

**CHARTER  
OF  
CREDIT RISK and CRA COMMITTEE  
OF  
FIRST NATIONAL BANK OF PENNSYLVANIA  
(Amended Effective December 16, 2020)**

**ARTICLE 1  
PURPOSE, DUTIES AND RESPONSIBILITIES**

**Section 1.1 General Purpose.** The Credit Risk and CRA Committee (the “Committee”) is appointed by the Board of Directors (“Board”) of First National Bank of Pennsylvania (“Bank”). The purpose of the Committee is to oversee the credit and lending strategies and objectives of the Bank, including: (i) oversight of the credit risk management and strategies, including approval of internal credit policies and establishment of loan portfolio concentration limits; (ii) review of the quality and performance of the Bank’s loan portfolio; (iii) approval of intercompany loans subject to Regulation W and review loans to Bank “insiders” (as defined under Regulation O) and recommend such loans to the Board in accordance with applicable regulatory requirements; and (iv) oversight of the Bank’s Community Reinvestment Act (“CRA”) responsibilities, including the CRA Policy, fair lending, affirmative credit programs, community development and involvement, and compliance with technical requirements of the CRA. The Committee shall also be responsible for any other matters delegated to them by the Bank Board.

**Section 1.2 Credit Risk Management.** The Committee is principally responsible for the following:

- (a) Approval of the Bank’s various credit policies (collectively referred to herein as the “Credit Policy”), and any amendments thereto.
- (b) Establishment of the Bank’s lending strategies, including setting the Bank’s internal lending limit and establishment of the following limitations:
  - (i) Loan portfolio concentration limits for the various portfolio segments and loan and industry types;
  - (ii) Geographic dispersion of the loan portfolio by market;
  - (iii) Lending authority levels for Bank Committees; and
  - (iv) Delegation of appropriate authority to the Bank Chief Credit Officer to designate the specific lending authority for each Bank officer.
- (c) On at least a quarterly basis, review and approval of the Bank’s Allowance for Credit Loss provision (ACL) and report the Committee’s determination regarding the ACL provision to the FNBPA Board along with the methodology used by the Committee to make its ACL determination.

**Section 1.3 Credit Strategies.** The Committee shall be responsible for the approval of the Bank’s overall loan strategies and goals.

**Section 1.4 Credit Performance.** The Committee shall be responsible for oversight of the performance of the Bank's credit function and execution of the Bank's credit strategies through periodic management reports to the Committee on the following matters:

- (a) Portfolio composition;
- (b) Portfolio concentrations;
- (c) Past-due and non-accrual loans;
- (d) Asset quality;
- (e) Criticized and classified credits;
- (f) Exception(s) to the Credit Policy;
- (g) Insider loan transactions;
- (h) Regulatory examination findings, criticism, violations, and compliance matters;
- (i) Credit risk matters;
- (j) Such other reports as may be requested by the Committee;
- (k) Unsecured credit approvals in excess of established limits; and
- (l) Flood compliance reviews

**Section 1.5 CRA Monitoring and Responsibilities.** The Committee shall be responsible for oversight of the Bank's CRA Policy and practices including the following responsibilities:

- (a) Review and approve the Statement of Purpose of the Community Development Committee (annually) and authorize management, as necessary, to develop and implement any additional policies relating to community development.
- (b) Approve updates to the Community Reinvestment Policy, as needed.
- (c) Appoint FNB's CRA Officer.
- (d) Review FNBPA's community reinvestment actions (biannually).
- (e) Review regulatory CRA examination findings and recommendations.

**Section 1.6 Committee Credit Approval.** Proposed intercompany credit transactions including those subject to Regulation W shall be reviewed and approved by way of presentations at Committee meetings or the written consent of a majority of Committee members.

**Section 1.7 Reporting to Board; Board Responsibility.** The Committee shall review and recommend to the Bank Board any loans to insiders in accordance with Regulation O. The Committee shall report to the Bank Board at the next meeting of the Bank Board following the Committee meeting. The Committee's reports to the Board shall include, among other matters, all changes to the Bank's Credit Policy, any significant changes to the Bank's credit risk management

strategies as described in Section 1.2 hereof, and any significant concerns, problems or emerging risks identified in the management reports contemplated under Section 1.4 or 1.5 hereof. The Bank Board and management shall ensure that the Committee has adequate resources and authority to discharge its responsibilities.

