

## **THE NATURE CONSERVANCY BOARD OF DIRECTORS INVESTMENT COMMITTEE CHARTER**

This Charter was adopted by the Investment Committee (“Committee”) of the Board of Directors (the “Board”) of The Nature Conservancy (the “Conservancy”) on February 14, 2022.

### **I. PURPOSE**

The Committee is an ad hoc committee of The Nature Conservancy Board of Directors and will assist the Board in its oversight responsibilities relating to the prudent management and investment of the Conservancy’s assets, consistent with the investment policies and objectives established in the Investment Policy Statement (“IPS”). These assets include the Long-Term Portfolio (endowment, long-term working capital and donor-advised funds), the Australia endowment, Planned Giving assets, and any other related investments where the Conservancy has an interest (e.g., FIDECO/Panama Trust, Blue Bonds Investments, and U.S. and International retirement plan assets).

In addition, the Committee will ensure that management employs investment personnel, including a Chief Investment Officer (“CIO”), and systems capable of providing day-to-day oversight, as well as timely and accurate information on the investment assets to key decision-makers.

### **II. COMMITTEE COMPOSITION**

The Board Chair, in consultation with the Governance, Nominating and Human Resources Committee, is responsible for the appointment of Committee members and Committee Chairpersons according to criteria that they determine to be in the best interest of the Conservancy.

The Committee should include some members with core competencies in investment management, asset allocation, risk management, general business acumen and rational judgement. It is anticipated that based on those skills and the inherent complexity of the Conservancy’s investments, Committee members may be assigned areas of focus to ensure that important investment topics are reviewed in sufficient depth by Board members.

It is recommended for there to be some overlap of membership between the Finance and Investment Committees.

The Committee may form subcommittees and delegate authority to them as it deems appropriate. As appropriate, the Committee may also delegate additional investment functions to the Conservancy’s CIO.

### **III. COMMITTEE MEETINGS**

The Chair of the Committee is responsible for developing, together with the CIO, the Committee’s agenda, and objectives, and for setting the specific agenda for Committee meetings. The Committee shall meet at least quarterly. A quorum shall consist of a majority of the Committee members and the Committee will take minutes of their meetings and provide copies to the Board for the official record.

As provided in Section 7 of TNC’s Bylaws, the Committee may transact business at an in-person meeting, by telephone or video conference call, fax, e-mail, or by any other method of communication in accordance with standard business practices. Actions necessary to fulfill certain responsibilities that are time-sensitive may be performed at any time throughout the year with the approval of a majority of the Committee members. Members are expected to vote (or abstain) whenever a vote is requested. If a Committee member

is unable to attend a meeting or conference call, he or she should provide comments in advance to the Chair and/or the CIO.

#### **IV. AUTHORITY**

In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Conservancy. The Committee has the power to retain outside counsel or other advisors to assist it in carrying out its activities. The CIO and/or the CFAO has the authority to retain or terminate, and to approve fees or other compensation to, any non-legal advisor, and the General Counsel has the authority to retain or terminate, and to approve fees or other compensation to, outside counsel. Compensation for outside advisors to the Committee shall be paid by the Conservancy.

#### **V. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide for fulfilling the Committee's purposes, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time.

The Committee will carry out the responsibilities delegated to it in the IPS. Key responsibilities include but are not limited to:

- Setting investment objectives, by fund type
- Establishing performance objectives and benchmarks
- Devising the asset allocation strategy
- Restricting investments, as necessary
- Where and if necessary, selecting, monitoring, and replacing third-party advisors and consultants of the portfolio for effectiveness and appropriateness of responsibilities.
- Approving new investment managers
- Monitoring the investment funds' performance, including the impact on the company's policies and guidelines.
- Other responsibilities, as specified in the IPS

To fulfill these responsibilities, the Committee members shall:

- Understand the Conservancy's investment goals and how they support the Conservancy's mission.
- Fulfill their duties solely on behalf of the Conservancy's mission and consistent with their fiduciary duties to the Conservancy.
- Act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

#### **VI. CONFLICT OF INTEREST PROCEDURES**

Committee members will adhere to Conservancy's Code of Conduct, Conflict of Interest Policy, Conflict of Interest Standard Operating Procedure (the "Conflicts SOP"), and policies and procedures relating to treatment of confidential information. In furtherance of the foregoing, Committee members will follow the following procedures with respect to their service on the Committee:

- Investments by the Conservancy
  - Duty to Disclose. If a Committee member or, to the extent said member could be reasonably expected to have knowledge, another Covered Person (as defined in the Conflicts SOP) related to that Committee member, has an actual or possible “Reportable Investment” or “Reportable Interest” in an entity or vehicle in which the Conservancy desires to invest or to dispose of an investment, then the relevant Committee member shall disclose the existence and nature of the interest to the Committee Chair. A “Reportable Investment” is ownership of more than five percent of the outstanding stock of an entity, if the stock trades on an established market, or any interest in an equity or vehicle that does not trade on an established market. A “Reportable Interest” is a relationship with the issuer of the investment, such as a familial or employment relationship.
  - Duty of Recusal. The Committee member that disclosed a Reportable Investment or Reportable Interest shall not participate in the discussion or vote with respect to whether the Conservancy should purchase, hold, sell such investment.
  - Record of Events. The minutes of the Committee shall reflect any identified or potential Reportable Investment or Reportable Interest, the steps taken upon disclosure, and the names of the individuals who recused themselves due to the conflict.
  - Failure to Disclose. If a Committee member, Director or Officer of the Conservancy has reasonable cause to believe that a member of the Committee has failed to disclose a Reportable Investment or a Reportable Interest, he or she shall so inform the Committee Chair, who shall then inform the interested Member of the basis of such belief and afford the interested Member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Member and making such further investigation as may be warranted in the circumstances, the Committee determines that the interested person has in fact failed to disclose a Reportable Investment or Reportable Interest, the Committee may take appropriate steps to protect the Conservancy.
  
- Investments by Committee Members
  - Committee Members will maintain confidentiality of information concerning investment strategies and recommendations, holdings, and transactions, and will not use any confidential or proprietary information for their own behalf or enrichment.
  - No Committee member will trade or recommend others to trade while in receipt of material non-public information.
  - No Committee member will purchase or sell an investment to the detriment of the Conservancy.