

**RATIFICATION OF ESTABLISHMENT OF NEW COVENANT TRUST COMPANY, N.A.
A SUBSIDIARY OF THE PRESBYTERIAN CHURCH (U.S.A.) FOUNDATION AND RELATED MATTERS**

**[Approved by the 211th General Assembly (1999), amended by the 212th General Assembly (2000)
and the 214th General Assembly (2002)]**

Section 1.(a). Company established.—There was established in 1997, as a separate corporate agency of the General Assembly, a company which received its federal charter from the Office of the Comptroller of the Currency on January 2, 1998, and is known as New Covenant Trust Company, N.A. As required by the Office of the Comptroller of the Currency, the Trust Company Subsidiary is a stock company. The Trust Company Subsidiary is a wholly-owned subsidiary of the Foundation, with the exception of federally-mandated directors' qualifying shares. All shares of the Trust Company Subsidiary, other than the minimum number of federally-mandated directors' qualifying shares, shall be owned of record and beneficially by the Foundation and there shall be no transfer or sale of such shares without the prior approval of the General Assembly.

(b). Form of Articles.—The Articles of Association of the Trust Company Subsidiary are herewith submitted for review by the 211th General Assembly (1999).

Section 2.(a). Foundation Articles of Incorporation.—The Articles of Incorporation of the Foundation provide for Trust Company Subsidiary accountability and subordination to the General Assembly through the Foundation substantially as follows:

(i) The Foundation, as principal shareholder of the Trust Company Subsidiary, shall not initiate or permit:

(a) the Trust Company Subsidiary to engage in any fundamental transactions, including merger, division, consolidation, transfer or sale of all or substantially all the assets of the Trust Company Subsidiary or dissolution of the Trust Company Subsidiary unless the same has received the prior approval of the General Assembly;

(b) any transfer of any Trust Company Subsidiary shares of stock, or any interest therein, to any party other than the Foundation or to directors of the Trust Company Subsidiary, in the case of the minimum number of federally-mandated directors' qualifying shares, unless such transfer has received the prior approval of the General Assembly;

(c) the Trust Company Subsidiary to issue stock or any options or warrants to any party other than the Corporation unless such issuance has received the prior approval of the General Assembly; or

(d) any material change to the Articles of Association without the prior approval of the General Assembly.

~~(ii) The Foundation, as principal shareholder, shall elect directors of the Trust Company Subsidiary board. The Foundation shall ensure that a majority of the board is composed of: (A) individuals who are active trustees of the Foundation board at their time of election to the Trust Company Subsidiary board; (B) the Stated Clerk of the General Assembly (or designee); (C) the General Assembly Council Executive Director (or designee); and (D) the Chief Executive Officer of the Trust Company Subsidiary. Former trustees of the Foundation board may be elected as directors of the Trust Company Subsidiary board. Certain officers of the Trust Company Subsidiary shall be elected directors of the Trust Company Subsidiary board to satisfy Office of the Comptroller of the Currency requirements and directives. Board composition shall reflect full participation consistent with Section G-4.0403 of the Form of Government of the Presbyterian Church (U.S.A.). Such election shall be reported to the General Assembly through the Foundation, and the elected directors are subject to General Assembly confirmation. If a director is not confirmed by the General Assembly, such director shall continue to serve until such time as the Foundation, as shareholder, is able to act in response to the stated concerns of the General Assembly, consistent with applicable law.~~

(ii) The Foundation, as principal shareholder, shall elect directors of the New Covenant Trust Company subsidiary board. The Foundation shall ensure that the board is composed of individuals who are active members of a congregation or a presbytery of the Presbyterian Church (U.S.A.), and nominated by the appropriate committee of the Foundation Trustees. The Stated Clerk of the General Assembly and the Executive Director of the General Assembly Council, or their nominees, shall be ex officio members of the subsidiary company Board of Directors. The Chief Executive Officer of the New Covenant Trust Company shall be an ex officio member of the subsidiary company Board of Directors. All elected and ex officio members of the New Covenant Trust Company N.A. Board of Directors shall satisfy the requirements and directives of the Office of the Comptroller of the Currency. The Board composition shall be consistent with all federal statutory and regulatory requirements and shall reflect diversity and inclusiveness consistent with the *Book of Order* at G-4.0403. All elections shall be reported to the General Assembly, and the elected directors are subject to General Assembly confirmation. If an elected director is not confirmed by the General Assembly, such a director shall continue to serve until such time as the Foundation, as

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shareholder, is able to act in response to the stated concerns of the General Assembly, but in any case not later than the conclusion of the second meeting of the Foundation Board of Trustees following the non-confirmation vote of the General Assembly.

