

**BPI EUROPE PLC CREDIT COMMITTEE (CREDIT WRITE-OFFS AND RESERVES COMMITTEE)
TERMS OF REFERENCE**

I. Purpose

The Credit Committee (Crecom) or the Credit Write-Offs and Reserves Committee assists the Board of Directors in fulfilling the latter's responsibilities relating to the management of credit risks by ensuring that all credit risk-related policies, processes, standards, and procedures in the bank are consistently and effectively applied.

The Crecom primarily reviews and approves credit proposals and loan write-off requests, within its authority and limits, as well as provide recommendations or conditions to lending strategies and loan loss provisions of the bank. See latest Credit Policy for approval matrix.

II. Committee Membership

The Credit Committee (Crecom) or the Credit Write-Offs and Reserves Committee is composed of at least three (3) members, including the Chief Executive, who acts as Chairman, and at least one Non-Executive Director (except the Chair of Audit and Risk Committee and other Directors who hold a concurrent role in risk management and control within the BPI Group). Membership to the Crecom, and corresponding approval authorities, must be approved by the Board of Directors. The approval of BPI Europe Crecom shall require the concurrence of at least two (2) members, one of whom must be the Chairman.

III. Meetings

Meetings shall be held on an ad-hoc basis, upon the recommendation of the Loan Officer, particularly when significant concerns requiring a business decision from the Committee members occur, such as credit write offs. Members may use the most efficient method (e.g., physical or use of modern technology) depending on the urgency of the items on the agenda.

The Chairman must determine the existence of a quorum in the meeting, i.e., if at least two (2) members of the committee are present. The Loan Officer, or the Head of Wholesale Business, as an alternate, must prepare the agenda and minutes of meeting. The Chairman must sign off on the minutes and the Loan Officer retains records for safekeeping.

IV. Duties and Responsibilities

The Committee has the following duties and responsibilities:

- a. Manage BPI Europe's credit risk profile;
- b. Consider and approve the creditworthiness of a proposed credit transaction;
- c. Ensure that it has obtained all relevant documentation pertaining to a credit application under review;
- d. Review and oversee the development of the bank's loan loss provision standards and regularly assess its appropriateness and application;

- e. Review and monitor the effectiveness and application of credit risk management policies and procedures;
- f. Consider the assessment of the Financial Crime Committee (FCC), on all politically related credits whose borrower, surety, or principal stockholder falls under the definition of a Politically Exposed Person (PEP), or any borrower classified as high risk according to the bank's AML risk assessment methodology;
- g. Review and approve proposed changes to pricing, pricing intervals and all other terms of a loan; and
- h. Refer to the Board of Directors matters falling above its prescribed approval limits.



BANK OF THE PHILIPPINE ISLANDS
(Europe) PLC