

Revised Trust Committee Charter

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PREAMBLE

The Trust Committee of Rizal Commercial Banking Corporation (“Bank”) was constituted by the Board of Directors pursuant to the provisions of its By-laws, the Corporate Governance Manual, and Part 4 of the BSP Manual of Regulations for Banks (“MORB”).

As prescribed in the MORB governing Trust, Other Fiduciary Business and Investment Management Activities of banks, the Board of Directors is primarily responsible for the proper administration and management of the bank’s trust, other fiduciary business and investment management activities, based on the cardinal principle of fidelity to the client’s interest. As such, the bank through its Board of Directors shall implement policies which shall be directed towards the observance of prudent administration, undivided loyalty and utmost care, non-delegation of responsibilities, preserving and protecting property as well as keeping and rendering accounts. Practices shall be carried out in accordance with the BSP prescribed Basic Standards and Risk Management Guidelines for trust, other fiduciary and investment management accounts.

This Trust Committee Charter (“Charter”) sets out the roles, responsibilities and authority of the Trust Committee (“Committee”) and the rules of procedure that will guide the functions of the Committee.

1. GENERAL PURPOSE AND SCOPE OF AUTHORITY

- 1.1 The Board of Directors is primarily responsible for the proper administration and management of the Bank’s trust, other fiduciary business and investment management activities.
- 1.2 The Board of Directors shall constitute the Committee which shall be primarily responsible for overseeing the Trust business of the Bank.

2. CREATION (SOURCE OF AUTHORITY)

- 2.1 The Committee shall be governed by BSP Manual of Regulations, particularly Part 4 which contains regulations governing Trust, Other Fiduciary Business and Investment Management Activities of banks.
- 2.2 In the performance of its duties, the Committee shall be guided by the Bank’s By-laws and Corporate Governance Manual.
- 2.3 The Committee shall comply with Philippine laws, rules and regulations on the Trust business.

3. COMPOSITION AND QUALIFICATIONS

- 3.1 The Committee shall be composed of at least five (5) members.
- 3.2 The Committee shall be composed of the President, the Trust Officer and three (3) Directors appointed by the Board of Directors, who are not part of the day-to-day management of banking operations and are not members of the bank’s Audit Committee or those who may be qualified to be appointed as such under existing BSP regulations.

- 3.3 The members of the Committee shall be appointed by the Board of Directors on an annual basis. Replacements for any members of the Committee shall also be designated by the Board of Directors.
- 3.4 The Committee Chairperson shall be duly appointed by the Board of Directors from among the three Directors-members.
- 3.5 The Committee shall be staffed by persons of competence, integrity and honesty. In addition to the qualification standards prescribed for directors and officers of banks, the members of the Committee shall possess the necessary technical and relevant experience in the Trust business. Members of the Committee should be familiar with Philippine laws, rules and regulations on the Trust business and uphold at all times ethical and good governance standards.

4. MEETING, QUORUM, VOTING REQUIREMENTS

- 4.1 The Committee shall determine the day and time of its meetings, provided that a regular meeting shall be held at least once a month.
- 4.2 The meetings shall be presided by the Committee Chairperson or in his absence a delegated alternate.
- 4.3 Attendance of at least three (3) members shall constitute a quorum.
- 4.4 Meetings may be in person or by conference call, in accordance with relevant laws and regulations.
- 4.5 The notice and agenda of the meeting will include relevant supporting papers and will be sent to the Committee members in advance.
- 4.6 Actions taken or approved by the Committee shall require a majority vote of the members present.

5. DUTIES AND RESPONSIBILITIES

The Trust Committee shall be primarily responsible for overseeing the fiduciary activities of the Bank through the determination, formulation, implementation and periodic review of the general policies and guidelines which will govern the bank's trust business, including but not limited to:

- 5.1 Ensuring that fiduciary activities are conducted in accordance with applicable laws, rules and regulations and prudent practices
- 5.2 Ensuring that policies and procedures that translate the Board's objectives and risk tolerance into prudent operating standards are in place
- 5.3 Overseeing the implementation of the risk management framework to ensure that internal controls are in place
- 5.4 Adopting an appropriate organizational structure/staffing pattern and operating budgets that enable the trust organization to effectively carry out its functions

- 5.5 Overseeing and evaluating the performance of the Trust Officer
- 5.6 Approval of recommendations of management on the investment, reinvestment, disposition and other transactions involving funds or properties held in trust, investment management or other fiduciary capacity
- 5.7 Conducting regular meetings and reporting regularly to the Board of Directors on matters arising from fiduciary activities
- 5.8 Performing other responsibilities as may be delegated by the Board of Directors

6. REPORTING

- 6.1 The Committee shall report on a monthly basis to the Board of Directors.
- 6.2 The Committee Secretariat shall prepare the minutes of the meeting for the Committee's approval. The minutes shall be approved and confirmed by the Committee at its subsequent meeting.
- 6.3 The minutes of the Committee's meetings shall be submitted to the Board of Directors, for notation, confirmation, ratification and approval of the acts and proceedings set forth in said minutes.
- 6.4 Minutes of meetings of the Committee that specify opinions and official actions of the Committee on various matters shall be disclosed to the Board of Directors.

7. SELF ASSESSMENT

- 7.1 The Committee shall conduct a self-assessment of its performance at least once annually.

8. CHARTER AMENDMENTS

- 8.1 The Committee shall from time to time assess the adequacy of the Charter and recommend changes thereto to the Board.
- 8.2 The Committee Charter shall be approved by the Board of Directors and reviewed and updated at least annually or whenever there are significant changes therein.