



THE AMERICAN NATIONAL RED CROSS
CHARTER OF THE
BOARD OF TRUSTEES OF THE ENDOWMENT FUND

I. PURPOSE

Section 9 of the Congressional Charter of The American National Red Cross (the “Corporation”) provides for the endowment fund of the Corporation (the “Endowment Fund”) to be kept and invested under the management and control of a board of trustees (the “Board of Trustees of the Endowment Fund” or “Board of Trustees”) elected by the Board of Governors (the “Board”) of the Corporation.

The Board has determined that it is necessary and advisable and in the best interests of the Corporation, in addition to and without limiting the foregoing, also to delegate and assign to the Board of Trustees the powers, authority and responsibilities to oversee investment assets of the Corporation in addition to the Endowment Fund (the “non-endowed investment assets”), but excluding the assets of the nationally-sponsored funded employee benefit plans and programs of the Corporation that are subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and to the extent set forth in this Charter. The Board of Trustees of the Endowment Fund also may be considered and known as the investment committee for the non-endowed investment assets of the Corporation.

The purpose of the Board of Trustees is to (A) oversee the endowed and non-endowed investment assets of the Corporation with the exception of the nationally-sponsored funded employee benefit plans and programs of the Corporation that are subject to ERISA; (B) approve, monitor and oversee an Endowment Fund Derivatives Policy to govern the use of derivatives by the Red Cross with respect to the Endowment Fund and the other investment assets of the Corporation which the Board of Trustees oversees, which shall be consistent with the Omnibus Corporate Derivatives Policy established by the Board of Governors to provide a framework for the use of derivatives by the Corporation; and (C) exercise and otherwise discharge its powers, duties and responsibilities as are provided in the Congressional Charter and, to the extent not inconsistent with the Congressional Charter, such powers, duties and responsibilities as may be delegated and assigned to the Board of Trustees in the Bylaws of the Corporation or by the Board.

The Board of Trustees is a Board-appointed body.

II. COMPOSITION

The Board of Trustees shall be composed of at least three but not more than nine members, with such specified number of members as the Board shall fix by resolution from time to time. Each member shall be entitled to one vote on each matter submitted to a vote of the Board of Trustees. All members of the Board of Trustees shall be appointed by the Board, upon recommendation of the Governance and Board Development Committee of the Board (the “Governance Committee”), which shall have responsibility for the recruitment and nominations of members of the Board of Trustees. The Board of Trustees shall be composed of (A) at least two members of the Board, and (B) outside industry representatives, as needed, with the qualifications as described in Section III below.

All members of the Board of Trustees shall be appointed and subject to removal as a member of the Board of Trustees (including a member of the Board of Trustees who is a member of the Board) by a vote of a majority of the total number of members of the Board that the Board would have if there were no vacancies on the Board and shall meet the independence standards adopted from time to time by the Board. The Board shall appoint a Chair of the Board of Trustees from among its members who is also a Board member and who shall preside at meetings of the Board of Trustees and shall have such other powers, duties and responsibilities as the Board of Trustees may determine from time to time, in each case to the extent they are not inconsistent with this Charter, the Bylaws of the Corporation or applicable law.

III. QUALIFICATIONS OF OUTSIDE INDUSTRY REPRESENTATIVES

The composition of the Board of Trustees should reflect a balance of experience, background and investment expertise. Outside industry representatives shall be individuals who have the following qualifications:

1. Understand and support the mission of the Corporation.
2. Understand the Corporation's investment goals, policies and strategies.
3. Understand the cash flow of the Endowment Fund and the other investment assets subject to oversight by the Board of Trustees, both as to sources of funds and distributions of funds.
4. Possess a high level of credibility within the business and investment management community and be able to work constructively as part of a dynamic group.
5. Understand their fiduciary responsibilities and the potential liabilities of serving on the Board of Trustees.
6. Possess investment expertise with a comparably-sized asset base and a sound understanding of asset allocation, manager selection and performance monitoring.
7. Have experience in at least one of the following areas:
 - (a) senior endowment management and investment experience;
 - (b) senior pension and retirement plan management and investment experience;
 - (c) senior financial industry experience; or
 - (d) experience as an analyst or investment or portfolio manager for banks, investment banks, mutual funds, hedge funds, private equity funds, institutional portfolios or other investment companies or financial institutions or entities.
8. Meet the standards of conduct set forth in the Code of Business Ethics and Conduct and annually execute a Certification of Commitment to the Code of Business Ethics and Conduct and Conflict of Interest Questionnaire.

IV. TERM OF OFFICE

The term of office of each member of the Board of Trustees shall be three years, except as set forth in points 1 and 2 below and except that any member of the Board of Trustees appointed by the Board to fill a vacancy arising before the expiration of its term may, as determined by the Board, serve for the remainder of that term. Except as may otherwise be determined from time to time by the Board, no person may serve as a member of the Board of Trustees for more than three consecutive terms of office, and such person shall not be eligible for reelection to the Board of Trustees, (regardless of the number of years comprising all terms of office with the following limited exceptions:

1. A member of the Board of Trustees who was initially elected to the Board of Trustees as an outside industry representative and was then later elected to the Board may serve additional terms on the Board of Trustees up to the conclusion of their last Board term.
2. The term of office of a member of the Board of Trustees who is appointed to the Board of Trustees to fill a vacancy shall not constitute a term of office for purposes of this sentence if such term of office is less than 12 months

The term of office of each member of the Board of Trustees who is a member of the Board shall end on the expiration or termination of such member's term on the Board. Any such expiration or termination shall immediately terminate that member's membership on the Board of Trustees (without further action by the Board or any committee thereof).

