

## **GREEN BOND PRINCIPLES GOVERNANCE**

### **1. GREEN BOND PRINCIPLES**

The Green Bond Principles (“Principles”), included here by reference, have been developed and published as voluntary guidance to bond market participants for the issuance of Green Bonds. The 2014 promulgated version was issued on January 13, 2014.

### **2. GOVERNANCE PURPOSE**

Green Bond Principles Governance is established to clarify the decision making process with respect to: 1) updates to the Green Bond Principles; 2) oversight of a Green Bonds Principles Secretariat (“Secretariat”); and, 3) all other matters that may arise in the governance of the Principles.

### **3. GOVERNANCE STRUCTURE**

Green Bond Principles Governance is comprised of four components: 1) Members and Observers; 2) an Executive Committee; 3) a Drafting Committee; and, 4) a Secretariat.

#### **3.1 MEMBERS**

Members shall be organizations that have issued, underwritten or placed, or invested in a Green Bond. To be admitted as a Member, an organization applies in writing to the Secretariat and is approved by the Secretariat. Members elect the Executive Committee, decide on changes to Principles governance, and provide input to updates to the Principles. Each Member organization has one vote.

#### **3.2 OBSERVERS**

Observers can be organizations in the field of green finance such as but not limited to NGOs, Universities, auditors, and service providers. To be admitted as an Observer, an organization applies in writing to the Secretariat and is approved by the Secretariat. Observers provide input to updates to the Principles.

#### **3.3 EXECUTIVE COMMITTEE**

The Executive Committee (EC) is elected for a calendar year of service at the end of each calendar year, is comprised of, and elected by, Members, shall not exceed 18, and has the authority to address all matters relating to the GBP. EC composition will seek a reasonably balanced distribution of 1) underwriters, issuers, and investors; and, 2) global geographic representation. The EC, through at least 2/3<sup>rd</sup>s majority, 1) elects a Chair for a calendar year of service; 2) appoints and oversees the Secretariat; 3) approves formal Green Bonds Principles communications; 4) elects the Drafting Committee; 5) votes on edits to the Principles; and, 6) can propose and validate issue-specific, Member and Observer-led working groups.

### **3.4 DRAFTING COMMITTEE**

The Drafting Committee (DC) is appointed for a calendar year of service at the end of each calendar year by the EC, is comprised of EC Members including 1 to 3 previous Green Bond underwriters, 1 to 3 previous Green Bond issuers and 1 to 3 previous Green Bond investors, and shall not exceed six. The Drafting Committee (DC), through consensus, 1) elects a Chair for a calendar year of service; 2) reviews Member and Observer feedback on edits to the Principles; 3) provides the EC with recommendations for changes to the Principles to accept and rationale for changes to reject; 4) provides a revised draft for approval by the EC; 5) drafts guidance documents for approval by the EC; and, 6) performs other functions in support of the governance of the Principles.

### **3.5 SECRETARIAT**

An outside Secretariat shall be appointed by the EC. Secretariat functions are determined and carried out in accordance with a scope of work prepared by the Secretariat and approved by the EC and includes 1) host the Principles; 2) receive and approves Member and Observer applications; 3) maintain a web-page with the list of Members, Observers, the EC, the DC, and key communication elements regarding the Principles; 4) organize and run an annual meeting of the Members and Observers; 5) manage other meetings and calls, including maintaining minutes; 6) advise on governance issues; and, 7) handle other administrative matters. The Secretariat shall not be a regulatory body for the Principles.

## **4 RECURRING ISSUES**

### **4.3 PRINCIPLES UPDATES**

The Principles shall be updated at most annually through Secretariat-led solicitation of Member and Observer input, drafting by the DC, and approval by the EC. Each enacted version of the Principles shall be identified by the year promulgated, and remain in effect until replaced by a subsequent version is approved by the EC. Supplementary Guidance Documents can be issued by the EC.

### **4.4 PRINCIPLES APPENDIX**

The Principles Appendix includes guidance on investment criteria, is managed by the EC, and cannot be amended until a process for amending is determined by the EC.

## **5 MEETINGS**

### **5.3 ANNUAL MEETING**

The Members and Observers shall have an Annual Meeting at a time to be determined and announced by the EC. This meeting serves as an informational update.

### **5.4 COMMITTEE MEETING**

The EC and the DCs will each hold three types of meetings: 1) the Annual Meeting; 2) regularly-scheduled meetings; and, 2) special meetings.

## **6 AMENDING THE GOVERNANCE**

This Governance may be periodically amended upon recommendation by the EC and approval by 2/3rds of the Members.