

# **SBM BANK (MAURITIUS) LTD**

## **BOARD CREDIT COMMITTEE - TERMS OF REFERENCE**

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### **A. CONSTITUTION**

The Board of SBM Bank (Mauritius) Ltd has established a Board Credit Committee (“BCC” or “Committee”) to assist the Board in exercising its responsibilities for aspects connected with the approval and review of credit risk exposures.

### **B. COMPOSITION**

- The Board of SBM Bank (Mauritius) Ltd (the “Bank”) must appoint a minimum of 3 (three) and a maximum of 6 (six) Directors to be members of the BCC. All members of the BCC should not be members of the Audit Committee.
- The Committee shall be composed of Non-Executive Directors of the Board. The Executive Directors of the Bank shall be in attendance at the Committee’s meetings.
- The Chairman of the Board shall not be a member of the Committee.
- The Chairman of the Committee shall be an independent or a Non-Executive Director.

### **C. SECRETARY**

The Company Secretary or his/her nominee, shall be the Secretary of the Committee and will ensure that the Committee receive information and papers in a timely manner to enable full and proper consideration to be given to issues.

### **D. QUORUM**

The quorum necessary for the transactions of business shall be three (3) members.

### **E. RESPONSIBILITIES**

The roles and responsibilities of the Board Credit Committee are to:

- Ensure that BCC approval is in line with Credit Risk Policy;
- Review and approve credit applications/requests which have been submitted to BCC for consideration as required by the escalation criteria under the Bank’s Credit Risk Policy;
- Review and approve appropriate counterparty exposure limits across all lines of business;
- Review and approve all facilities exceeding the delegated authority of the Bank’s Management Credit Forum (“MCF”) as set out in the Bank’s Credit Risk Policy;
- Ratify the facilities involving PEPs and related parties approved by the MCF/CEO/Credit Underwriting Team and report, through the Credit Underwriting Team, the facilities thereof to the Corporate Governance and Conduct Review Committee at its next meeting;

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- Review and approve the restructure/reschedulement of credit facilities in accordance with the Bank's Credit Policy;
- Approve or recommend for Board approval write-off of impaired advances in line with the Bank's Credit Risk Policy;
- Approve all specific provisions amount on impaired accounts;
- Review Non-Performing Accounts and ensure adequacy of provisioning as per Regulatory norms;
- Ensure that concentrations of risks are within the risk tolerance of the Bank;
- Review and recommend substantial equity investments; and
- Convene as and when required to approve facilities within the Committee's sanctioning authority.

## **F. REPORTING AND ACCOUNTABILITY**

The Committee will regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities.

## **G. REVIEW**

The Committee will review the Terms of Reference at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate in light of the Bank's requirements and any legal and regulatory developments.

## **H. ASSESSMENT**

At least annually, the Board, acting through the Committee, will assess its effectiveness in fulfilling its responsibilities and duties as set out in the Terms of Reference and the Bank's Credit Risk Policy adopted by the Board.

## **I. CHAIR**

Each year, the Board on the recommendation of the Committee will appoint one member to be its Chair. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

## **J. MEETINGS**

### *1. Voting*

Decisions shall be taken by Majority of Votes. Any dissent from the Members should be minuted.

### *2. Frequency*

- The Committee shall meet on a weekly basis, however adhoc meetings may also be convened by the Chair, any members of the Committee, and the Chief Executive or the Secretary; and

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- The Chairman may, at his discretion, invite other executives to attend and to be heard at meetings of the Committee.

## **3. Notice**

- Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any of its members; and
- Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each members of the committee.

## **4. Minutes**

- The minutes of all meetings of the Committee, or summaries thereof, shall be submitted to the Board at the immediate following Board meeting.

## **K. 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. The Members 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.

## **L. REMOVAL AND VACANCIES**

Any member of the Committee may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as he or she ceases to be a Director. The Board will fill vacancies on the Committee by appointment among qualified members of the Board.

## **M. OTHERS MATTERS**

The committee shall:

- Have access to outside or other independent professional advice as it considers necessary to carry out its duties;
- Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required; and
- Give due consideration to laws, regulations and any published guidelines or recommendations regarding the sanctioning of credit facilities.