



Investors Council Terms of Reference

Approved by CEPI Board on 07.12.2022

1. INTRODUCTION

The CEPI Investors Council (“**Investors Council**”) is a permanent institutional body of the Coalition for Epidemic Preparedness Innovation (“**CEPI**”) and is established in accordance with CEPI’s Articles of Association (“**Articles**”).

The Articles set out the role of the Investors Council and how it relates to other governing bodies of CEPI.

These terms of reference (“**Terms**”) set out in more detail the functions, composition, operating guidelines and procedures for the Investors Council. In the event of a conflict between the Articles, as amended from time to time, and these Terms, the Articles shall prevail.

2. FUNCTIONS OF THE INVESTORS COUNCIL

The Investors Council shall consist of representatives from legal entities contributing to the general fund of CEPI (each an “**Investor**”), in accordance with Art. 11.1 of the Articles. The requirements and implications of Art. 11.1 in respect of Investors Council membership are explained further in section 3 below.

The Investors Council serves as a platform for engagement with other CEPI governance bodies. Investors Council communication shall not replace bilateral communication between Investors and CEPI when such is deemed appropriate, including as stipulated within financial contribution agreements between an Investor and CEPI (each an “**FCA**”).

As set out in Art. 11.3 and Art. 11.4, the Investors Council will

- Receive regular updates from CEPI Management, and conversely have the ability to share information with CEPI and among IC Members;
- Provide guidance to CEPI in areas relevant for management and oversight of CEPI activities, including tools necessary for monitoring progress and achievements;
- At each Investor’s own discretion, engage in resource mobilisation efforts and make active outreach towards potential new partners to CEPI, assisted by CEPI Management;
- Select four (4) members of the CEPI Investors Council to represent it and serve on the CEPI Board; and
- Review and approve investment proposals by CEPI’s CEO to commit CEPI funds exceeding MUS\$100.

Further details of how the Investors Council operates, its interactions with CEPI Management and the CEPI Board are set out at Section 4 below.

3. MEMBERS OF INVESTORS COUNCIL

3.1 Selection and membership requirements

In accordance with Art. 11.1, an Investor contributing to CEPI's general fund will be invited to join the Investors Council as a member (an "**IC Member**") for the duration of their binding financial commitment.¹

An Investor's membership of the Investors Council shall commence once:

- 3.1.1 a Financial Contribution Agreement (FCA) governing the relevant financial contribution to be provided to CEPI has been signed by the Investor and by CEPI with a first contribution payment deadline no later than three (3) months from the Effective Date²;
- 3.1.2 CEPI's Board has approved membership;
- 3.1.3 the Investor has confirmed in writing to CEPI Management that they wish to sit on the Investors Council as an IC Member and nominated an Appointed Representative (as defined below) to participate in Investor Council meetings and to receive documentation and/or other materials by completing the form attached as Annex 3;
- 3.1.4 CEPI's standard non-disclosure agreement ("**NDA**") concerning Board papers and other confidential or commercial information has been signed and delivered to CEPI Management by the Investor;
- 3.1.5 Investor's Appointed Representative has attended the current CEPI induction programme concerning conflicts of interest and confidentiality; and
- 3.1.6 CEPI's Declaration of Interest form, completed and signed by the Investor's Appointed Representative in compliance with CEPI's Policy for Managing Conflict of Interest, has been delivered to CEPI Management.

3.2 Rights of IC Members

All Members of the Investors Council will be treated equally in terms of membership, rights and privileges, regardless of the size and length of financial commitment, unless specified otherwise in these Terms.

Each IC Member will be entitled to appoint one (1) person (an "**Appointed Representative**") to represent them in the Investors Council and to vote on matters put to the Investors Council. An IC Member may, in addition, designate one additional representative as an observer to the Investors Council and/or one additional representative as an alternate to the Appointed Representative, in both cases by giving written notice to CEPI Management.

¹ CEPI Secretariat engages in dialogue with prospective IC Members concerning the timing of payments, subject to the requirements dictated by CEPI's Articles (in particular Art. 11.1 concerning the definition of CEPI's Investors Council) and the Norwegian law interpretation thereof.

