



First Merchants Bank Private Wealth Advisors Trust Oversight Committee Charter

SECTION 1 – OVERVIEW

Private Wealth Advisors of First Merchants Bank maintains trust accounts, offers administration of personal, institutional, custodial, corporate accounts and employee benefit relationships and provides management of investment portfolios. The Risk and Credit Policy Committee of the Board of First Merchants Bank provides oversight of the various trust services of Private Wealth Advisors and oversees senior management who is responsible for the development, implementation and delivery of various trust and wealth management products and services. This includes the approval and adoption of the Trust Governance Policy.

SECTION 2 – TRUST OVERSIGHT COMMITTEE

The Trust Oversight Committee ("TOC" or "Committee") is a committee created by the Board of Directors of First Merchants Bank to perform specific functions set out herein. Its primary objective is to assist the Board of Directors in fulfilling its corporate responsibilities regarding trust services.

The Board of Directors delegates to its Risk and Credit Policy Committee, Executive Management and Senior Management various key responsibilities, including the establishment of TOC.

Membership

TOC is a committee that is primarily responsible for overseeing the fiduciary activities of First Merchants Bank. It shall be composed of the president of Private Wealth Advisors and members of the Risk and Credit Policy Committee. The Chairperson of the TOC shall be the Chairperson of the Risk and Credit Policy Committee.

Duties and Responsibilities

The Duties and Responsibilities of the TOC include the following:

- Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices;
- Ensure that policies and procedures translate the objectives and risk tolerance of Private Wealth Advisors into prudent operating standards that are in place and continue to be relevant, comprehensive and effective;
- Adopt an appropriate organizational structure/ staffing pattern and operating budgets that shall enable Private Wealth Advisors to effectively carry out its functions;
- Conduct regular meetings at least once every quarter; and

- Ensure that the policies and procedures outlining the responsibilities vested to the Trust Officers are maintained. These responsibilities include, but are not limited, to the following:
 - Administration of trust and other fiduciary accounts;
 - Implementation of policies and instructions of TOC;
 - Maintenance of necessary control measures to protect assets under their custody and held in trust or other fiduciary capacity;
 - Performance of investment and other fiduciary activities in accordance with client's agreements and parameters set by TOC;
 - Submission of reports on matters that require the attention of TOC and the Risk and Credit Policy Committee;
 - Maintenance of adequate books, records and files for each trust and other fiduciary accounts; and
 - Submission of periodic reports to regulatory agencies on the conduct of the trust operations.

Annual Review and Update

The Risk and Credit Policy Committee, on its own or acting as TOC, shall review, assess and/or update this policy at least annually and make appropriate recommendations for approval.

SECTION 3 – SUB-COMMITTEES

The significant activities of the following subcommittees shall be reported on at TOC meetings:

- Trust Investment Committee (TIC)
- Trust Administrative Committee (TAC)
- Retail Brokerage Oversight Committee (RBOC)
- Discretionary Distributions Committee (DDC)
- Retirement Products and Services Committee (RPSC)
- Private Wealth Advisors Advisory Committee (Advisory Committee)

The TIC is responsible for the development of investment policy, selecting securities that it deems appropriate for investment in trust accounts, supervising portfolio management of the various accounts, periodic review of those accounts, determining brokers with whom to do business, allocating brokerage commissions among those brokers and voting and processing proxies. These functions may be delegated to certain individuals and sub-committees which shall report their actions to the TIC. These sub-committees may include, but not be limited to:

- Trust Investment Policy Committee
- Securities Selection Committee
- Portfolio Review Committee
- Proxy Committee

The TAC is responsible for the acceptance of new accounts, approving requests for discretionary payments, determining fees, periodic administrative reviews, sales, leasing and or purchases of real estate and determining the disposition of unique assets.

The RBOC oversees the Retail Non-Deposit Investment products in the retail offerings of First Merchants Bank. It provides advice and guidance to program management, including general oversight and direction. The members of RBOC include the following:

- Director, Retail Investments

- President, First Merchants Private Wealth Advisors
- First Merchants Bank's Chief Risk Officer
- Director, Retail Banking
- A Regional President

The responsibilities of the RBOC:

- Provide insight and support for business integration strategy;
- Review revenue and product mix trends;
- Determine and monitor Key Performance Indicators;
- Discuss personnel matters as appropriate;
- Recommend policies and procedures changes to TOC;
- Manage any Audit findings and ensure resolution in a timely manner; and
- Discuss other items related to the retail brokerage business, as appropriate.

The DDC oversees and directs the trustee with regard to distributions, and its general responsibilities include the following, among others:

- Provides the trustee with direction regarding sensitive issues (i.e., substance abuse, etc.);
- Provides the trustee with direction as to all distributions (i.e., perhaps the advisor is more intimately familiar with the family or the beneficiaries' individual needs and lifestyle); and
- Provides the trustee with information as to beneficiary capacity.

The RPSC is responsible for the company's retirement plan products and services. It keeps the Committee adequately informed about risk identification and risk management in the retirement plan products and services line of business. In addition, the RPSC is responsible for the implementation, integrity, and maintenance of the retirement products and services.

The Advisory Committee is comprised of members of Senior and Executive management of First Merchants and serves as an additional level of review of all aforementioned committees, in advance of TOC/RCPC. In addition to formal subcommittee minute review, the Advisory Committee serves as an advisory group for the overall PWA business, including discussion of human capital, business development and financial results.

SECTION 4 – EXCEPTIONS TO POLICY

Requests for exceptions are discouraged in normal practice. In the event the business condition warrants an exception to this Policy to be considered, it must be very specific and may only be granted by TOC on specific items.

SECTION 5 – AUDIT

An annual audit of trust operations will be performed in accordance with the annual risk-based internal audit plan.