

**The David and Lucile Packard Foundation**  
**INVESTMENT COMMITTEE CHARTER**

**(As Amended on December 10, 2020)**

**Investment Committee Purpose:** The Investment Committee (the “*Committee*”) was established to assist the Board of Trustees (“*Board*”) of The David and Lucile Packard Foundation (the “*Foundation*”) with all investment-related matters, including policy and strategy matters, investment manager selection and implementation, and review for compliance and performance relative to objectives. The Investment Committee also assists with determining and providing recommendations for approving compensation of the Chief Investment Officer (“*CIO*”) and other senior investment staff.

**Membership:** The Committee shall be composed of at least two (2) members from the Board of Trustees, with the President and Chief Executive Officer (“*CEO*”) being an additional ex officio voting member. The Chairman of the Committee will be one of the members of the Board. If the Chairman of the Board is not a member of the Investment Committee, the Chairman may attend Committee meetings and vote on Committee actions. In addition, up to four (4) additional individuals may be Advisors to the Committee and are welcome to participate in all aspects of Committee meetings and activities, except voting.

**Administration and Operations:** The Committee is established in the Foundation’s Bylaws as a standing committee of the Board. The Committee Chairman, who shall be a Committee member, shall preside at all Committee meetings. All Committee decisions shall require approval by a quorum at a Committee meeting. A quorum shall consist of a majority of the Committee members. Meetings may be in person or telephonic and the Chairman shall present any meeting findings or recommendations to the Board. The Committee shall have the authority to delegate administrative matters to subcommittees and to Foundation staff. Minutes shall be kept of each Committee meeting and shall be filed with the corporate records. The Committee shall conduct a performance self-evaluation that considers matters related to Committee responsibilities every two years and which is additional to the Board self-evaluation process.

**Role, Authority and Responsibilities:** In carrying out the duties and powers described in the Bylaws, the Board grants the Committee authority and responsibility to:

- (1) Review and approve investment objectives, organizational structure, and long-term asset allocation targets. Provide high level input on investment strategy and philosophy to the CIO and investment staff. In conjunction with the CIO, report quarterly to the Board regarding Committee discussions as well as investment performance and provide a detailed annual review of actual results as measured against objectives.
- (2) Approve the investment strategy and selection of any new investment managers, custodians and other investment professionals as appropriate after considering recommendations made by the CIO.

- (3) Delegate decisions on additional commitments to approved managers (“re-ups”) of any size, co-investments of less than \$50 million, manager terminations, and rebalancing decisions to the CIO and investments team.
- (4) Approve the annual operating budget for the investment function and coordinate with the Finance Committee on budget activities.
- (5) Coordinate with the Finance Committee on payout policy in order to conform investment strategy to payout objectives.
- (6) In consultation with the CEO, advise on the hiring and termination of senior investment staff and the engagement of search firms as needed. Also in consultation with the CEO, approve the hiring of the CIO. Periodically review, in conjunction with the CIO, the organizational chart and the duties and responsibilities of the investment staff.
- (7) In consultation with the CEO set CIO and investment staff individual performance objectives and/or delegate such determinations to the CIO with respect to senior investment staff other than the CIO.
- (8) Assist with determining and make recommendations regarding CIO and senior investment staff compensation, including Amended and Restated Investment Team Annual Performance and Retention Incentive Compensation Plan (“*Plan*”) structure, entity performance goals, and make recommendations for any awards to be granted under the Plan. Such compensation recommendations shall be submitted to the Compensation Committee for approval with respect to senior investment staff other than the CIO, and will be reviewed and considered by the Compensation Committee in making its recommendations to the Board with respect to the CIO’s compensation.
- (9) Perform other functions or duties as delegated by the Board or submitted by staff related to the management of the Foundation’s endowment.
- (10) Select and appoint the Advisors to the Investment Committee. Advisors’ terms are three years and an Advisor may serve additional three year terms with the approval of the Investment Committee. The Committee will keep the Board notified of any changes in selected Advisors.
- (11) Review the Investment Committee Charter at least annually and recommend any changes to the Board for approval.

**Role and responsibilities of the CIO:** The CIO will report to the CEO of the Foundation for day to day administrative purposes. The CIO will report to the Committee Chair with respect to all investment matters. The CIO and the CFO are expected to have a close working relationship. The CIO will propose for Committee feedback the CIO’s recommended investment strategy and for Committee approval the asset allocation policy. The CIO will recommend for Committee approval an appropriate review scope for investment manager and portfolio rebalancing decisions. The CIO may make decisions consistent with any delegation of authority to the CIO

by the Committee, including the determination of individual performance goals for other senior investment staff.

**Role of Advisors:** The Advisors will be independent of the Foundation; that is they shall not receive directly or indirectly any consulting, advisory, or other fees for services to the Foundation, nor may they or their affiliated firms contract with the Foundation for investment advisory services until ceasing to be Advisors for a period of at least ninety (90) days after completion of their terms.

Advisors will promptly disclose to the Committee Chairman or CIO any affiliations with a proposed investment, fund, manager, or entity. The Foundation will not make an investment in any fund or entity managed, administered, or controlled by an Advisor (or affiliated firm).

Advisors may receive reimbursement for reasonable expenses incurred in attending Committee meetings, and may participate in the Matching Grant Program for Advisors to Board Committees.

**Adoption and Effectiveness:** This Investment Committee Charter was originally adopted by the Board on June 16, 2006 and is hereby amended and restated in its entirety effective on December 10, 2020 as approved by the Board.

**Amendment:** This Investment Committee Charter may be modified, amended or terminated only upon the written approval of the Board.

*Adopted by the Board of Trustees: December 10, 2020*

*Last Reviewed by the Committee: December 7, 2020*