² CEPI Secretariat starts a dialogue with Investor in good time to ensure efficient management of processes

An alternate designated by an IC Member shall be entitled to vote on behalf of that IC Member in Investors Council meetings. Before participating in any Investors Council meetings, all designated alternates must complete in their own name the steps required of the Appointed Representative at 3.1.5 and 3.1.6 above.

3.3 Term of membership for IC Members

The term of membership on the Investors Council will be determined by the duration of the IC Member's binding financial commitment under an FCA.

3.4 Investors Council Observers

For a maximum period of six (6) months, the following shall acquire observer status on the Investors Council:

- 3.4.1 A prospective Investor that makes a public or written commitment to support CEPI financially, but has not yet finalised an FCA;
- 3.4.2 An existing Investor that fails to pay an agreed contribution when it falls due in accordance with the payment schedule of the relevant FCA; and
- 3.4.3 An existing Investor, on expiry of Investors Council membership under an existing FCA and in direct continuation of that term of membership.

The six (6) month period of observer status for existing Investors under 3.4.3 above may be extended by a vote in favour with a two thirds (2/3) majority of IC Members.

Investors or prospective Investors with observer status shall be entitled to send a representative to attend and observe Investor Council meetings, always provided that the Investor and their representative have completed the steps required of the Appointed Representative and Investors at 3.1.4 to 3.1.6 above.

Observers shall not be entitled to participate in any groups, committees, or voting procedures (including elections conducted by the Investors Council), or receive copies of Board papers.

On expiry of the maximum observer status period an Investor shall no longer be entitled to attend Investor Council meetings, unless or until a further binding financial commitment to the CEPI general fund is entered into that entitles an Investor to membership on the Investors Council or the Investor that acquired observer status pursuant to 3.4.2 fully regularises all its payments overdue under the applicable FCA prior to the end of the six (6) months observer status period.

4 OPERATIONAL PROCEDURES

4.1 Investors Council Meetings

The Investors Council shall elect a Chair by a show of hands or the Investors Council's customary process, and may also choose to elect a Deputy Chair/s in the same way. The Chair (and any Deputy Chair/s) is elected for one term of up to two (2) consecutive years and may stand for re-election once in the same capacity. The Investors Council may however at any time during the term decide to change the Chair or Deputy Chair.

The frequency of Investors Council meetings shall be determined by the Investors Council but such meetings shall occur no less than annually, and preferably in connection with and directly preceding all CEPI Board

meetings.

Investors Council meetings may be convened in any of the following ways:

- 4.1.1 **Standard/regular meetings:** the Chair or CEPI Management may summon Investors Council meetings by not less than ten (10) business days' prior written notice;
- 4.1.2 **Exceptional circumstances:** The Chair or CEPI Management may, in exceptional circumstances, exercise their discretion to convene Investors Council meetings on shorter notice; or
- 4.1.3 Any three IC Members may jointly require the Chair to summon a meeting.

Meetings shall include an agenda specifying items for decision together with (to the extent appropriate) supporting materials.

If the circumstances so necessitate, or at the discretion of the Chair, meetings may be held by telephone conference, video conference or other electronic means, or by circulation of documents.

4.2 Voting procedures

If needed, voting may take place either physically or electronically in accordance with the procedures set out in Annex 1, attached.

Whether attending physically or electronically, there must be a quorum of at least fifty per cent (50%) of all IC Members for a vote to take place.

CEPI Management shall develop and maintain appropriate protocols for administering, ratifying and recording election results.

4.3 Approval of major investments

Pursuant to Art. 11.4 of the Articles, any single investment proposal by the Chief Executive Officer to commit CEPI funds exceeding the amount set out therein (as amended from time to time), shall be subject to the review and approval of the Investors Council before the final decision is made by the CEPI Board.

Such approval shall require a majority of the votes of the IC Members, who also represent more than half of the aggregate financial commitments of the Investors Council. In these Terms "Aggregate financial commitments" means: total contributions for previous strategic period/s (50% weighting) + total contributions for the current strategic period (100% weighting).

4.4 Interaction with CEPI Management

In addition to occasional in-person meetings, teleconferences, information distributed by email, video conferences or other forms of electronic meetings between the IC Members and CEPI Management will take place as appropriate.

CEPI Management will provide administrative support to the Investors Council and maintain formal records of decisions and other documentation relevant for the operation of the Investors Council and CEPI governance as a whole, including maintaining the formal roster of IC Members and their Appointed Representatives, and keeping records of Declaration of Interest forms and NDAs.

