

# Terms of Reference of the Development Impact Committee of the Board

*of British International Investment plc (the Company).*

*Last Updated: December 2023*

(1) **Name**

Development Impact Committee (**Committee**)

(2) **Membership**

(a) The Committee will consist of four non-executive director members (**Members**). Two of the Members will be appointed by the Special Shareholder (as defined in the Company's Articles of Association) during such period as there is a holder of the special share.

(b) The Board shall appoint the chair of the Committee (**Chair**).

(3) **Quorum**

Three Members, two of whom must be non-executive directors appointed by the Special Shareholder during such period as there is a holder of the special share.

(4) **Secretary**

The secretary of the Committee shall be the Company's Company Secretary or their nominee (**Secretary**).

(5) **Voting**

Decisions shall be made by a majority of those voting with the Chair of the Committee holding the carrying vote in the event there is a tie.

(6) **Resolutions in Writing**

A resolution in writing signed by all the Members entitled to receive notice of a meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened.

(7) **Frequency and Notice of Meetings**

- (a) Meetings of the Committee shall be held as required, but not less than two times each year.
- (b) The Secretary shall give notice of meetings to the Members, the Chief Executive Officer and the Chief Impact Officer.

**(8) Attendance at Meetings of the Committee**

- (a) Only Members and the Secretary shall be entitled to attend meetings of the Committee
- (b) Any other person may attend with the agreement of the Chair. The Secretary shall maintain a list, which shall be reviewed and agreed from time to time, of the staff who may attend the meetings.
- (c) The Committee shall maintain an open door policy allowing all employees of the Company to bring any matters relevant to the Committee's work to the attention of the Committee and its Chair.

**(9) Authority**

The Committee is authorised by the Board:

- (a) to investigate any matters relevant to the fulfilment of its duties
- (b) to seek any information it requires from any employee of the Company and any subsidiary of the Company and all such employees are directed to co-operate with any such request made by the Committee
- (c) to obtain external legal or other independent professional advice and to secure the attendance of external advisors at its meetings (if it considers this necessary)
- (d) The Committee may form any sub-committee as it so determines with and delegate authority to that sub-committee as falls within its remit.

**(10) Guiding Principles**

The Committee shall be guided in all its decisions by:

The purpose of overseeing The Company's delivery of development impact, consistent with its mission to help solve the biggest global development challenges by investing patient, flexible capital to support private sector growth and innovation. Development impact, as set out in the Company's 2022-26 Strategy, includes:

- Productive development (by raising the productivity of an economy so that it can support a decent standard of living for all);
- Sustainable development (helping transform the economy to reduce emissions, protect the environment and adapt to the changing climate); and

- Inclusive development (sharing the benefits of higher productivity and greater sustainability with poor and marginalised sections of society).

## (11) DUTIES

The duties of the Committee shall be:

- (a) having oversight of and monitoring progress on delivering development impacts as set out in the Guiding Principles above. These include job creation, climate change strategies, gender and diversity finance, environmental and social outcomes, governance and other topics.
- (b) ensuring that the reporting on and measurement of development impact is performed in a robust and consistent manner, which includes approving the Impact Scoring Tool and its supporting Rulebook including receiving reports from third party advisers as may be necessary and making any necessary assurances to the Board and recommendations to the People Development and Remuneration Committee based on such reports and measurements.
- (c) oversight and assurance of the quality and accuracy of the development impact sections and providing oversight of the reporting on the Company's Development Impact metrics in the Company's Annual Review.
- (d) reviewing ongoing compliance with the Company's Policy on Responsible Investing (**PRI**).
- (e) oversight of periodic evaluation of development impacts, including appropriate selection of evaluation questions and monitoring of progress in order to ensure high quality of outputs and outcomes.
- (f) to note the annual Operating Principles in respect of the Impact Management disclosure statement.
- (g) monitoring and supervising the operation and decision making of BII Plus, which has been granted delegated authority by the Board to manage a grant facility, ensuring that it is conducted in accordance with any principles (agreed by the Board and FCDO) and policies which apply to such facility.
- (h) considering such wider development impact initiatives as the Committee deems necessary to achieve its guiding principle, such as interactions with other development institutions, harmonisation, non-financial additionality and technical assistance.

**(12) Reporting**

- (a) The Secretary shall circulate copies of the minutes of meetings of the Committee to all directors, following the preliminary approval of such minutes by the Chair; formal approval of such minutes shall be sought at the next meeting of the Committee.
- (b) The Chair shall report to the Board on its proceedings after each meeting; and may report on decisions of, or matters coming before, the Committee to any other person or body the Committee considers appropriate.

**(13) Other Matters**

- (a) The Committee shall arrange for a periodic review 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 for Board approval.
- (b) These terms of reference are to be reviewed annually.

**Adopted by the Development Impact Committee on 24 November 2023 and approved by the Board on 1 December 2024**