



June 2022

## INVESTMENT COMMITTEE CHARTER

### 1. PURPOSE

The Investment Committee (“Committee” or “the IC”) is established by the Board (“Board”) of the Gavi Alliance (“Gavi”) to support the Board in fulfilling its oversight responsibilities in a timely manner in respect of the management of Gavi’s investments. This is done in a manner consistent with Gavi’s operating needs and overall programme goals, asset preservation and growth within Gavi’s investment portfolio, and prudent maximisation of risk-adjusted returns on investment consistent with objectives stated in the Investment Policy.

The Committee is to provide assurance to the Board on the effectiveness of Gavi’s investment portfolio.

The Committee will review, monitor and make recommendations to the Board on the areas within its scope of responsibilities and on any other matters which the Board may request.

Words and expressions used in this Charter shall, unless the context requires otherwise, have the meaning attributed to them in the Gavi Board and Board Committee Operating Procedures (“Operating Procedures”).

### 2. MEMBERSHIP

The membership, resources, responsibilities and authorities of the Committee to perform its role effectively are stipulated in this Charter, which may be amended by the Board as and when required or deemed necessary and are specifically governed by Article 18 of the Statutes and Section 18 of the Operating Procedures.

#### A. Composition and size

The composition of the IC shall allow it to function efficiently and effectively in fulfilling its functions and responsibilities. The composition of the IC is intended to comprise individuals suitably competent in the affairs and issues falling within the Charter so as to be able to provide the Board and the Secretariat with sound advice on matters set out in this Charter.

The IC shall comprise not less than three persons and up to eight voting members. A majority of the IC members shall comprise Board Members and Alternate Board Members. This provision shall exclude Committee members representing implementing country governments. Committee Delegates, as defined in Section 18.9 of the Operating Procedures, shall be eligible for membership on the IC and shall resign or be removed in accordance with Section 5 of the Operating Procedures.

Non-voting expert advisers may be invited to participate in IC meetings at the discretion of the IC Chair on a permanent or ad hoc basis. The role of expert advisers is to support the Committee on highly technical or specialised issues that come before the Committee for its consideration and to provide guidance and/or advice that the Committee may consider in its deliberations.

### **B. Competencies and skills**

IC members should collectively have a balance of recent and relevant expertise, experience, skills and knowledge of the following:

- Capital markets development and transactions;
- Portfolio management, asset allocation, and manager selection;
- Risk management, compliance and data quality governance;
- Financial regulations, including trends and impacts on the investment management industry;
- Sustainable investing ;
- Knowledge of donors and governmental funding cycles; and
- Accounting and financial reporting.

Essential features of the IC as a whole are that it is independent from the Secretariat and that it is comprised of individuals suitably competent in the affairs and issues falling within the Charter so as to be able to provide the Board and the Secretariat with independent advice on matters outlined in the Charter. All IC members therefore shall be able to act independently, ask relevant questions and evaluate answers, act professionally and maintain the highest ethical standards and loyalty to the interests of Gavi.

The overall balance of skills on the Committee shall be periodically evaluated to respond to the needs of Gavi and its Board.

The criteria for IC membership shall be consistent with Gavi's guiding principles on gender for Board and Committee nominations.

Each member of the IC will be required to participate in a programme of induction, training and familiarisation with the work of the IC to enable Committee members to keep abreast of current developments in the work of the IC and leading practices.

The Chair of the IC shall be an Unaffiliated Board Member with in-depth knowledge, skills and experience of investments and capital markets but shall not be the Board Chair. The Chair of the IC shall:

- Plan and oversee the conduct of meetings;
- Report to the Board on relevant and material matters as appropriate; and
- Participate in and advise on the selection of IC members in conjunction with the Board and the Governance Committee.

In the event that the Chair is unable to attend a scheduled meeting, the Chair will, after consultation with other IC members, nominate a suitable substitute from the membership of the IC.

### **C. Appointment and term of office**

All IC members shall be appointed by the Board on the recommendation of the Governance Committee, in consultation with the Chair of the IC. IC members shall be appointed once every two years with renewable terms. All nominees to the IC should be evaluated by the Governance Committee to ensure each individual's investment literacy and knowledge of Gavi's business prior to appointment and ensure the individual's competencies fit with the required competencies of the IC.