(b). Governance.—The Foundation, as principal shareholder, shall ensure that all the business and affairs of the Trust Company Subsidiary will be conducted by its directors under and subject to the direction of the General Assembly, the Foundation, or any officer or agency duly authorized by the General Assembly, so far as such directions shall be lawful, consistent with the exercise of the directors' fiduciary duties, and in accordance with the Constitution of the Presbyterian Church (U.S.A.) and the laws of the United States of America, other applicable law and the regulatory requirements of the Office of the Comptroller of the Currency and any other state or federal regulatory body having regulatory oversight over the Trust Company Subsidiary. Pursuant to Presbyterian Church (U.S.A.) polity and governance, in case of inconsistent directions, the directives of the General Assembly are superior to those of the Foundation.

Section 3. Functions.—Subject to any inconsistent provision of the Form of Government of the Presbyterian Church (U.S.A.) and subject to the lawful directions from time to time of the General Assembly or of any officer or agency thereof duly authorized, or of the Foundation, the Trust Company Subsidiary shall perform the following services:

- (1) act as trustee of charitable remainder trusts, charitable lead trusts, pooled investment funds, pooled income funds, revocable trusts, charitable trusts, as well as duties and responsibilities incidental to all of the foregoing;
- (2) provide investment management and advisory services; and
- (3) provide custodial, agency, administrative and corporate fiduciary services, and other activities which a trust company is permitted by applicable law to perform and which the General Assembly or the Foundation directs the Trust Company Subsidiary to perform.

The Foundation, as principal shareholder, shall ensure that these services will be made available primarily to benefit governing bodies and subsidiary organizations of the Presbyterian Church (U.S.A.) and Presbyterian Church (U.S.A.)-related organizations. Such services may also be provided to validated mission programs of the Presbyterian Church (U.S.A.) as defined in the Organization for Mission (Appendix A, II.F.), denominations with which the Presbyterian Church (U.S.A.) is in full communion, denominations with which the Presbyterian Church (U.S.A.) General Assembly is in correspondence under Section G-15.0201 of the Form of Government and ecumenical or interfaith bodies in which a Presbyterian Church (U.S.A.) governing body is a member. Services provided to benefit any entity other than a Presbyterian Church (U.S.A.) governing body or subsidiary organization or Presbyterian Church (U.S.A.)-related organization shall be performed only when such service does not compromise service to Presbyterian Church (U.S.A.) governing bodies and subsidiaries and Presbyterian Church (U.S.A.)-related organizations.

Section 4. Reporting responsibility.—The Trust Company Subsidiary shall report at least annually to the General Assembly through the Foundation. The report shall include a section submitted to the General Assembly Committee on Representation that details the Trust Company Subsidiary's compliance with the diversity and inclusiveness requirements of the *Book of Order* at G-4.0403.

Section 5. Foundation and GAC agreements:

- (1) The Trust Company Subsidiary is a wholly owned subsidiary of the Foundation. The General Assembly Council has the same relationships with "The Trust Company Subsidiary" that it has with the Foundation as defined in the 1986 deliverance, which created the corporate structures of the reunited church. The 1986 deliverance was adopted by the 198th General Assembly (1986) and modified by the 199th General Assembly (1987);
- (2) *Book of Order*, G-9.0703, shall apply to "The Trust Company Subsidiary" executive or executives;
- (3) There will be no material changes to adversely affect the reporting, availability of funds, spending formula amounts, management or control of assets, or associated costs because of the creation or operation of "The Trust Company Subsidiary."