The Secretariat shall inform the Investors Council about any instances or credible allegations of fraud/corruption on a timely basis.

4.5 Interaction with CEPI Board

Subject to the discretion of the Board Chair, the Investors Council Chair, or in the absence of the Chair any Deputy Chair, will be provided with the opportunity to provide to the Board with a summary of the relevant discussions and any recommendations made by Investors at the preceding Investors Council meeting. These may include summaries of their discussions, divisions of opinion, or formal consensus on a recommended course of action, as well as any other advisory recommendations agreed to by the Investors Council.

Appointed Representatives shall receive Board documents at the same time as they are presented to the CEPI Board. Receipt of such Board documents is subject to the same rules and procedures as apply to other confidential documents received in connection with Investors Council membership. Failure to provide the Board documents to the Appointed Representatives does not invalidate the CEPI Board meeting.

From time to time, the Board Chair may join meetings of the Investors Council to speak directly with CEPI's investors.

4.6 Appointment of CEPI Board Members

4.6.1 Board seats

In order to bring diverse Investor perspectives into the Board, the Investors Council shall elect three (3) Board Members representing sovereign investors or international organisations (investing in CEPI) ("**Sovereign Investors**") and one (1) Board Member representing non-profit or non-governmental organisation investors ("**Foundation Investors**") to the CEPI Board, in accordance with Art. 6.3 of the Articles.

Sovereign and Foundation Investors shall as separate groups decide who they will select to sit on the Board, respectively.

Investors Council-appointed Board Members shall be guided by the rules and procedures applied to the CEPI Board as a whole, including as outlined in the Board charter.

4.6.2 Nomination

To nominate a representative for a seat on the Board, Investors must be full members (not observers) of the Investors Council both at the time the nomination is made and at the time the Board seat is assumed.

4.6.3 Election procedure

Elections shall be conducted electronically in accordance with the procedure set out in Annex 1, attached.

4.6.4 *Selection criteria*

In electing the Board Members, the Investors Council shall take into account the recommendations of the CEPI Board Nominations, Compensation, Diversity and Inclusion Committee as to the preferred competencies, qualifications and experience for CEPI Board Members at the point at which a new member is being elected. Investor Board members should add to the competencies of the Board overall. In addition to specific competencies at a given time, the following areas shall be considered when electing investor Board members

- Willingness to be active on the Board without formally representing the Investors Council.
- Ability to commit to active participation and contribution to the Board and Board committees
- Relevant experience on Boards and understanding of the role of the Board.
- Experience in relevant global health initiatives and understanding or ability to quickly understand the space CEPI operates in.
- Political support for CEPI's mission and active involvement in Resource mobilization activities.

4.6.5 *Term*

Investors Council elected Board members shall serve on the CEPI Board for a period of three (3) years and may stand for re-election once.

An IC Member's representative may be elected for a Board seat for a term exceeding that of the IC Member's term on the Investors Council under the FCA in place at the time of the election. However, continued service by the elected representative on the CEPI Board after expiry of that FCA is conditional on the Investor remaining an IC Member by signing a new FCA (committing one or more further contributions to the general fund of CEPI for the residual period of the Board term). In the event that a new FCA is not signed within three (3) months of the expiry of the FCA which was in place at the time of the Board member's initial election, the relevant IC Board member shall be deemed to have automatically resigned from the Board three (3) months following the expiry of such FCA and a new election shall be held in accordance with the procedures set out in Annex 1.

4.6.6 *Default nomination procedure*

If no Investors nominate a representative for election to a Board seat, the Investors Council may either (i) collectively propose an independent Board member or (ii) extend the nomination period and seek the advice of the CEPI Nominations, Compensation, Diversity and Inclusion Committee to recommend a member for the term in question.

4.6.7 *Replacement of elected Board Member*

An Investor represented on the Board may, by reason of unavailability of the elected representative or other necessity, once and on a temporary basis, nominate one alternative representative to attend one individual Board Meeting during their Board seat term.

