only available to participating investors and FAIRR members.

PROTECTION OF FAIRR'S INTELLECTUAL PROPERTY

- Signatories agree to not share or distribute FAIRR's evaluation methodologies (part or whole) and final scoring of companies to colleagues beyond those engaged with FAIRR or with any third parties, without explicit consent from FAIRR.
- Any FAIRR research, including the Index methodology, will remain the property of FAIRR/the Jeremy Collier Foundation and signatories will not own any rights to FAIRR's research nor will they reproduce any of FAIRR's research, data or findings, which is protected by international copyright law, without explicit consent from FAIRR and reference to FAIRR.
- FAIRR will not be precluded from using its research with other investors on similar projects.

CONSTRAINTS/NO ACTING IN CONCERT

The signatories agree to refrain from any activity that may lead to an obligation for a mandatory take-over bid or that is in any way non-compliant with applicable local law, including company law and/or capital markets law requirements. In particular, none of the signatories shall:

- Facilitate collective decision-making among investors regarding investment decisions and shareholder vote;
- Provide recommendations to investors to divest, make any other investment decisions or vote in a particular way; or
- Require investors to support individual shareholder resolutions