

BANK ONE

BOARD CREDIT COMMITTEE

TERMS OF REFERENCE

Owner: Corporate Affairs

December 2018

These Terms of Reference encompass the following:

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2. AUTHORITY

3. ORGANISATION

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APPENDIX 1 – Members of Board Credit Committee

1. OVERALL PURPOSE / OBJECTIVES

The Board Credit Committee is constituted and appointed by the Board in terms prudential guidelines issued by the Bank of Mauritius.

The Board Credit Committee ("BCC" or the "Committee") will assist the Board in fulfilling its primary responsibilities by performing the following functions:

- Review and approve the overall lending policy of the Bank. Any changes to the said policy would be submitted to the Board for information.
- Deliberate and consider loans applications as well as Internet Payment Service Provider (IPSP) / Merchant applications beyond the discretionary limits of the Management.
- Review lending and credit decisions by the Management, and by other sanctioning authorities.
- Direct, monitor, review and consider all issues that may materially impact on the present and future quality of the Bank's credit risk management.
- Ensure compliance with Guidelines issued by Bank of Mauritius on Credit Risk Management from time to time.
- Conduct loan reviews independent of any person or committee responsible for sanctioning credit.

2. AUTHORITY

The Board authorizes the BCC, within the scope of its responsibilities, to:

- Seek any information it requires from:
 - any employee
 - external parties
- Obtain outside legal or other professional advice.
- Ensure the attendance of Bank officers at meetings as appropriate.

3. ORGANISATION

3.1. Appointment & Membership

- 3.1.1 The Board will appoint the members of the BCC. The number of members shall be determined by the Board from time to time and shall consist of not less than three members, including at least one Independent Director of the Bank.
 - The current membership is shown in Appendix 1.
- 3.1.2 The Board shall fix the term of office of the BCC members.
- 3.1.3 The Board will, as far as practical, review the composition of the BCC and make any changes it deems appropriate.
- 3.1.4 The Board will have the power to appoint and remove any member of the BCC, and to fill all casual vacancies that may arise.
- 3.1.5 The Board shall elect a Chairman from amongst the members of the BCC, in accordance with the provisions of an Agreement entered into between the Shareholders.
- 3.1.6 The Chief Executive Officer, Chief Risk Officer, Head of Credit Risk and Head of Credit Administration will attend meetings of the Committee for consultation only. The BCC may invite such other person to its meetings, as it deems necessary.

3.2. Attendance at Meetings

- 3.2.1 A quorum for any meeting shall be two members, one of whom shall be the Chairman. A Member shall be deemed to be present at any meeting if he is able to hear and understand all of the proceedings of the meeting and be heard and understood by all present or deemed present by way of telephone or other suitable means of communication and such Member indicates his willingness for the meeting to proceed on that basis.
- 3.2.2 The BCC shall meet at least 8 times a year or more frequently as required.
- 3.2.3 The Secretary of the BCC will be the Company Secretary, or such other person as nominated by the Board.

3.3. Voting

All decisions in a duly constituted Committee meeting shall be by unanimous approval.

A member present at a meeting of the Committee is presumed to have agreed to and to have voted in favour of a decision / recommendation, unless he expressly dissents from or votes against the decision / recommendation at the meeting.

The Committee may deliberate on any urgent matters by way of email circularisation. Any decision / recommendation taken in such manner would also be by unanimous approval except in the case where one member is traveling and does not have easy access to emails. In such cases, the approval of the two other members is to be obtained for proceeding ahead, subject to the prior notification from the third member regarding travel or other reasons which impede responding to the mail in time. As far as possible and for good order, the approval of the independent director is to be obtained before releasing any such credit approvals.

All decisions / recommendations approved by way of email circularisation shall be formally ratified at the ensuing meeting of the Committee.

3.4. Reporting Responsibilities

- 3.4.1 Report of the BCC will form a regular feature on the Board's Agenda.
- 3.4.2 Minutes of meetings of the Committee shall be tabled at the subsequent Board Meeting.
- 3.4.3 The BCC will report directly to the Board through its Chairman.
- 3.4.4 The Chairman of the BCC shall regularly update the Board about the Committee activities and make appropriate recommendations.
- 3.4.5 The BCC shall ensure that the Board is aware of all significant credit related matters and such matters, which may significantly impact the financial condition or affairs of the business of the Bank.
- 3.4.6 The Committee shall review and update its Terms of Reference and receive approval from the Board on any amendments thereto.
- 3.4.7 The BCC shall evaluate its own performance on a regular basis.

4. ROLES AND RESPONSIBILITIES

4.1 Sanction of Credit Proposals

To consider and approve credit proposals submitted by various Branches / Business Units, independent of any person or committee responsible for recommending / sanctioning credit facilities, in accordance with the Bank's Policies (including but not limited to the Credit Policy) and all relevant laws and guidelines ((including but not limited to guidelines / prudential norms issued by the Bank of Mauritius).

4.2 Sanction of Internet Payment Service Provider (IPSP) and Merchant Applications

To consider and approve IPSP and Merchant applications submitted by the Ecommerce Acquiring Team, based on the credit risks associated with such applications.

4.3

4.4 Exercise of Powers Delegated to Sanctioning Authorities

To review and approve the credit sanctioning powers as may be warranted from time to time and to note all sanctions done by the CEO and take a deep dive in selective cases where a need is felt for the same.

4.5 Review of the Credit Portfolio

To review the Bank's Credit portfolio on an ongoing basis with a view to consider all issues that may materially impact on the present and future quality of the Bank's credit risk management.

4.6 Non Performing Accounts

4.6.1 To review all non-performing advances on a continuous basis and guide the Management / the Recovery Department in recovery actions as appropriate.

4.6.2 To review and approve accounts where specific provisions for non-performing accounts need to be made in full compliance with the guidelines issued by the Bank of Mauritius in respect of Credit Impairment Measurement and Income Recognition.

4.6.3 To review the list of legal recovery accounts and consider further action with a view to recover amount outstanding at the minimum cost.

4.6.4 To review the progress of the accounts placed under Receivership.

APPROVED BY BOARD ON

5th December 2018

CHAIRMAN OF THE BOARD

CHAIRMAN OF THE COMMITTEE

COMPANY SECRETARY

The image shows three handwritten signatures in blue ink, each placed over a horizontal dotted line. The top signature is a large, stylized signature. The middle signature is a long, flowing signature. The bottom signature is a shorter, more compact signature.

APPENDIX 1

BOARD CREDIT COMMITTEE

The Members of this Committee, as at present are:

<u>Chairman:</u>	Mr. L.A SIVARAMAKRISHNAN	Non-Executive Director
<u>Members:</u>	Mr. Marc-Emmanuel VIVES	Non-Executive Director
	Ms. Sandra MARTYRES	Independent Director