



## **TERMS OF REFERENCE**

## **THE CONDUCT REVIEW COMMITTEE**

## **Conduct Review Committee**

### **Terms of Reference**

#### **1. Constitution**

At a meeting held at 4th Floor NexteraCom Building Ebene on November 8th, 2016, the Board of Directors of AfrAsia Bank Limited (the 'Bank') resolved to establish for the company a standing committee to be known as the Conduct Review Committee ('CRC' or the 'Committee'), in accordance with these Terms of Reference which were adopted at a Board Meeting held on 4th of February 2016.

The mandate of the Committee shall be to periodically review the policies and procedures related to Related Party Transactions ('RPT') to ensure their continuing adequacy and enforcement in the best interest of the Bank.

#### **2. Membership**

- The Chief Executive Officer shall be a member of the CRC or if not a member, be in attendance. The CRC should have a clear mandate from the Board. The Chairperson of the Board may be a member of the CRC but not its Chairperson. The Chairperson of the CRC shall ideally be an independent director.
- At least one member of the CRC shall be a member of the Audit Committee.
- The Secretary of the Company shall act as Secretary to the Committee on meetings

#### **3. Composition**

- The CRC will consist of at least three independent 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.

#### **4. Meetings**

- Meetings of the CRC will be held as the Committee deems appropriate. However, the Committee should meet at least once every quarter. 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, 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.
  - Approvals of Related Party files and any other approval required may be done by Circulation. A consensus to be reached for each file/ request. After review of proposed Paper and if a consensus has not been reached, majority vote of 2 members will prevail.
  - The members of the CRC have up to 3 working days to revert with comments and/or support/ decline.

## **5. Duties**

The duties of the CRC shall be:

- Have the mandate to require management to establish policies and procedures to comply with the requirements of the Guidelines on Related Party Transactions.
- Review and approve credit exposures to related parties.
- Ensure market terms and conditions are applied to all related party transactions.
- Review the practices of the financial institution to ensure that any transaction with related parties that may have a material effect on the stability and solvency of the bank is identified and dealt with in a timely manner.
- Report periodically and in any case not less frequently than on a quarterly basis to the board of directors on matters reviewed by it, including exception on policies, processes and limits.

## **6. 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.

## **7. General**

- The CRC, 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 May 9, 2019**