V. MEETINGS

The Board of Trustees shall meet as often as it determines is appropriate to carry out its responsibilities. Each member of the Board of Trustees shall be notified promptly following the adoption of such schedule and no additional notice of such regular meetings shall be necessary. Special meetings of the Board of Trustees shall be called at the request of the Chair of the Board of Trustees or any other member of the Board of Trustees or the Board. Notice of each special meeting of the Board of Trustees shall be given to each member of the Board of Trustees by mail, fax or email to the member's residence or usual place of business upon reasonable notice before the meeting, or shall be given personally or by telephone, in each case not later than twenty-four (24) hours before the meeting is to be held, or on such shorter notice as the person or persons calling such meeting may deem necessary or advisable in the circumstances. This notice may be waived, either before or after the meeting, by oral or written agreement of a member or by a member's attendance at the meeting without objecting prior to or at its commencement (or promptly upon arrival). Any special meeting of the Board of Trustees shall be a validly constituted meeting even without any notice thereof having been given if all the members of the Board of Trustees shall be present at the meeting and no member shall object to the lack of notice to such member prior to or at the meeting's commencement (or promptly upon arrival).

All meetings of the Board of Trustees shall include an executive session with only members of the Board of Trustees present. Any action required or permitted to be taken at any meeting of the Board of Trustees may be taken without a meeting if all members of the Board of Trustees consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Trustees.

VI. QUORUM

A majority of members of the Board of Trustees shall constitute a quorum. The act of a majority of the Board of Trustees members present at a meeting at which a quorum is present shall be an act of the Board of Trustees.

VII. AUTHORITY AND RESPONSIBILITIES

In furtherance of the purpose of the Board of Trustees, the Board of Trustees shall have the following authority and responsibilities:

1. Oversee the management and control of (i) the Endowment Fund, and (ii) other non-endowed investment assets of the Corporation as described in this Charter.
2. Approve investment policies (including asset allocation targets) for the Endowment Fund and other non-endowed investment assets of the Corporation subject to the oversight of the Board of Trustees and make regular reports of such matters to the Board. Investment policies will consider fund objectives, constraints and risk tolerance.
3. Delegate to the Chief Executive Officer of the Corporation or his or her designee, authority and responsibility for the selection and retention of investment managers and for the investment, sale, reinvestment and management of monies and properties in the Endowment Fund and other non-endowed investment assets subject to the oversight of the Board of Trustees, which shall be kept, sold, invested and reinvested in accordance with such investment policies and objectives, as shall from time to time be directed by the Board of Trustees, subject, in all cases, to compliance with any limitations or restrictions imposed by the donor of such money or property.
4. Adopt a spending policy for the Endowment Fund and review and recommend Board approval of the annual spending distribution for the Endowment Fund and any special distributions each as proposed by management of the Corporation.
5. Monitor the investment performance of the Endowment Fund and other non-endowed investment assets subject to the oversight of the Board of Trustees, including in relation to benchmarks and spending requirements, and make regular reports to the Board.
6. Monitor the process for the selection of investment managers for the Endowment Fund and other non-endowed investment assets by management of the Corporation.
7. Monitor expenses and fees of all investment programs subject to the oversight of the Board of Trustees.
8. Approve, monitor and oversee an Endowment Fund Derivatives Policy to govern the use of derivatives by the Red Cross with respect to the Endowment Fund and the other investment assets of the Corporation which the Board of Trustees oversees, which shall be consistent with the Omnibus Corporate Derivatives Policy established

by the Board of Governors to provide a framework for the use of derivatives by the Corporation.

9. Keep minutes of its meetings and report its actions to the Board regularly and as requested, and present to the Board such reports as are requested by the Board or as are deemed necessary or advisable by the Board of Trustees.
10. Retain such outside counsel, experts and other advisors as the Board of Trustees may deem necessary or advisable. The Board of Trustees shall have authority to approve related fees and retention terms.
11. Have such other authority and responsibilities as may be provided in the Bylaws of the Corporation or may otherwise be assigned to the Board of Trustees by the Board, in each case, to the extent they are not inconsistent with the Congressional Charter, the Bylaws of the Corporation or this Charter.
12. Perform any other activities consistent with this Charter, the Bylaws of the Corporation and applicable law, as the Board of Trustees deems necessary or advisable.

VIII. EVALUATION

The Board of Trustees shall conduct an annual evaluation and report the results of such review to the Governance Committee. In connection with the annual review, the Board of Trustees may also recommend to the Governance Committee for approval by the Board any modifications of this Charter that the Board of Trustees deems necessary or advisable.

Reflects Board Actions through June 15, 2017