The Secretary to the Board or a designated appointee shall be the Secretary of the Committee. The Secretary shall:

- Provide the link between the IC, the Board and the Secretariat;
- Assist the IC in developing good governance practices; and
- Ensure that the agenda, meeting papers and minutes and other materials to support the IC are provided in a timely manner.

## **3. AUTHORITY**

The IC is established by the Board under Article 18 of the Statutes and is a Standing Board Committee. It is empowered by the Board to undertake the responsibilities outlined in this Charter. The IC will operate under Gavi's Statutes and Operating Procedures.

The two documents that govern Gavi's investments are the Gavi Alliance Investment Policy ("Investment Policy") and the Gavi Alliance Sustainable Investment Policy ("Sustainable Investment Policy")(collectively "Investment Policies"). The IC will have oversight, review and advisory functions to, and for, the Board. It will make recommendations for Board decision/approval primarily covering: (i) investment management structure; (ii) Investment Policies which includes (a) investment objectives for the short-term portfolio and the long-term portfolio, (b) counterparty limitations, (c) credit quality limitations, (d) reputational risk, and (e) alignment with organisational mission; (iii) asset allocation statement; and (iv) approval of supplemental investment policies and guidance as needed.

The IC is primarily advisory in nature but has certain decision-making authorities delegated to it by the Board. It shall regularly report on IC activities to the Board and shall maintain open communications between IC members and the Board as appropriate.

The Committee shall have the power to delegate on an exceptional basis its authority and duties to the IC Chair, individual Committee members or the Chief Investment Officer as it deems appropriate.

The IC shall have reasonable access to information, Gavi personnel and relevant other Gavi parties, and external expertise as appropriate but directed through the IC Chair.

The mandate of the IC is established in this Charter.

#### **4. RESPONSIBILITIES**

It is the responsibility of the IC, on behalf of the Board, to:

**A. Monitor overall performance of the investment portfolio and update the Board regularly on the performance and any material deviations from return objectives:**

- Review market conditions and impact on the investment portfolios.
- Review portfolio objectives and performance.
- Review the portfolio's composition.

**B. Oversee, review and monitor Gavi's Investment Policy, asset allocation, investment goals and objectives:**

- Review and set Gavi's Investment Policy and report to the Board on any changes prior to implementation of the Policy.
- Review annually the appropriateness of Gavi's asset allocation.
- Monitor Gavi's overall compliance with the Investment Policy, as well as the performance and diversification of its invested assets and its achievement of its investment goals and objectives.
- Monitor concentration of the investment portfolio and any tactical deviation from policy target(s) and approve any recommended adjustments.
- Review and monitor individual investment manager performance.
- Review applicable laws and regulations that may impact the investment portfolios, and approve any recommended adjustments.

**C. Oversee, review and monitor Gavi's Sustainable Investment Policy:**

- Review sustainable investment approach and principles and approve any recommended adjustments.
- Monitor compliance and review the Secretariat's sustainable investment semi-annual findings.
- Review and approve recommended changes to the portfolios to improve alignment with Gavi's sustainable investment approach.

**D. Oversee, review and monitor the investment portfolio risk and Gavi's risk tolerance:**

- Review and monitor key risks, their assessment and mitigation. Ensure that portfolio risk is consistent with the Board's risk appetite.
- Review the annual risk rating of investment managers and determine necessary risk mitigation actions.
- Review effectiveness and adequacy of monthly performance reporting.
- Review consistency of investment portfolio liquidity terms with Gavi's expenditure needs.
- Review and monitor investment manager due diligence activities.
- Review and monitor the development and maintenance of risk management capabilities and measurements.

**E. Appoint and terminate investment managers, consultants, custodians and any other relevant service providers:**

- Review and approve Secretariat recommendations for appointment and termination, identify any issues for further consideration.
- Review the frequency and depth of the manager due diligence process conducted by the Secretariat.
- Review the performance of Gavi's investment consultant and custodian annually.
- Review reasonableness of fees and approve service provider appointments.
- Monitor the onboarding and dismissal process.

**F. Oversee, review and monitor the operation of the Investments team:**

- The Chief Investment Officer shall have a direct reporting line to the Managing Director: Finance and Operations, and shall have unrestricted access to the IC Chair as necessary.
- Review and monitor the effectiveness of the Investments function, including its organisation, and the adequacy of resourcing (both financial budget and personnel) given the desired level of asset allocation and monitoring by the IC.
- Provide input to the performance evaluation of the Chief Investment Officer and the efficacy of the Investments function.

