

GLEBE ADMINISTRATION BOARD

ASSET AND LIABILITY COMMITTEE CHARTER

Context and Overall Purposes

The Glebe Administration Board (the “Board”) is the trustee and manager of the property held on the trusts set out in the *Diocesan Endowment Ordinance 1984* (the “Diocesan Endowment”).

As trustee and manager, the Board must invest the property of the Diocesan Endowment in accordance with the general objective specified in clause 2 of the *Glebe Administration Ordinance 1930*, namely, to preserve the real value of the property and provide a reasonable income there from.

The Board is responsible for determining the investment objective and strategy for the property of the Diocesan Endowment, for developing policies to manage risk, for appointing external agents, for authorising investments, and for monitoring performance against agreed performance objectives. Day to day responsibility for managing the investment of such property is undertaken on behalf of the Board by staff of Sydney Diocesan Secretariat (“SDS”).

To assist the Board and staff of SDS in undertaking their respective functions, the Board has appointed an Asset and Liability Committee (“ALCO”) which has the following overall purposes –

- to review and make recommendations to the Board in connection with the investment of the property of the Diocesan Endowment, and
- to oversee by way of monitoring the work of the staff of SDS external managers and service providers, and external advisors in implementing the decisions of the Board in relation to the investment of such property, and to report thereon to the Board.

The specific roles and responsibilities of ALCO are set out in this Charter.

Structure and Membership of the Committee

The members of ALCO are –

- 3 members of the Board appointed by the Board,
- such other members (who need not be members of the Board) as may be appointed by the Board.

The chairman of ALCO (the “Chairman”) is the person appointed by the Board. The chairman of the Board is not to be the Chairman.

Powers of ALCO

In performing its roles and responsibilities ALCO may –

- request reports on any matter associated with the investment by the Board, and
- access any relevant records of the Board (including its subsidiaries and related entities), and
- with the approval of the Board, retain outside consultants to advise it at the expense of the Board, and
- review specific transactions, at its discretion, according to such criteria as it determines from time to time.

Roles and Responsibilities

Charter

- Be familiar with this Charter and undertake the roles and responsibilities specified herein.

- Make recommendations to the Board from time to time about changes to this Charter to better enable ALCO to fulfil its overall purposes.

Diocesan Endowment

Investment Objective & Strategy

- Be familiar with the principal ordinances relevant to the investment of the Diocesan Endowment (being the *Glebe Administration Ordinance 1930* and the *Diocesan Endowment Ordinance 1984*), and the Investment Policy Statement for the Diocesan Endowment approved from time to time by the Board.
- Review and make recommendations to the Board about –
 - the investment objectives of the Diocesan Endowment, and
 - the risk tolerance parameters, and
 - the strategic asset allocations for investments of the Diocesan Endowment, and
 - the permitted asset class ranges for investments of the Diocesan Endowment.
- Make recommendations to the Board about changes to the Investment Policy Statement.

Distribution Policy

- Review and make recommendations to the Board about the appropriateness of the distribution policy applying from time to time to the Diocesan Endowment having regard to the investment objective, and suggest changes where considered necessary.

Risk

- Review and make recommendations to the Board about the policies and procedures for the identification, measurement and management of risks associated with the investment of the Diocesan Endowment, and the parameters within which such risks are to be prudently managed.
- Monitor the implementation of such policies and procedures.

Investments and performance standards

- Review proposals for investments and make recommendations to the Board.
- Review and make recommendations to the Board about the performance standards to be adopted for the investment of the Diocesan Endowment.

St Andrew's House

- Review and make recommendations to the Board about the investment of the Diocesan Endowment in St Andrew's House.

Lending and Deposit-taking Activities

- Review and make recommendations to the Board in connection with the objectives and strategy for the lending and deposit-taking activities of the Board.
- Review and make recommendations to the Board about the policies and procedures for the identification, measurement and management of risks associated with the lending and deposit-taking activities of the Diocesan Endowment and the parameters within which such risks are to be prudently managed. Such risks include –
 - (a) liquidity risks, and
 - (b) cash management risks, and
 - (c) interest rate risks, and
 - (d) credit risks, and
 - (e) lending risks, and
 - (f) security risks,
 - (g) operational risks, and
 - (h) regulatory risks.

- Monitor the implementation of such policies and procedures.
- Review, approve or make recommendations to the Board about proposals for the making of loans, in accordance with the Board's lending policies and delegated authorities from time to time.
- Review and make recommendations to the Board about the provision of liquidity and standby facilities from external financial institutions, and monitor the management of relationships with such institutions.

External Agents

- Review proposals for, and make recommendations to the Board about, proposals for the appointment of external agents for the Diocesan Endowment, including (where appropriate) –
 - asset consultants, and
 - investment managers,
 - accounting services.
- In particular, review and make recommendations to the Board about the terms of appointment of such agents, including remuneration, scope of services and the appropriate key performance indicators by which the performance of external agents is to be measured.

Delegations

- Review and make recommendations to the Board about the delegation of authorities given by the Board to ALCO, external agents and management in connection with the investments of the Diocesan Endowment and its lending and deposit-taking activities.

Monitoring Compliance and Performance

- Monitor compliance from time to time with the provisions of the *Glebe Administration Ordinance 1930*, the *Diocesan Endowment Ordinance 1984* and any other ordinance relevant to the investment of the Diocesan Endowment.
- Monitor the performance of the Diocesan Endowment having regard to the investment objective and strategy, and performance standards adopted by the Board, including the investment of the Diocesan Endowment in St Andrew's House.
- Monitor compliance with the policies and procedures for the identification, measurement and management of the risks associated with the investment of the Diocesan Endowment and the lending and deposit taking activities of the Endowment.
- Monitor the performance of external agents and service providers in accordance with the terms of the Board policies, objectives and terms of appointment.

Generally

- Report to the Board any matters which ALCO considers should be considered by the Board or another committee thereof.
- Consider and report on any other matter referred to ALCO by the Board.

Meetings of the Committee

ALCO will meet monthly or less frequently as determined by its Chairman, or upon the request of any 2 of its members.

The CEO is to attend meetings of ALCO, subject to the right of the committee to request that any part of its business be considered in the absence of the CEO.

The Chairman may invite any officer or employee of the Board to attend a committee meeting, after consultation with the CEO.

The Secretary of ALCO will be the Secretary of the Board.

The Secretary will circulate the agenda and supporting documentation to the members within a reasonable time before each meeting.

A quorum shall be a majority of the members of ALCO including at least 2 Board members.

ALCO may meet by telephone or video conference. In the absence of a meeting, ALCO may take action with the written consent of all its members provided such action is minuted at the next meeting.

The minutes from each meeting of ALCO are to be submitted by the Chairman to the following Board meeting.

Evaluating Performance

The Committee will evaluate its performance, and the performance of each of its members, annually and report to the Board.

Review of Charter

The Committee will review its charter no less frequently than every second year and make recommendations for change to the Board.

Approved by the Board

Date