

Coalition for Epidemic Preparedness Innovations (CEPI) Guidelines for Board Members

1 Purpose

The CEPI Association (“CEPI”) is a non-profit international association with the objective to create a global financing and coordination mechanism and to strengthen public-private collaboration in order to develop, manufacture and stockpile vaccines necessary to respond to emerging infectious diseases for which no commercial market exists. CEPI will also support efforts to accelerate vaccine research and development (R&D) during public health emergencies.

This document aims to give the Board Members of the CEPI Board general guidance on the rights, duties and obligations conferred upon them in their role as Board Members in CEPI.

2 Individual responsibility

In general, being a Board Member is an independent, individual and personal responsibility.

Because each Board Member may personally be held liable for damage caused by negligent or wilful acts or omissions in his or her capacity as a Board Member, CEPI has insured those acting as Board Members to provide protection.

When new CEPI Board Members are appointed, the resigning (and continuing) Board Members should brief the new Board Member(s) on any material issues relating to CEPI.

3 Key duties of a Board Member

The CEPI Board has the ultimate responsibility for the activities being adequately and properly managed and organized, and shall ensure that CEPI conducts such activities in compliance with relevant laws and regulations.

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The Board is generally expected to:

- ensure development of, approve and supervise CEPI's strategies and plans, including its budget and procedures;
- appoint and replace the CEPI CEO;
- supervise CEPI's and the CEPI CEO's overall performance;
- supervise CEPI's finances and take appropriate action if CEPI has the need for further funding;
- supervise CEPI's compliance with laws and regulations;
- support the CEPI CEO and Secretariat on operational, financial, strategic and other material issues relevant for CEPI, applying each Board Members general competence, experience and knowledge;
- make decisions on issues being material for CEPI.

The expectations of Board Members are not limited to the guidelines as put forward in this document, and includes those as described in the Terms of Reference for the Board. Board Members should also ensure that the Board conducts regular self-assessments.

3.1 Duty to act within powers

A Board Member must always act in accordance with CEPI's articles of association. Further, a Board Member must only exercise his or her powers for their dedicated purposes. Examples of improper purposes would include acting to protect his or her own position or to treat a particular stakeholder unfairly compared to others.

3.2 Duty to act in the best interest of CEPI

When acting as a Board Member of CEPI, the Board Member has a legal duty to act in the best interest of CEPI, to the benefit of all stakeholders of CEPI. In fulfilling such duty, the Board Member should take into account a number of different factors, including, but not limited to:

- the likely consequence of any decision in the long term
- the development of CEPI's finances and performance
- the development of the relationship with CEPI's various stakeholders
- CEPI's reputation for conducting its business with high ethical standards
- the need to treat all stakeholders equally and fairly

The above listed factors are not exhaustive, and are always subject to the general duty of acting in the best interest of CEPI. In order to fulfill this duty, the Board Members must individually make a good faith judgement of what would promote the success of CEPI.

3.3 Duty to exercise reasonable skill, care and diligence

Board Members shall always apply reasonable skill, care and diligence in fulfilling their duties. The standard is both objective and subjective. Board Members must apply the skills, care and diligence that would be expected of a reasonably diligent person, acting as a Board Member of similar non-profit associations. In addition, it is normally expected that a Board Member is applying the special skills, experience and knowledge that he or she has. This includes devoting the time and effort needed to fulfill the key duties as expressed under (3) in a satisfactory manner.

3.4 Conflicts of interest

Board Members should generally avoid conflicts of interest and are to abide by the CEPI Conflicts of Interest policy at all times. It is a conflict of interest where a Board Member has a personal interest in the matter being discussed (either through himself or herself, or through a connected person). If a Board Member has a personal interest in the matter, he or she is expected to disclose such interest and will most often be disqualified from taking part in the deliberations and decisions concerning the matter. Perhaps more practical in CEPI's context are situations where the interests of CEPI conflicts with the interests of the relevant stakeholder with which the Board Member is associated or with third parties to whom the Board Member owes fiduciary duties or is associated with. It should be noted that the fact of a Board Member being engaged by both a stakeholder and CEPI (e.g., being both a CEPI Board Member and an employee and/or officer of a stakeholder) is not in itself a conflict of interest.

The most common and practical example where the interests of CEPI may differ from the interests of a stakeholder is when the CEPI Board shall consider and decide upon a commercial contract with a stakeholder. This conflict is normally solved by the Board Members either abstaining from discussing and/or voting upon the matter. The remaining non-conflicted Board members shall determine how a conflict is to be handled.

Board Members should ensure that the Board has "conflicts of interest" as a fixed item on the agenda on every Board meeting, and the matter should be considered before any other matters are discussed. If any Board member has any doubt as to whether an interest comprises a conflict, he or she shall seek the advice of the Chair of the Board in a timely manner.

3.5 Duty of confidentiality

The Board Members have a general duty not to disclose any information they receive as a Board Member so long as disclosure to third parties will be contrary to the best interests of CEPI. However, it is understood that Board Members always retain the right to share any confidential information with their stakeholder organizations, including to further support the interests of CEPI and where a Board Member judges that it is necessary to protect their stakeholder organization from significant financial, reputational or other harm.

3.6 Duty to creditors

If CEPI should come into financial difficulties, the Board Members' fiduciary duties may shift to include what is in the best interest of CEPI's creditors. In such cases, Board Members must carefully monitor CEPI's financial development, ensuring that CEPI is not continuing its activities after becoming insolvent, unless there are good grounds to believe that CEPI may survive the financial difficulties. Such grounds may for example be that all or some of the stakeholders give the Board Members sufficient comfort that they will support CEPI.

3.7 Other duties

The CEPI Board members shall not be entitled to receive compensation for their services as such; however, reasonable expenses of Board Members for attendance at CEPI Board meetings or otherwise directly incident to their duties as Board Members may be paid or reimbursed by the CEPI Association.