**G. Other matters**

- Review of Gavi's Internal Audit reports of investment activities and Gavi's annual external auditors report in relation to the investment function.
- Report to the Board regularly on the activities of the Committee and when appropriate and prudent to do so on any of the matters as set out in this Charter.

- The Committee in fulfilling its duties under the Investment Policy and this Charter, will draw on expertise from Gavi's partners, the Secretariat, external consultants, individuals and institutions as appropriate.
- Perform such other duties required by law or otherwise as are necessary or appropriate to further the Committee's purposes, or as the Board may from time to time assign to it.

## **5. MODE OF OPERATION**

### **A. Meeting attendance**

All Board Members and their Alternate Board Members, who are not serving on the IC, have the right to attend meetings of the IC as observers but may not speak or participate in the proceedings except at the invitation of the IC Chair.

Members of the Secretariat shall make themselves available to attend all IC meetings as appropriate. Other observers may attend meetings under exceptional circumstances and contingent upon IC Chair approval.

IC members shall prepare for and actively participate in Committee meetings.

### **B. Frequency of meetings**

The Committee shall meet at least four times annually or more frequently as the IC Chair deems necessary.

Meetings shall be coordinated to occur prior to Board meetings.

### **C. Notice of meetings**

The Committee shall establish an annual calendar of activities so that meetings are known well in advance.

Notice of a meeting of the IC shall be given to each Committee member at least five business days prior to such meeting. All such notices shall be given in writing and sent by mail to the last recorded address of the Committee member or by email if the Committee member has consented to receipt of notice by email. Notice of any such meeting need not be given to any Committee member who submits a signed waiver of notice or who participates in a meeting without protesting, prior thereto or at its commencement, the lack of notice to them.

The IC Chair may call a meeting on less than five business days' notice if in their reasonable opinion there exist exceptional circumstances requiring a Committee meeting to be held on short notice; provided however that the minimum notice that must be provided to Committee members is two business days.

The notice will normally include relevant supporting papers for the agenda items to be discussed.

**D. Agenda**

The IC Chair shall establish Committee meeting agendas with the Secretary of the Committee and in consultation with Committee members and relevant members of the Secretariat. The IC agenda and annual calendar of activities shall include matters for current consideration and emerging issues within its area of responsibility.

**E. Quorum**

The quorum for the IC shall be a majority of IC members. The Committee may only carry out its business while the quorum requirement is met. In the event that an IC meeting ceases to be quorate, at the option of the IC Chair, discussions may continue, but no decisions may be made. The IC Chair may choose to end the meeting on it becoming inquorate.

**F. Conflict(s) of interest and declarations of interests**

All IC members shall adhere to Gavi's Conflict of Interest for Governance Bodies and Ethics Policies and shall annually complete an Annual Declaration Form in accordance with these policies. The Declaration shall be updated by IC members when required.

At the commencement of each meeting, each IC member shall declare any actual or perceived conflict of interest arising in the matters before the Committee and the relevant provisions in the Statutes, Operating Procedures and the Conflict of Interest Policy for Governance Bodies shall regulate participation.

**G. Voting**

The Chair should aim for consensus on all decisions. If consensus cannot be reached, majority and minority positions shall be reported to the Board as appropriate.

**H. Minutes**

The Committee shall keep minutes of its meetings in accordance with Gavi's Statutes and Operating Procedures.

**I. Executive sessions**

From time to time, at the discretion of the IC Chair, the Committee may hold closed sessions with such parties as it deems appropriate, together or separately without members of the Secretariat present (including the CEO).

**6. ACCESS TO INFORMATION AND EXPERTISE**

The IC is authorised by the Board to obtain independent professional advice as it considers necessary, at the expense of Gavi.

**7. PERFORMANCE AND REVIEW**

The Committee will normally evaluate its performance at least once every two years in conjunction with the Board Evaluation having regard to the principles and requirements

of its mandate as set out in this Charter and any additional activities undertaken during the year at the request of the Board.

The IC shall report to the Board the results of its review and development actions arising.

The Board shall review the IC Charter at least every three years, normally to coincide with the regular performance evaluation, to ensure its adequacy and that it remains relevant to its programme of work and in accordance with developments in best practice.