If an elected board Member steps down from the Board during the term for which they were elected by the Investors Council, **this would trigger a new election process for the relevant Investor Board seat by the Investor Council.**

ANNEX 1: VOTING PROCEDURES AND PRINCIPLES

	Process	Formal vote 1 (election of IC officers and other topics requiring Appointed Representatives to revert to their organisations)	Formal vote 2 (Board seats and large investments approval)
Quorum	50% of all IC Members; show of hands basis voting	50% of all IC Members casting a formal vote	50% of all IC Members casting a formal vote
Required standard for vote to pass	Option that receives the most valid votes. (No requirement for more than 50% of votes cast).	Option that receives the most valid votes. (No requirement for more than 50% of votes cast).	Need to receive majority of more than (i) 50% of all valid votes cast; AND (ii) 50% of aggregate (binding) financial commitments; in order to pass.
Tie-break / inconclusive result	Chair (or in the absence of Chair, Deputy Chair) has casting vote.	Re-run of election after discussion	(for Board seats only) Runoff round with highest combined average of percentages as deadlock-ending mechanism set out below

Election process: Sovereign Investor Board seats, Foundation Investor Board seats, and large investment approvals

NOTE: Sovereign Investors and Foundation Investors do not vote in each other's elections. Foundation Investors use the process below unless unanimously agreed otherwise by the Foundation Investors who are Investors Council Members at the time of the relevant election.

General regulations

- a. For each election, CEPI Management will publish a timeline including the deadline for self-nomination, voting period and date by which results (or next steps) will be announced.
- b. To be eligible to vote and self-nominate, an Investor must be a full member of the Investors Council as of the expiry of the deadline for self-nomination (i.e., have entered into a written, effective FCA under which the Investor contributes to CEPI's general fund).
- c. When self-nominating, the Investor should also identify the individual (or individuals if a joint ticket) who is standing for election.
- d. Self-nominations should be relayed transparently and in full visibility of other members of the Investors Council (e.g. via the Investors Council list servers or the Microsoft Teams platform)
- e. Self-nominations should include a short biographical sketch which identifies the individual/s.
- f. If only one Investor has self-nominated, there will be no election. Assuming no objections are made by other IC Members in response to a call for objections by the Chair of the Investor Council, the self-nominated Investor will assume the position immediately for the relevant duration.
- g. Should more than one self-nomination be received by the deadline, an election will take place.
- h. Casting of votes will be conducted electronically to ensure anonymity.
- i. Each Investor has one vote in the initial round of voting (the **Initial Round**).
- j. An Investor may vote for themselves
- k. CEPI Management shall tally the votes. Abstentions, incomplete votes or votes cast after the stated deadline shall not be included in the tally of votes and will be considered invalid. CEPI Management shall without undue delay reveal the results of voting after each round.

Initial Round

- l. If a single candidate in a Board seat election receives an absolute majority (>50%) of both votes and aggregate financial commitments after the Initial Round, that candidate shall be declared the winner.

Runoff Round

- m. For Board seat elections, in the event of a result after the Initial Round in which no candidate receives an absolute majority (>50%) of both votes and aggregate financial commitments, a single second runoff round of voting (the **Runoff Round**) shall be conducted as follows:
 - n. CEPI Management reveals the result of the Initial Round.
 - o. All current candidates are requested to reconfirm their participation in the election.
 - p. For the second round of voting, for each candidate, CEPI Management calculates and averages the percentages for each candidate to one decimal point, by adding together and dividing by 2:
 - (i) the percentage of votes received by the candidate; and
 - (ii) the percentage of all financial contributions represented by the votes received by the candidate.
 - q. CEPI Management will declare the candidate with the highest combined average of percentages to be the winner of the election.

ANNEX 2: TEMPLATE ACCEPTANCE OF IC MEMBERSHIP AND STATEMENT OF MEMBERSHIP DUATION



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DRAFT TEMPLATE FOR MEMBERS OF THE CEPI INVESTORS COUNCIL

Name of the Legal Entity contributing to CEPI

Duration of commitment

Start date

End date

Name of primary contact Appointed Representative of the Legal Entity to the IC

Name

Email

Name of secondary contact of the Appointed Representative of the Legal Entity to the IC (if applicable)

Name of alternate contact of the Appointed Representative of the Legal Entity to the IC (if applicable)

By signing this form I hereby accept, on behalf of the Legal Entity, membership on the CEPI Investors Council for the duration of term specified in this form subject to and in accordance with CEPI's Articles of Association and the Investors Council Terms of Reference.

Signature

Name (BLOCK LETTERS)

Affiliation and position