



January 2019

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 the investment portfolio of the Gavi Alliance.

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 By-laws.

2. MEMBERSHIP

The membership, resources, responsibilities and authorities of the Committee to perform its role effectively is stipulated in this Charter, which may be amended by the Board as and when required or deemed necessary and is specifically governed by Gavi’s By-laws, Article 4 which governs Committee member appointment, including relevant Alternates, and Article 2.4.4 which governs Committee member removal and resignation, including relevant Alternates.

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. A majority of the IC members shall comprise Board members and Alternate Board members. This provision shall exclude Committee members representing the developing country governments. Committee delegates, as defined in the By-laws, shall be eligible for membership on the IC.

Non-voting expert advisers may be appointed to the Committee or 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;
- Socially responsible investing (“SRI”);
- 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 gender policy.

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 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.

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 19 of the Gavi Statutes and is a Standing Committee of the Board. It is empowered by the Board to undertake the responsibilities outlined in this Charter. The IC will operate under Gavi's Statutes and By-laws.

The two documents that govern Gavi's investments are the Gavi Alliance Investment Policy and the Gavi Alliance SRI Guidance paper. The IC will have oversight, review and advisory functions to, and for, the Gavi Board. It will make recommendations for Board decision/approval primarily covering: (i) investment management structure; (ii) Investment Policy which includes (a) investment objectives for the short-term portfolio and the long-term portfolio, (b) counterparty limitations and (c) credit quality limitations; (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 SRI guidance and implementation:

- Review SRI approach and principles and approve any recommended adjustments.
- Monitor compliance and review the Secretariat's SRI semi-annual findings.
- Review and approve recommended changes to the portfolios stemming from SRI concerns.

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 Gavi 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 Investment Committee 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 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 Alliance 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 Alternates, 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 each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee and other invitees is not less than a week prior to the date of such meeting and sent by email.

The notice will 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.

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

All IC members shall adhere to Gavi's Conflict of Interest 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, By-laws and the Conflict of Interest Policy 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 By-laws.

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 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 every two years, normally in conjunction with the biennial performance evaluation, to ensure its adequacy and that it remains relevant to its programme of work and in accordance with developments in best practice.