



Terms of Reference

**THE CREDIT COMMITTEE**

## Constitution

At a meeting held at 4<sup>th</sup> Floor Nexteracom Building Ebene on September 19, 2015, the Board of Directors of *AfrAsia Bank United* resolved to establish for the company a standing committee to be known as the Credit Committee, in accordance with these Terms of Reference which were adopted at a Board Meeting held on 19<sup>th</sup> November 2015

The Credit Committee shall:

- Review recommendations from Management Credit Committee (MCC) and approve credit facilities specified as per Appendix A
- The monitoring of Large credits, Impaired credits and the overall level of provisioning
- Review of Restructured facilities which shall be approved by the sanctioning authority (one level higher) than the initial approver

## Membership

- The Credit Committee should be composed of a majority of non-executive Independent Directors.
- The Secretary of the Company shall act as Secretary to the Committee on meetings
- The Chief Executive Officer will not be a member of the Committee but in attendance

## Composition

- The Credit Committee will consist of at least four members.
- The Board will appoint committee members and the committee chair.
- The quorum for decisions of the Committee shall be fixed by the Committee and if not so fixed, shall be any three members present throughout the meeting who shall vote on the matter for decision. No business shall be transacted at a meeting of the Committee if a quorum is not present.

## Meetings

- Meetings of the Credit will be held as the Committee deems appropriate. However, the Committee should meet at least four times a year. Meetings should be organised so that attendance is maximised. The Chairperson of the Committee or any member of the Committee may call a meeting at any other time.
- The notice of each meeting of the 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, not less than four working days prior to the date of the meeting.
- Minutes of all meetings shall be circulated to all the members of the Committee and may also, if the Chairperson of the Committee decides, be circulated to other members of the Board.

Credit approvals could be done by circulation. Normally, the approval should be unanimous. But, if unanimous approval was obtained, the Members should find a consensus and if no consensus had been reached, decision would be taken by majority.

The members of the credit committee have up to 48 hours to revert with comments and/  
Or support/ decline

## Duties

The duties of the Credit Committee shall be to:

- Review recommendations from Management Credit Committee (MCC) to grant a credit facility when exceeding delegated limits to the MCC
- The monitoring of Large credits, Impaired credits and the overall level of provisioning
- Review of Restructured facilities which shall be approved by the sanctioning authority (one level higher) than the initial approver

## Remuneration

- Having regard for the functions performed by the members of the Committee in addition to their functions as Directors in relation to the activities of the Committee, and pursuant to the specific power conferred upon the Board by the Constitution of the Company, members of the Committee may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- Such special remuneration shall be in addition to the annual fees payable to Directors.

## General

- The Credit Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- The Board will ensure that the Committee will have access to professional advice both inside and outside the Company in order for it to perform its duties.
- The Committee shall be subject to regular evaluation by the board.
- These Terms of Reference may be amended as required, subject to the approval of the Board.

**APPROVED BY THE BOARD OF DIRECTORS ON 19<sup>th</sup> November 2015**