



**Title:** TRUST COMMITTEE CHARTER

**Committee Name:** Trust Committee

**Short Name:** TrustCom

**Nature:** BSP-required Board-level Committee (per BSP Cir. No. 766)

**Responsibility Statement:** The TrustCom is a special committee which reports directly to the Board of Directors and is primarily responsible for overseeing the fiduciary activities of the Bank.

**Duties & Responsibilities:** In discharging its function, the TrustCom shall:

1. Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations and prudent practices;
2. Ensure that policies and procedures that translate the Board's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;
3. Oversee the implementation of the risk management framework and ensure that internal controls are in place relative to the fiduciary activities;
4. Adopt an appropriate organizational structure/staffing pattern and operating budgets that shall enable the Bank's Trust Division to effectively carry out its functions;
  - a) Oversee and evaluate the performance of the Trust Officer;
  - b) Conduct regular meeting at least once every quarter or more frequently as necessary depending on the size and complexity of the fiduciary business; and
  - c) Report regularly to the Board of Directors on matters arising from fiduciary activities.

The TrustCom may, through its Chairperson, avail of legal assistance for the review of proposed and/or existing trust and fiduciary agreements and documents in the handling of legal and tax matters

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related to the Bank's trust and other fiduciary business.

**Membership  
Composition &  
Qualification:**

The TrustCom shall be composed of at least five (5) members including the President or any Senior Officer of the Bank and the Trust Officer. The remaining committee members, including the Chairperson, may be any of the following:

1. *Non-Executive Directors* or those who are not part of the day-to-day management of the Bank's operations including membership in the Executive Committee nor part of the Audit Committee; or
2. *Independent Directors* as defined under existing BSP/SEC rules and regulations who are not part of the Audit Committee; or
3. *Qualified Independent Professionals* or those who are:
  - a. Not Directors/Officers/Employees of the Bank during the last twelve (12) months counted from the date of committee membership;
  - b. Not relatives within the fourth (4<sup>th</sup>) degree of consanguinity or affinity, legitimate or common-law of any executive director or those involved in the day-to-day management of the Bank's operations or officers of the Bank;
  - c. Not engaged or does not engage in any transactions of the Bank whether by himself or with other persons or through a firm of which he is a partner, other than transactions which are conducted at arms-length and could not materially interfere with or influence the exercise of his judgment.

Said Independent Professional may be appointed as a TrustCom member of other banks/NBFIs that belong to the same financial conglomerate group.

In case of more than five (5) Trust Com membership, majority shall be composed of qualified non-executive members.

The TrustCom members shall be appointed annually by the Board of Directors.

The TrustCom members shall, in addition to meeting the qualification standards prescribed for directors and officers and for qualified Independent Professionals, possess the necessary technical expertise and relevant experience which may be indicated by any of the following:

1. At least one (1) year of actual experience (i.e. exposures in trust operations either as an officer of a trust entity or member of a trust committee) in trust, other fiduciary business or investment management activities;
2. At least three (3) years of professional experience in relevant field such as banking, finance, economics, law and risk management;
3. Completion of at least ninety (90) training hours on trust, other fiduciary business or investment management activities acceptable to the BSP; or
4. Completion of a relevant global or local professional certification program.

A TrustCom member should be familiar with Philippine laws, rules and regulations on trust business as well as uphold at all times ethical and good governance standards.

Except for the President and the Trust Officer who are required to be members of the Trust Committee under existing BSP rules, each member shall serve for a maximum tenure of nine (9) years to be reckoned starting 2018. Any extension beyond 9 years shall be duly justified and subject to the approval of the Board of Directors.

**Quorum/**

**Majority Votes:**

The presence of majority of the members shall constitute a quorum. Any decision or resolution by the TrustCom shall have the affirmative vote of the majority of its members present.

**Meetings:**

The TrustCom shall meet on a quarterly basis and as the need arises either in person or through email communication, teleconference or videoconference, on such date and venue upon the call of the Chairman and shall be supported by the Trust Division. In the absence of the TrustCom Chairman, another non-executive/independent director or independent professional shall preside.

**Performance Review:** The TrustCom shall evaluate/assess its performance at least annually within the first quarter of the year, preferably during the January Board meeting. The results of which shall be submitted/reported to the Compliance Office for the Corporate Governance Committee's endorsement to the Board for notation during the following month's Board meeting.

**Charter Review:** This TrustCom Charter shall be reviewed and/or updated at least annually and as soon as necessary to ensure its continuing effectiveness and alignment with existing rules and regulations subject to the Board of Directors' approval upon the TrustCom's endorsement.

**Reporting to the Board:** Monthly for trust performance reports and items for approval or notation, on a per need basis. Quarterly for the notation of TrustCom minutes and other items previously approved by the TrustCom.

**Interaction with Other Board/ Management Level Committees** As needed

*Updated October 2020; Board approved last November 19, 2020*