**Section 1.8 Periodic Updates on Federal Fair Lending Law Reports.** Consistent with the Committee's credit risk oversight responsibility and with the understanding that the F.N.B. Board Audit Committee is charged with primary oversight responsibility, the Committee may review federal bank regulatory fair lending examination findings and recommendations or reports and analyses prepared by the F.N.B. Corporation Compliance Department.

## **ARTICLE 2 ORGANIZATION**

**Section 2.1 Number of Committee Members and Membership.** The number of Committee members and Committee membership shall be as follows:

- (a) The Committee shall consist of no fewer than three (3) or more than five (5) permanent members, all of whom shall be members of the Bank Board.
- (b) The Bank CEO and Bank President are ex officio members who may participate in Committee meetings, discussions and deliberations; however, such ex officio members shall not be entitled to vote on any Committee matter.

**Section 2.2 Appointment and Term.** The nominated Committee members shall be appointed to a one-year term by the Bank Board in accordance with Section 2.5 hereof.

**Section 2.3 Duties of Chair.** The Committee Chair shall preside at all meetings of the Committee and perform any duties as may be assigned by the Committee or the Bank Board from time to time.

**Section 2.4 Termination and Resignation.** Any member of the Committee may resign at any time during the course of his or her term. The Bank Board may terminate a Committee member at any time and without cause.

**Section 2.5 Committee Appointments and Vacancies.** Committee appointment(s) (including re-appointments of current members) and any vacancies on the Committee, however created, shall be filled by a majority vote of the Bank Board, provided that (for persons who are being considered for their initial appointment to the Committee) the Bank Chairman and Bank Chief Executive Officer have an opportunity to review the qualifications of proposed appointee(s). Each member of the Committee so appointed shall hold office until the expiration of the appointed term or unless such person resigns or is terminated pursuant to Section 2.4 hereof.

**Section 2.6 Regular Meetings.** Regular meetings of the Committee shall be held at the time and place determined by the Committee. Regular meetings of the Committee may be held without notice.

**Section 2.7 Special Meetings.** Special meetings of the Committee may be called at any time by the Chair of the Committee, the Chief Executive Officer of the Bank, or by the Chief Credit Officer of the Bank. Special meetings may be held at any time after notice is provided to each Committee member and such notice may be provided by telephone, e-mail, facsimile, text message or similar transmission.

**Section 2.8 Voting.** In accordance with the Bank Bylaws a majority of the Committee members entitled to vote shall constitute a quorum for the purpose of properly holding a Committee meeting and for the Committee to approve or authorize Committee actions or approve Bank Regulation O loans (including written consents). Each action approved or consented to by a majority of the Committee members entitled to vote and present at the meeting (at which a quorum is present) shall be regarded as an act of the Committee, unless other consent or approval is required pursuant to this Committee Charter, the Bank's Articles of Association, the Bank's Bylaws, or applicable law or regulation.

**Section 2.9 Minutes.** The Chair shall appoint an acting Secretary for the meeting and such acting Secretary of the Committee shall maintain minutes and other relevant records of the meetings and activities of the Committee. The minutes shall be available for review by the Bank Board and any regulatory agency having jurisdiction over the affairs of the Bank. In the event of any meeting in Executive Session or otherwise where the Secretary is not present, the Chair or Chief Executive Officer shall act as recording secretary for such meetings.

**Section 2.10 Telephone Conference Meetings.** Members of the Committee may participate in a Committee meeting through use of conference telephone or similar communication equipment, so long as all members participating in the meeting can hear one another. Also, meetings may be conducted by unanimous written consent in accordance with applicable Pennsylvania corporate law.

**Section 2.11 Review of Charter; Amendments.** This Charter may only be amended by the Bank Board or the Executive Committee of the Bank Board and in consultation with the Bank Chairman and the Bank Chief Executive Officer.

**Section 2.12 Delegation of Authority.** This Committee may form and delegate its authority hereunder to a subcommittee or management when appropriate.