



THE
KAVLI
FOUNDATION

INVESTMENT COMMITTEE CHARTER



**CHARTER OF THE INVESTMENT COMMITTEE
OF THE BOARD OF DIRECTORS
OF
KAVLI FOUNDATION
July 17, 2017**

I. Purpose and Scope

The primary function of the Investment Committee (the “Committee”) of the Board of Directors (the “Board”) of the Kavli Foundation (the “Foundation”) is to oversee the management of the Foundation’s endowment, to protect and enhance its value, net after inflation and distributions, and provide sufficient liquidity to meet its payout and expenditure obligations. The Board is responsible for approving the Charter of the Investment Committee.

II. Composition

The Committee shall be comprised of not less than three (3) persons as appointed by the Board. At least two members of the Committee must be members of the Board. The Chairperson does not need to be a Board member. Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

Members of the Committee are expected to have experience in and knowledge of the capital markets, investment strategies, and at least one member is expected to have a basic awareness of the rules pertaining to managing foundation endowments.

The members and the chairperson of the Committee shall be appointed by the Board and shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal.

The chairperson of the Committee shall have the following roles and responsibilities:

- A.** Provide leadership to the Committee.
- B.** Work with staff to prepare the agenda for meetings.
- C.** Report progress towards goals to the Board.

III. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall carry out the following specific activities:

A. Investment Policy

The Committee shall review and monitor the Investment Policy Statement (IPS) and the actual management of the endowment to be certain that the approved policies remain appropriate and are being followed by the Foundation's financial managers.

B. Investment Managers and Advice

The Committee shall:

1. Approve the selection of specific investment managers.
2. Meet with the investment managers on a regular basis, and at least annually, to more thoroughly understand each manager's investment philosophy and approach to asset and portfolio management.
3. Should it be deemed appropriate, the Committee may appoint an Investment Advisor or Advisors. In this case, the Committee would identify, evaluate and appoint an Advisor(s), and meet with the Advisor(s) regularly to understand and guide the Advisor(s) on the performance of its duties.

C. Investment Performance

The Committee shall:

1. Monitor the investment performance, especially against its benchmarks.
2. Recommend such adjustments to the Investment Manager(s) and Advisor(s) as may be deemed appropriate.

D. Report to the Board

The Committee shall:

1. Report regularly to the Board on the performance of the endowment and the services of the investment Manager(s) and Advisor(s).
2. Perform any other activities consistent with this Charter, the Foundation's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

IV. Meetings

The Committee will meet regularly and as may be necessary or appropriate to discharge the functions specified in this Charter. Minutes shall be kept of each meeting of the Committee and will be provided to each member of the Investment Committee.

Limitation of Responsibility

While the Committee has the responsibilities and power set forth in this Charter, it is not the duty of the Committee to conduct the investment activity. It is expected that such services will be provided either in-house by authorized personnel, or externally, through approved financial, legal and other managers retained by the Foundation. The Committee shall have the power to engage other professionals as it deems appropriate.