



# Credit Risk Committee Charter

June 28, 2023

# Cadence Bank Credit Risk Committee Charter

## **I. Statement of Purpose**

The Credit Risk Committee (defined below and referred to herein as the Committee) shall be appointed by the Board of Directors (the Board) of Cadence Bank (the Bank or Company) for the purpose of advising and informing the Board and Management<sup>1</sup> as it relates to:

1. optimization of the risk/return profile of the Bank's consolidated loan portfolio and other real estate owned portfolio;
2. compliance with Cadence General Loan Policy; and
3. appropriate classification of loans.

## **II. Committee Composition and Meetings**

The Committee shall consist of three or more non-employee directors of the Bank (including a chairperson), appointed annually by the Board to perform the duties and responsibilities detailed herein. The Committee shall meet at least quarterly. The Board shall have the power at any time to change the membership of the Committee.

## **III. Committee Duties, Responsibilities, and Process**

The Committee may set its own rules of procedure and may delegate authority to subcommittees of its members. The Committee shall keep minutes of its actions.

The Committee may request that any directors, officers, or employees of the Bank, or other persons whose advice and counsel are sought by the Committee, attend any Committee meeting to provide such pertinent information as the Committee requests.

To fulfill its purpose, the Board expects that the Committee will, without limitation, perform the following tasks.

1. Assess overall quality of the loan portfolio, including level and direction of risk.
2. Monitor risk mitigation tools including:
  - a. specific concentration guidelines as set forth by the Bank's Risk Appetite Statement and including a portfolio risk assessment by loan product type and industry;
  - b. identifying and responding to elevated loan concentrations;

---

<sup>1</sup> "Management" means the Company's employees who serve as Management Committee or Senior Management and, as such, are responsible for ultimate ownership of products, models or other key processes. The composition of the Executive Management Committee and the Management Committee is established by the Board of Directors from time to time. The composition of Senior Management is established by the Company's Executive Management Committee from time to time.

- c. monitoring Management's overall approach to addressing problem loans to ensure prudent action plans and workout strategies are in place; and
  - d. documenting actions taken on the matters referred to above to assess whether sufficient improvement is being made in a timely manner in areas where the Committee has found improvement necessary.
3. Monitor policies and plans for dealing with OREO and make such recommendations to Management as the Committee deems appropriate.
4. Review asset quality trends and make such recommendations to Management as the Committee deems appropriate.
5. Monitor the activities of Internal Loan Review to include:
  - a. review and approval of the Internal Loan Review Policy and any changes for recommendation to the Board for approval;
  - b. review and approval of the annual Internal Loan Review Plan including progress and any plan changes during the year; and
  - c. review of all reports and memoranda presented to the Committee.
6. Review, comment upon, and accept the quarterly Discussion of Allowance for Credit Losses (ACL) Memo.
7. Review the General Loan Policy and any proposed revisions for recommendation for Board approval.
8. Monitor the Credit Committee, including:
  - a. reviewing the Credit Committee Charter at least annually for recommendation for Board approval; and
  - b. reviewing and accepting (if appropriate) the Credit Committee meeting minutes.
9. Review the Appraisal Department reports, including Policy and Procedures for recommendation to the Board for approval.
10. Review Portfolio Concentration reports.
11. Review the Regulation O Report.
12. Review the Regulation H Report.
13. Assess the overall adequacy of the commercial lending staff to conduct lending in compliance with the Bank's General Loan Policy.
14. Review this charter at least annually and recommend changes to the Board for its approval as appropriate.
15. Perform a self-assessment of the Committee at least annually.

16. Perform any other duties or responsibilities expressly delegated to the Committee by the Board or as may be referred by Management.

The Committee is not expected to approve or review the extension of credit to individual borrowers, the circumstances of individual loans or lending relationships, or Management's intended approach to addressing specific problem or potential problem credits. While the Committee has no responsibility with respect to individual credits, the Committee may provide input and guidance to Management with respect to specific credits (or types of credit) to the extent the Committee deems appropriate and will be available for consultation with respect to specific credits if Management so requests or the Board so directs.