

MEMBERSHIP

Committee Position	Designated Member
Chairman	Jesli A. Lapus
Regular Members	Edmund A. Go
	Fabian S. Dee
	Philip G. Soliven
	Leandro Antonio G. Santillan
Secretary	Jasmine E. Navarra

CHARTER

Committee Name	Trust Committee
Short Name	TRUSTCOM
Nature	Board Level Committee
Responsibility Statement	The Trust Committee 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	<p>In discharging its function, it shall have the following duties and responsibilities:</p> <ol style="list-style-type: none">1. Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices.2. Endorse to the Board for approval the following:<ol style="list-style-type: none">a. Creation of new products and amendments to DOT of existing UITF products involving the following:<ul style="list-style-type: none">• Investment objective and/or strategy• Risk profileb. Termination of productsc. Authorized TBG signatoriesd. External audit reports of TBG3. Approve the following:<ol style="list-style-type: none">a. Amendments to DOT of existing UITF products that are favorable to the interest of the client or do not affect the rights or obligation of the partiesb. Accreditation of issuers, the initial and any increase on the investment to be made, and subsequent reinvestment

and disposition of funds or property should there be changes on the terms and conditions, risk exposure or rating on the part of the issuer

- c. Policies that translate the Board's objectives and risk tolerance into prudent operating standards
- d. Directional investments that are outside the TBG Investment Universe
- e. Related Party Transactions that are reportable to RPTMC/RPTC
- f. Trader Limits/Exposure Limits

4. Note the following:

- a. Review of assets placed under the trustee's or fiduciary's custody as conducted by Investment Committee (INCOM)
 - b. Acceptance, termination or closure of all trust and other fiduciary as approved by the Portfolio Accounts Review Committee (PARC)
 - c. Transactions between trust and/or fiduciary accounts as approved by the PARC
 - d. Review of trust and other fiduciary accounts by a duly delegated management committee
 - e. Examination reports of supervisory agencies, internal and/or external auditors on the bank's trust and other fiduciary business
 - f. Action taken by TBG based on the Business Continuity Plan
5. Adopt an appropriate staffing pattern and operating budgets that shall enable the Trust Banking Group (TBG) to effectively carry out its functions.
6. Oversee and evaluate performance of the TBG Head/Trust officer.
7. Oversee the implementation of the Risk Management framework and ensure that internal controls are in place relative to the fiduciary activities.
8. Perform other functions deemed necessary or proper in the exercise of its oversight functions over all fiduciary activities as may be required by law, rule or regulations.

Composition

The Trust Committee shall be composed of at least (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 independent directors who are both not part of the Audit Committee.
2. Those considered as qualified “independent professionals”.

In the case of more than five (5) Trust committee memberships, majority shall be composed of qualified non-executive members, and non-members of the Bank’s Audit Committee. The appointment therein of an operating officer may be allowed only if the required balance in the membership of at least three (3) members of the board for every operating officer shall be maintained.

Each member shall serve for a maximum tenure of nine years. Any extension beyond the nine years shall be approved by the committee and the justifications as provided by policy shall be articulated in the minutes of the meeting.

Quorum/Majority votes

A majority of all members of the TRUSTCOM shall constitute a quorum and a vote of majority of the members present at a meeting (whether in person or, to the extent permitted by law, through electronic medium or telecommunications, such as video or teleconferencing, where the Members who are not physically present are located at different local or international places) shall be required to pass a decision.

Meetings

The TRUSTCOM shall hold at least ten (10) meetings in a year to be attended by the Members either in person or through teleconference or videoconference, on such date and venue upon the call of the Chairman or in his absence the Vice-Chairman.

Special meetings may be conducted when the exigency of business requires and upon the call of the Chairman or in his absence the Vice-Chairman.

Facilitator and Secretariat

The Secretariat will be in charge of:

1. Sending out notices to the committee members
2. Preparing the Agenda of the meeting
3. Sending out the presentation materials to the committee members at least two (2) banking days prior to the scheduled meeting
4. Preparing the minutes of the meeting and the appropriate attachments.
5. Disseminating the approvals and maintaining a file of these approvals as reference materials.

