

AmeriServ Financial Bank
Board Discount Committee Charter
(Revised 12/2018)

Purpose

The Board Discount Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to (1) provide oversight of the loan approval process, (2) monitor the quality of loan assets, and (3) monitor the adequacy of the bank’s credit policies.

Committee Membership

The Committee shall consist of the following:

- No fewer than five independent Directors, one of which will serve as the Chairperson and one of which will serve as the Vice-Chair
- President/CEO of AmeriServ Financial, Inc. & AmeriServ Financial Bank
- Chief Commercial Banking Officer
- Chief Credit Officer
- Chief Loan Review Officer, who will serve as a non-voting member
- Chief Financial Officer, who will serve as a non-voting member
- Supervisor of Credit Analysis Department, who will serve as a non-voting member
- Administrative Assistant from Credit Division, who will serve as a non-voting member and the Recording Secretary

The Committee shall report to the Board and members of the Committee shall be appointed by the Board. A majority of the Committee members shall represent a quorum; however, the quorum must include at least three independent directors. A majority vote of the quorum present at each meeting is necessary for approval by the Committee. All issues presented for approval by the Committee must first be approved and recommended to the Committee by the AmeriServ Financial Bank Credit Policy Committee or the AmeriServ Financial Credit Committee unless being presented to the Discount Committee as a result of the Chief Credit Officer veto being exercised. The Committee will meet weekly as necessary. Minutes of each meeting will be compiled by the Committee Secretary. The minutes shall include the actions taken by the Committee and all discussion considered significant in determining the action taken. The minutes of each meeting will be presented for review and approval by the Committee and submitted to the Board for acceptance.

Committee Responsibilities

The Committee is responsible for the following:

- In order to accommodate timely response and service to ASRV’s customers, the Board Discount Committee shall have the final authority to approve credit exposures up to and including the legal lending limit of the bank with the exception of credit exposures extended to insiders that are subject to the provisions of Regulation O and require approval by the Board of Directors in certain instances. All issues presented for approval by the Committee must first be approved and recommended to the Committee by the AmeriServ Financial Bank Credit Committee or Credit Policy Committee unless being presented to the Discount Committee as a result of the Chief Credit Officer veto being exercised.
- The Committee shall be responsible to review and approve the adequacy of credit policy and recommend same for final approval by the Board of Directors.
- The Committee shall be responsible to monitor compliance with credit policy.
- The Committee shall be responsible for monitoring the quality of the loan assets of the Bank.
- The Committee shall be responsible for review and final approval of the adequacy of the AmeriServ Financial Bank Allowance for Loan and Lease Losses.
- The Committee shall be responsible for final approval of the membership of the AmeriServ Financial Bank Credit Committee.
- The Committee shall be responsible for final approval of the membership of the AmeriServ Financial Bank Loan Loss Reserve Committee.
- The Committee shall be responsible for ensuring management implements procedures and controls to effectively adhere to and monitor CRE compliance with the Bank’s lending policies and strategies, review information that quantifies the nature and level of risk presented by CRE concentrations, and periodically review and approve CRE risk exposure limits.