

BOARD CREDIT COMMITTEE

BOARD CREDIT COMMITTEE - TERMS OF REFERENCE

The Revised Terms of Reference of the Board Credit Committee ("BCC") was adopted by the Board on 14 November 2023 upon recommendation of the Corporate Governance Committee ("CGC").

a. **Membership/Composition**

- It shall consist of a minimum of three members and a maximum of five members.
- The Committee shall consist of independent non-executive and non-executive directors.
- Chairperson - The Chairperson of the Credit Committee should be a non-executive director but preferably an Independent non-executive Director.

b. **Meetings**

(I) Type 1 Meeting:

- Purpose of Type 1 Meeting is to assume all roles and responsibilities describe in section f.
- Frequency of Meetings - At least once every quarter or more frequently as circumstances require.
- Meetings of the Committee shall be convened in terms of ABL's statutes by the Company Secretary at the request of the Chairperson or by any of its members.
- The notice of each meeting of the Board Sub Committee confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee at his known registered address or electronic communication/email and Board Vantage. BCC documents and a prior written notice of at least four (4) Business Days shall be sent to every Director of any meeting of the Board. In case of urgent matters, a prior notice of 3 Business days will be given.
- Proceedings of BCC shall be reported periodically to the Board of Directors.

(II) Type 2 Meeting

- Purpose of Type 2 Meeting is to assume roles and responsibilities describe in section f iii., viii.
- Frequency of Meetings – As and when required
- Meetings of the Committee shall be convened by the Head of Credit Risk at the request of the Chairperson or by any of its members. The notice of each meeting of the Credit Committee confirming the time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the committee at his known registered electronic communication/email and Board Vantage. The documents and a prior written notice of at least 3 business days shall be sent to every member of the Committee. In case of urgent matters, a prior notice of 2 business days will be given.
- Proceedings of all the Type 2 Credit Committees shall be reported on a quarterly basis to the Type 1 Board Credit Committee.

c. **Secretary**

(I)Type 1 Meeting:

The Company Secretary shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

(II) Type 2 Meeting:

The Head of Credit Risk shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

d. Quorum

- The quorum for any meeting shall be a majority of its members.
- Credit approvals should be done by Credit Committee meetings where decision shall be taken by majority votes.
- Credit approvals could also be done by circulation provided it is unanimously assented and validated.

e. Minutes of Meetings

(I) Type 1 Meeting:

- The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- Draft minutes of Committee meetings shall be circulated to all members of the Committee within 15 Business days of the Meeting or earlier.

(II) Type 2 Meeting:

- The Head of Credit Risk shall minute the proceedings and decisions of all meetings held and in addition to a dashboard circulated by the secretary to members within 3 days of the meeting - shall circulate the minutes to all members of the committee for approval prior to the next Type 2 meeting but not later than 15 Business days of the meeting.

f. Role & Responsibilities

- i. Review Credit Risk Policy and Lending guidelines at least once a year and submit same to Board for approval.
- ii. Oversee the credit risk management of the Bank, including reviewing the loan portfolio and monitoring of large credit exposures.
- iii. Approve credit applications in accordance with the Bank's Credit Risk Policy when exceeding limits delegated to Management Credit Committee.
- iv. Review and approve any deviations from the Bank's Credit Risk Policy.
- v. Ensure that management establishes adequate credit assessment processes and effective controls to identify any deterioration in the loan portfolio.
- vi. Approve any delegation of credit approval authority to Head of Credit Risk and Management Credit Committee.
- vii. Approve any delegation of country limit to Head of Risk and Management Credit Committee
- viii. As and when required, Board Credit Committee may provide its views and comments to Board Risk Committee on specific credit matters.

g. Reporting Responsibilities

- The committee Chairperson shall report to the Board on its deliberations at quarterly Board meetings on all significant matters within its roles and responsibilities.
- The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

h. Other matters

- The Committee shall have access to outside or other independent professional advice as it considers necessary to carry out its duties at the Bank's expense within any reasonable budgetary guidelines as indicated by the Board.
- The Committee shall have access to sufficient resources to carry out its duties, including access to the Bank's secretariat for assistance as required.
- The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations.
- The Committee shall arrange for periodic reviews annually or as and when required of its own performance and review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.