6. Submits the materials taken up by the TRUSTCOM that require action of the BOD.
7. Perform other tasks as may be directed by the BOD or TRUSTCOM

Performance Review

The TRUSTCOM shall assess its performance at least annually and the results shall be submitted to the Corporate Governance and Compensation Committee. The Trust Committee Self-Assessment Sheet is attached as Annex A.

Charter Review

The TRUSTCOM Charter shall be reviewed at least annually by the TRUSTCOM Secretariat to ensure the charter's continuing effectiveness and relevance. The proposed changes, if any, shall be subject to review of the TRUSTCOM and finally, the Board of Directors approval.

Reporting to the Board

Report regularly to the Board matters arising from fiduciary activities.

Interaction with Other Committees

As necessary, the Committee may interact with other committees on issues pertaining to legal, regulatory or policy, as may be allowed by law, rules or regulation.

ANNEX A

Metropolitan Bank & Trust Company

TRUST COMMITTEE

Self-Assessment

Name of Director: _____

The rating sheet has to be completed independently by each member of the Committee following the rating scale described below. For each of the statement listed in the form, please encircle the number that best reflects the member's own evaluation.

Rating Scale:

Rating	Description
1	Needs Improvement - Compliance has not been made/not being observed; NO
2	Fair - Compliance has been made/being observed some of the time
3	Good - Compliance has been made/being observed most of the time
4	Excellent - Full compliance has been made; YES

	Rating			
1. Are the members of the Committee appointed by the Board annually?	1			4
2. Do the members of the Committee possess the necessary technical expertise and relevant experience in the administration of trust and other fiduciary activities which may be indicated by any of the following: a. At least one (1) year of actual experience in trust, other fiduciary business, or investment management activities; b. At least three (3) years of professional experience in relevant field such as banking, finance, economics, law and risk management; c. Completion of at least ninety training hours on trust, other fiduciary business, or investment management activities acceptable to BSP; d. Completion of relevant global or local professional certification?	1	2	3	4
3. Are the Committee members familiar with Philippine Laws, rules and regulations on trust business and do they uphold at all times ethical and good governance standards?	1	2	3	4
4. Does the Committee regularly report to the BOD on matters arising from fiduciary activities?	1	2	3	4
5. Does it ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices?	1	2	3	4
6. Does it ensure that policies and procedures that translate the BOD's objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective?	1	2	3	4
7. Does it confirm the acceptance, termination or closure of all trust and other fiduciary accounts as approved by the Trust Officer or duly delegated management committee and record such in its minutes?	1	2	3	4
8. Does it confirm the initial review of assets placed under the management as conducted by the Trust Officer or duly delegated	1	2	3	4

management committee?				
9. Does it approve the investment, reinvestment and disposition of funds or property as endorsed by the Trust Officer or duly delegated management committee?	1	2	3	4
10. Does it review and confirm transactions between trust and/or fiduciary accounts as approved by the Trust Officer or duly delegated management committee?	1	2	3	4
11. Does it take note of the periodic review of trust and other fiduciary accounts by its duly authorized management committee as required by the regulations?	1	2	3	4
12. Does it oversee the implementation of the Risk Management framework and ensure that internal controls are in place relative to the fiduciary activities?	1	2	3	4
13. Does it oversee the performance of the TBG Head/Trust Officer?	1	2	3	4
14. Does it take appropriate action on the examination reports of supervisory agencies, internal and/or external auditors on the Bank's trust and other fiduciary business and recording such actions thereon in the minutes for confirmation of the BOD?	1	2	3	4
15. Does it hold a regular meeting quarterly or more often as needed?	1	2	3	4
Average				

After the self-assessment, the Committee will discuss the results, focusing on those areas which clearly need improvement or where there is great variation in answers. The results of the self-assessment and any action plans arising therefrom shall be reported to the Board.