

TRUST COMMITTEE CHARTER

INTRODUCTION

The Trust Committee is a committee created by the Board of Directors of Philippine Business Bank, Inc. to perform specific functions set out hereunder. As such, its regular members (including the chairperson) shall be appointed by the Board of Directors and shall report directly thereto. Its primary objective is to assist the Board of Directors in fulfilling its corporate responsibilities.

MEMBERSHIP

The Trust Committee shall be composed of at least five (5) members including the (1) president OR ANY SENIOR OFFICER OF THE BANK AND (2) 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; or (2) those considered as qualified "INDEPENDENT PROFESSIONALS". Provided, that, in case of more than five (5) Trust Committee membership, majority shall be composed of qualified non-executive members.

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 AND RESPONSIBILITIES

The Committee shall act within the sphere of authority which may be provided in the by-laws and/or as may be delegated by the Board, such as 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 and Investment Center 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 the Committee deemed it necessary;
7. Report regularly to the BOD on matters arising from fiduciary activities.
8. Ensure that the responsibilities vested to the Trust Officer are properly performed. These include, but not limited, to the following:
 - a. Administration of trust and other fiduciary accounts;
 - b. Implementation of policies and instructions of the Board and the Trust Committee;
 - c. Maintenance of necessary control measures to protect assets under their custody and held in trust or other fiduciary capacity.

- d. Performance of investment and other fiduciary activities in accordance with client's agreements and parameters set by the Trust Committee as approved by the Board.
- e. Submission of reports on matters that require the attention of the Trust Committee and the Board;
- f. Maintenance of adequate books, records and files for each trust and other fiduciary accounts; and
- g. Submission of periodic reports to regulatory agencies on the conduct of the trust operations.

TERM OF OFFICE

The members of the Committee shall be appointed by the Board for such term or terms as the Board may determine, or until their earlier resignation, death, or removal by the Board. Termination of members' term of office may be staggered to allow the retention of seasoned members and to ensure Committee's uninterrupted workflow.

CONDUCT OF MEETING

The Committee shall meet once every two (2) months or as often as may be required by the Board of Directors, on such date and time and at such place as determined by the Chairperson of the Committee.

The Secretary of the Committee shall confer with the Chairperson on the items to be included in the agenda for each meeting.

QUORUM

The quorum shall be at least 51% of the regular members, one of which should be the Chairperson of the committee or in his absence the designated vice-chairman, who shall chair the meeting. A majority vote among the present shall be required to pass or defeat any resolution at the meeting, provided such majority vote shall always include the vote of the Chairperson or in his absence, the Vice Chairperson.

APPROVALS

Approvals by the Committee may be made at or during its meetings.

ANNUAL REVIEW AND UPDATE

The Board on its own or the Committee shall review, assess and/or update this Charter at least annually and make appropriate recommendation to the Board for approval.