

## **ASIAN INFRASTRUCTURE INVESTMENT BANK**

### **TERMS OF REFERENCE FOR THE POLICY AND STRATEGY COMMITTEE**

*(Adopted May 31, 2018 by the Board of Directors)*

#### **SECTION A: PURPOSE**

1. The Policy and Strategy Committee is a committee of the Board of Directors (Board) established pursuant to Article 26 (vi) of the Bank's Articles of Agreement and Section 5 (b) of By-Laws of the Asian Infrastructure Investment Bank. Its function is to assist the Board in carrying out its responsibilities as they relate to the Bank's financial and operational policies and strategies development.

#### **SECTION B: RESPONSIBILITY AND AUTHORITY**

2. The Committee shall:
  - (i) Review the Bank's operational policies (other than financial and risk-related policies), including but not limited to the environment, social and procurement policies, and report thereon to the Board;
  - (ii) Advise on the development of the Bank's strategies and report thereon to the Board;
  - (iii) Review the proposed annual business plan, taking into account the annual administrative budget, and report thereon to the Board; and
  - (iv) Undertake any other activities consistent with these Terms of Reference as the Board may request and report thereon to the Board.
3. The Committee:
  - (i) May seek briefings on relevant policies development and implementation, strategy development, and other aspects of the policies and strategies matters by staff member(s) designated by the President, including those the Committee has suggested; and
  - (ii) May seek any pertinent information from the Bank as is necessary, and which shall not be unreasonably withheld.
4. The Committee members shall fully respect and observe the confidentiality of any information provided to them.

#### **SECTION C: COMPOSITION, APPOINTMENT AND TERMS**

5. The Committee shall be composed of at least four and up to six Directors, including at least one regional Director and at least one non-regional Director.

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6. The term of the Committee shall be the same as the two-year term of the Board.

#### **Chair and Vice Chair**

7. The Committee shall have a Chair and a Vice Chair, selected by the Committee from among its members.
8. In the absence of the Chair, the Vice Chair shall serve as Chair of the Committee. When a Chair or Vice Chair ceases to be a member of the Committee, a new Chair or Vice Chair shall be selected. No Director shall serve more than two consecutive terms (full or partial) as Chair or Vice Chair of the Committee.

#### **Member**

9. The Committee appointment(s) shall be approved by the Board, based on proposals made by the President after consultations with Directors organized by the Corporate Secretary, whether for initial appointments or the filling of vacancies during the term.
10. A Director may serve on the Committee for up to two consecutive terms.
11. Each Director may be represented in his absence by his designated Alternate Director or Temporary Alternate Director.

### **SECTION D: MEETINGS, DOCUMENTS AND PROCEDURES**

#### **Meetings**

12. The Committee may have physical or electronic meetings. It is expected that the Committee shall meet at least four times a year, with physical meetings scheduled to the extent possible in connection with the quarterly meetings of the Board. A summary of the meeting shall be shared promptly afterwards with non-Committee-member Directors.
13. Meetings of the Committee are convened by the Chair, or in the Chair's absence, by the Vice Chair. If both of Chair and Vice Chair are absent, the remaining Committee members shall select a Committee member as acting Chair.
14. Four members of the Committee constitute a quorum for Committee meetings, and Alternate Directors or Temporary Alternate Directors duly designated to attend in the absence of a Director shall count for the purposes of a quorum.
15. A Director, or his designated Alternate Director, Temporary Alternate Director, or Advisor may attend a Committee meeting as observer with the approval of the Chair. Such observer will not normally have speaking rights, unless permitted by the Chair. The Chair may decide to hold a Committee meeting in executive session which shall be attended only by Committee members, designated staff from the Office of the Vice President, Corporate Secretary and the Office of the General Counsel to provide administrative support and advice to the Committee, and such other persons as are specifically invited by the Chair.

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16. In addition to Committee members and observers, a Committee meeting shall be open to attendance only by such members of the Bank's staff as the President may designate and such other persons as the Chair may invite.
17. The Committee Secretary shall be the Corporate Secretary, or another member of staff appointed by the Corporate Secretary.

#### **Documents and Reports**

18. The Chair shall circulate in advance the agenda for each meeting, as well as all relevant documents for the meeting. Minutes of Committee meeting shall be approved by the Committee, normally on a no-objection basis. Unless a particular matter is required to be treated on a confidential basis, Committee agendas, documents and minutes shall also be copied to Directors who are not Committee members at the same time as they are circulated to the Committee.
19. The Committee may also report to the Board on their deliberations, and such reports shall be circulated to the Board reasonably in advance of its consideration of the matter.
20. The Committee shall submit minutes of its formal meetings to the Board.
21. The Committee shall prepare an annual report to the Board of its activities.

#### **Procedures**

22. As far as practicable, an item of business shall be considered by only one committee of the Board, unless otherwise agreed between the respective committee chairs, or, if need be, by the Board.
23. The Committee is not a decision-making body, but provides advice to the Board and guidance to Management. There is no formal voting in Committee on matters under consideration. The Chair shall ascertain the sense of the meeting to be included in the minutes. Reports to the Board shall reflect the views of Committee members, including minority views.
24. Where the Committee is reporting on a matter to be considered by the Board, the Committee report shall be transmitted reasonably in advance of Board consideration. When the Committee needs to take a decision on procedural or administrative matters, the decision shall be taken by a simple majority of those present.
25. The Committee shall review its terms of reference periodically and may recommend amendments for consideration and approval by the Board.

#### **SECTION E: ADMINISTRATIVE ARRANGEMENTS**

26. The channel of communication between the Committee and Management and staff shall be

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through the Office of the Vice President, Corporate Secretary, which shall be responsible for providing the necessary administrative services for the functioning of the Committee including providing a secretariat for the Committee and maintaining its records.