



**SUPERVISORY AND MONITORING
COMMITTEE CHARTER**



CONTENTS

1. OBJECTIVES	3
2. COMPOSITION	3
3. MEETINGS	3
4. ROLES AND RESPONSIBILITIES	3
5. OTHER PROVISIONS	4

I. OBJECTIVES

The Supervisory and Monitoring Committee (SMC) is responsible for the development strategy and objectives of the Company whilst monitoring and measuring the latter's performance against such strategy. It oversees the overall management of the Company in accordance with set policies and the executive role of day to day decisions.

The Committee is, subject to any decision which the Board may take from time to time, competent to exercise all or any powers, authorities and discretions vested in or exercisable by the Board with the exception of those set out in the Seventh Schedule of the Companies Act 2001 and those relating to the appointment of senior officers as defined by the Banking Act 2004.

This Charter is posted on the organisation's website.

2. COMPOSITION

- 2.1. The Committee members shall be:
 - Chairperson (normally Chairperson of the Board)
 - Chief Executive
 - Deputy Chief Executive/s
- 2.2. The Deputy Chief Executive shall be the secretary of the Committee.
- 2.3. Heads of Strategic Business Units may be invited to attend as required.
- 2.4. Decisions taken at majority shall include the Chairperson's vote.
- 2.5. The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.

3. MEETINGS

- 3.1. The Committee shall meet once a week. Meetings can be called on an ad hoc basis by the Chairperson or by any two members one of whom has to be the Chairperson or the independent director who has been appointed to replace the Chairperson.
- 3.2. Any two members of the Committee shall form a quorum, provided that one of them is the Chairperson.
- 3.3. The Chairperson of the Committee may in case of absence designate an alternate. In case of absence of the Chairperson and where no alternate has been designated, the Nomination and Remuneration Committee or the Chairperson of the Board shall appoint another independent or non-executive director to chair the meeting.
- 3.4. In case the Chairperson has a vested interest, the Board shall appoint another independent non-executive director to chair the meeting.
- 3.5. Resolution in writing:

A resolution in writing, signed or assented to by all members entitled to receive notice of a meeting, shall be as valid and effective as if it had been passed at a meeting duly convened and held. Any such resolution which may be executed in multiple counterparts, all of which taken together shall constitute one original. Any such resolution shall be entered in the minute book of proceedings of the Committee.

4. ROLES AND RESPONSIBILITIES

Through the delegation of powers, authorities and discretions delegated by the Board, the SMC

- Submits to the Board the development strategy and objectives of the Bank;
- Sets the corporate values and principal policies, including the credit policy, in respect of the conduct of the businesses and after Board approval ensures that they are communicated throughout the Bank;
- Ensures that Senior executives are managing the Bank in accordance with such policies and strategy;
- Monitors and measures the performance of the Bank against such strategy and objectives and reports to the Board;
- Reviews, decides and brings to Board attention exceptions made and eventual changes proposed to policies;
- Ensures that the organisation structure of the Bank is best suited to the implementation and realisation of such policies, strategy and objectives;
- Ensures that clear lines of responsibility and accountability exist throughout the Group;
- Proposes the dividend policy;
- Monitors strategic alliances;
- Monitors changes of the Share Capital;
- Monitors the major litigation issues;
- Ensures that the Board is permanently updated about the running of the affairs of the Bank and about the major subjects/decisions that the Board has to approve.

5. OTHER PROVISIONS

5.1. Professional advice

The Board has an agreed procedure whereby members of the Committee are able to seek independent professional advice, should the need arise. The professional services procured would be at the Company's expense and prior approval of the Chairperson is required.

5.2. Access to information

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.

5.3. Reporting

The Chairperson of the SMC shall report to the Board in a timely manner on major issues that could have an impact on the affairs of the Bank.

Any significant issues having impact on the affairs or reputation of the Bank shall be reported by the Chairperson of the Board to the Boards of the relevant holding companies.