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Owner: Leah Hollifield: CCO
Manual: PAOM - Corporate
References:

Credit Committee Charter Policy

Document Type	Policy
Organizational/Functional Area	Corporate
FCA Regulation(s)	N/A

Purpose and Objectives

Each standing Committee of the Board has adopted a Charter specifically outlining the Committee's responsibility, membership, meetings and specific duties. Annually, the Chairman of the Board shall appoint Board members to serve on a committee.

Charter

Role and Authority

The Credit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of ArborOne Farm Credit (the "Association") and reports directly to the Board. The primary function of the Committee is to assist the Board in fulfilling its responsibilities related to the oversight of the Association's credit risk management policies and practices. The Committee will help position the Association to achieve the Association's desired risk appetite by continually evaluating the risk philosophy, appropriateness of the growth objectives, and risk management controls that appropriately balance risk and return. The Committee will establish credit and risk management policies consistent with the Association's risk philosophy and recommend changes from time to time as the risk profile of the Association changes. The Committee will monitor or coordinate with other committees of the Board responsible for monitoring specific risks, the Association's risk exposures through reports provided by Association management and in conjunction with the full Board take appropriate action if the direction or performance is not consistent with the Plan.

The Committee shall be provided with such resources as it needs to fulfill its responsibilities, including outside consultants, as appropriate.

Composition of Membership

The Committee shall consist of three or more members of the Board appointed by the Chairman of the Board on an annual basis and shall serve until their successors shall be duly selected. The Committee will elect the Vice Chairman of the Committee. All committee members are expected attend each meeting, in person or via tele- or video-conference. New Committee appointments will be effective January 1 of each year. Committee

members shall abide by all Bylaws, policies, procedures, and FCA regulations regarding membership, attendance, and conduct. Committee members may be removed at any time, with or without cause, by the Board Chair.

The Chairman of the Board, the Chief Executive Officer, or such other members of the Board or management, as invited by the Committee, may participate in a Committee meeting on a non-voting basis. Members of the Committee should have a working familiarity with general business and/or basic finance and accounting practices.

Meetings

The Committee will meet a minimum of four times each year with additional meetings as it may deem appropriate. The Committee will have access to Senior Management. At the will of the Audit Committee, the Committees will meet jointly to receive the reports of credit and appraisal reviews, audits, or FCA examinations. At a minimum, the Credit and Audit Committees will meet jointly at least semi-annually.

The Committee shall meet in executive session at each meeting. The Committee shall reserve for such session all matters it determines should be discussed / voted on in executive session, including any matter that may be required by FCA regulations to be determined in executive session.

The following duties shall be the responsibility of the Chair as well as other additional duties that may be assigned from time to time by the Chair of the Association Board.

1. Presides at meetings held by the Committee.
2. Sets the agenda for such meetings.
3. Determines the method of voting.
4. Calls executive sessions.
5. Assigns responsibility of taking minutes for meetings, including executive sessions.
6. Notifies staff and / or consultants of any materials required by the Committee to carry out the business of the Committee.
7. Ensures materials and agendas are distributed to the Committee in a timely manner.
8. Adjourns the meeting.

Minutes

Actions taken and/or issues discussed at each meeting will be reported to the full Board by the Chairman. Minutes will be prepared and submitted to the Committee for review and approval and maintained for such period of time as required by FCA regulations, but no less than three (3) years.

Training

The Committee will avail itself to such continuing education as is deemed appropriate by the Board Chairman or Committee Chairman in order for the members to carry out their responsibilities.

Responsibilities

1. Review Association's credit risk management policies at their renewal date or as the situation dictates in the event of new or revised FCA Regulations, the implementation of new initiatives, or as a defensive

- measure to limit or reduce risk. Approve and recommend to the Board new or revised credit policies.
2. Review, at least quarterly, hold limits for single obligors, for commodities/industries, and for originators and counterparties and monitor exceptions to hold limits, including limits for loans, and investments. Review and approve revisions to the hold limits as recommended by Management and report to the full Board.
 3. Coordinate with the Audit Committee for the review of management's methodology for establishing the Allowance for Loan Loss and jointly determine that the Allowance methodology is consistent with FCA Regulations, Generally Accepted Accounting Principles, and Association policies and procedures.
 4. Review compliance with and changes to underwriting standards.
 5. Provide input into the scope of Credit Reviews and coordinate with the Audit Committee a joint exit conference as needed with the firm completing the credit reviews.
 6. Provide input into the scope of Appraisal Reviews and coordinate with the Audit Committee a joint exit conference as needed with the firm completing the appraisal reviews.
 7. Review with management the process for identifying and assessing the most significant risk exposures.
 8. Review with management significant risk exposures and the steps management has taken to manage and monitor those risks including progress towards reducing exposures that do not meet the Association's Business Plan objectives.
 9. Review the results and proposed remedies of the annual stress test exercise.
 10. Review, at least quarterly, significant "shared credits" (i.e. credits held by multiple System entities).
 11. Review the standard and quality of reporting to the Board to ensure the Board is advised of any matters of significance relating to credit or market risks.
 12. Annually review and reassess the Committee's responsibilities, functions, and Charter, making changes as necessary, and conduct an annual performance evaluation of the Committee.
 13. Perform any other related assignment as requested by the Association Board or Board Chairman.

Authorities Retained for Board Approval or Action

Amendments and modifications to this charter are to be approved by the Board.

Attachments

No Attachments

Approval Signatures

Approver	Date
Sarah Jackson: CHRO	02/2020
Bryant Sansbury: CRM	02/2020

Approver	Date
Leah Hollifield: CCO	02/2020