

**Trust Committee Charter**  
**Trust and Asset Management Group**  
**Eastwest Banking Corporation**

**1 Purpose and Authority**

In compliance with Section 412 of the Bangko Sentral ng Pilipinas' Manual of Regulations on Trust, Other Fiduciary Business and Investment Management Activities, trust and other fiduciary business of an institution shall be carried through a trust department. The trust department shall be organizationally, operationally, administratively and functionally separate and distinct from other departments and/or businesses of the institution. The Trust and Asset Management Group, the trust officer and other subordinate officers of the Trust and Asset Management Group shall only be directly responsible to the institution's trust committee which shall in turn be only directly responsible to the institution's board of directors.

The Board of Directors, through its Trust Committee, shall henceforth ensure that funds and properties held in trust or in any fiduciary capacity shall be administered with the skill, care, prudence and diligence necessary under the circumstances then prevailing that a prudent man, acting in like capacity and familiar matters, would exercise in the conduct of an enterprise of like character and with similar aims (Section 401).

**2 Composition of Trust Committee**

The Trust Committee (TrustCom) shall be composed of at least five (5) members to include:

1. The President or any senior officer of the Bank;
2. The Trust Officer; and
3. The remaining committee members, including the chairperson to be composed of at least three (3) Directors that may be any of the following: (1) Non-Executive Directors or Independent Directors who are both not part of the Audit Committee; or (2) those considered as qualified "Independent Professionals".

A qualified "independent professional" shall refer to a person who —

- a. is not a director/officer/employee of the bank during the last twelve (12) months counted from the date of committee membership;
- b. is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any executive director or those involved in the day to day management of institution's operations or officer of the bank; and
- c. is not engaged or does not engage in any transactions with 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 arm's length and could not materially interfere with or influence the exercise of his judgment.

An independent professional may be appointed as a Trust Committee member of other banks that belong to the same financial conglomerate.

The appointment or designation of independent professional and trust officer shall be subject to confirmation by the Financial Supervision Sector (FSS) Committee.

The TrustCom Chairman shall be appointed by the Board and shall remain Chairman until such time the Board shall appoint another Director to chair the TrustCom.

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

Members of the Trust Committee shall, in addition to meeting the qualification standards prescribed for directors and officers of financial institutions, possess the necessary technical expertise in trust and fiduciary business. They should be familiar with Philippine laws, rules and regulations on Trust business as well as uphold at all times ethical and good governance standards.

The Trust Officer, on the other hand, shall possess any the following:

- a. At least Five (5) years of actual experience in trust operations;
- b. At least three (3) years of actual experience in trust operations and must have:
  - i. completed at least ninety (90) training hours in trust, other fiduciary business, or investment management activities acceptable to the BangkoSentral; or
  - ii. completed a relevant global or local professional certification program;
- c. at least five (5) years of actual experience as an officer of a bank and must have:
  - i. completed at least ninety (90) training hours in trust, other fiduciary business, or investment management activities acceptable to the BangkoSentral; or
  - ii. completed a relevant global or local professional certification program.

Actual experience refers to exposures in trust operations either as officer of a trust entity or member of trust committee.

### **3 Meetings**

The TrustCom shall meet at least every quarter (or three months), or more frequently as circumstances may warrant. Members may participate via electronic mail, teleconference or videoconference.

A simple majority shall constitute a quorum for the TrustCom, provided the Chairman or his designated alternate, shall always be present. An officer of the Trust and Asset Management Group, other than the Trust Officer, shall act as Secretary of TrustCom and shall record the minutes of the meetings.

The Committee Secretary shall develop and prepare the agenda for each meeting and notice will be sent out at least three (3) days before the meeting date.

The Committee Secretary shall prepare the Minutes of the meetings and shall subsequently summarize and present them to the Board of Directors for approval/notation.

The Committee Secretary shall ensure that copies of the Minutes of the TrustCom as well as all recommendations/proposals approved by the TrustCom are duly filed and kept within the premises of the office and shall be made available at any time upon request by any one of the TrustCom members, the Bank's Compliance Office, Audit Division or by any regulatory agency.

#### 4 **Responsibilities of Administration**

The Trust Committee, duly constituted and authorized by the Board, shall act within the sphere of authority as provided in the Bank's By-laws and/or as may be delegated by the Board. It shall undertake such responsibilities, but not limited to the following:

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 trust department to effectively carry out its functions;
5. Oversee and evaluate performance of the trust officer;
6. Conduct regular meetings at least once every quarter, or more frequently as necessary, depending on the size and complexity of the fiduciary business; and
7. Report regularly to the board of directors on matters arising from fiduciary activities.

The Trust Committee shall also preside over the proper conduct of the trust's business, reviewing on a periodic basis, business development initiatives such as:

1. Staffing and delineation of responsibility/accountability;
2. The proactive development and implementation of strategies for cultivating of revenue streams and cost management;
3. Application and monitoring of the proper performance benchmarks.

The following are the items approved by the Trust Committee which will require Board of Director (BOD) approval/resolution. This will require secretary certificate to be signed by the bank's corporate secretary.

1. Designation of authorized signatories of Trust and Asset management Group.
2. Designation of authorized traders of Trust and Asset Management Group.

The following items approved by the Trust Committee (TC) minutes for notation of the Board of Directors (BOD)l. These will be implemented by TAMG upon the approval of Trust Committee.

1. Approval of Trust evaluation/accreditation memos of TAMG investment outlets/counterparties/brokers
2. Approval of Trust line extensions
3. Approval of Inter Office Memorandum (IOMs) / TAMG Policies.

## **Trust Officer**

### **1 Duties and Responsibilities**

The management of day-to-day fiduciary activities shall be vested in the Trust Officer. In this regard, the Trust Officer shall:

1. Ensure adherence to the basic standards in the administration of trust, other fiduciary and investment management accounts pursuant to Appendix 86;
2. Develop and implement relevant policies and procedures on fiduciary activities;
3. Observe sound risk management practices and maintain necessary controls to protect assets under custody and held in trust or other fiduciary capacity;
4. Carry out investment and other fiduciary activities in accordance with agreements with clients and parameters set by the trust committee as approved by the board of directors;
5. Report regularly to the trust committee on business performance and other matters requiring its attention;
6. Maintain adequate books, records and files for each trust or other fiduciary account and provide timely and regular disclosure to clients on the status of their accounts; and
7. Submit periodic reports to regulatory agencies on the conduct of the trust operations,

The Trust Officer shall also be responsible for the volume and revenue growth of the Trust business through development and implementation of effective marketing strategies as well as efficient management of trading and sales activities.