

The David and Lucile Packard Foundation

INVESTMENT COMMITTEE CHARTER

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 Chair of the Committee will be one of the members of the Board. If the Chair of the Board is not a member of the Investment Committee, the Chair 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 Chair, 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 or vote via email. A quorum shall consist of a majority of the Committee members. Meetings may be in person or telephonic and the Chair shall present a summary of meeting highlights and major decisions 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 Chair shall gather feedback on the Investment Committee performance formally or informally at least every year in a process that 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 the selection of passive investments, derivatives, and other rebalancing tools; the execution of trades, including rebalancing trades and the use of derivatives up to 5% of the endowment’s value; additional commitments to approved managers (“re-ups”) of any size; co-investments of up to 75 bps of the endowment’s value; and decisions about manager terminations 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 shall opine on asset allocation, investment strategy, and manager selection, but are not voting members of the Committee. The CIO shall endeavor to gather feedback from the Advisors before any vote is held by the Committee. 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 Chair or CIO any General Partner or management company interest in 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.

This amended Investment Committee Charter supercedes previous versions and replaces the Resolution dated June 13, 2016.

Adopted by the Board of Trustees: June 16, 2006

Amended by the Board of Trustees: December 10, 2020

Last Reviewed by the Committee: May 30, 2023

Amended by the Board of Trustees: June 1, 2023