

# Finance Committee Charter

*Adopted October 24, 2007 / Effective January 24, 2008*



Robert Wood Johnson Foundation

## **I. PURPOSE**

The purposes of the Finance Committee (the “Committee”) of the Board of Trustees (the “Board”) of the Robert Wood Johnson Foundation (the “Foundation”) are to provide oversight of, and periodically review, the financial activities of the Foundation.

## **II. RESPONSIBILITIES AND DUTIES**

The Committee shall have the following responsibilities:

- Recommend for approval by the Board policies regarding the appropriate levels of aggregate programmatic and operational expenditures, with regard to the actual and reasonably anticipated investment performance of the Foundation’s endowment, the Foundation’s obligations under federal tax laws, the impact of multiyear grants and all other factors as the Committee deems appropriate.
- Periodically review such policies and underlying assumptions in light of prevailing and potential financial and economic conditions including, without limitation, the historical performance of the Foundation’s investment portfolio and the Foundation’s liquidity requirements, and recommend any modifications thereto.
- Review and recommend for approval by the Board, annual and other budgets (including capital expenditure budgets) prepared by management and such other financial projections, plans and estimates as the Committee deems appropriate.
- Review, from time to time, the financial condition, liquidity and operations of the Foundation as against budget; recommend for approval by the Board any material modifications to an approved budget; and authorize other appropriate action in response to variations thereto.
- Review and recommend to the Board (to the extent not authorized by an approved budget):
  - capital expenditures and dispositions of material capital assets;
  - any borrowings, including any guarantees or other credit or liquidity support;
  - redemptions, defeasances and other methods of reducing outstanding indebtedness; and
  - other significant financial policies and practices (other than policies and practices delegated to the Investment Committee or another committee).
- Periodically evaluate the performance of and returns on approved capital expenditures.

## **III. COMPOSITION**

The Committee shall consist of not fewer than three members of the Board, appointed annually by the Board. At least one member of the Committee shall serve also as a member of the Investment Committee. The President and Chief Executive Officer shall be a member of the Committee without voting rights. The Foundation may not pay compensation to any of the members of the Committee (other than any Committee members who are employees of the Foundation) except the fees that they receive for service as a member of the Board or any committee thereof. The Committee may form, and delegate its authority to, subcommittees, as it deems appropriate. The Board may appoint the Committee’s Chairperson, but if the

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Board has not appointed a Chairperson, the Committee shall elect a Chairperson from among its members.

## **IV. MEETINGS**

The Committee shall meet at least quarterly and more frequently as circumstances require or as the Chairperson or as any two Committee members may request. The Chairperson shall set the agenda for each meeting in consultation with the Chief Financial Officer and Chief Investment Officer of the Foundation. The Committee may request that any Trustees, Officers, employees, agents or advisers of the Foundation, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee and/or provide such pertinent information as the Committee requests.

## **V. OUTSIDE ADVISERS**

The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisers and to take such other action as it may deem appropriate. All fees and expenses authorized by the Committee shall be promptly paid by the Foundation.