

**S&T BANCORP, INC.**  
**CREDIT RISK COMMITTEE CHARTER**

**PURPOSE**

The Credit Risk Committee ("Committee") is appointed by the S&T Bancorp, Inc. Board of Directors (the "Board") and is authorized to perform its functions for and on behalf of S&T and its subsidiaries ("S&T"). This Committee Charter ("Charter") governs the operations of the Committee and is intended to identify the purpose, membership, authority and responsibilities of the Committee.

The Committee's primary purpose is to provide assistance to the Board in fulfilling its credit risk oversight responsibilities including (1) the review of Credit Administration risk management practices and reporting, (2) the performance of the Credit Risk Review function and its assessment of the management of credit risk arising from the lending and Credit-related functions, (3) the review of commercial lending activities including portfolio reviews, (4) credit policy approval and (5) providing guidance on pertinent credit risk matters including loan related strategies and regulatory examination matters.

**MEMBERSHIP**

Non-management Committee members are appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee ("NCGC"). The members shall serve until their successors are duly elected and qualified by the Board or until such member's earlier resignation or removal. The Committee shall be comprised of three or more members.

The Board will appoint one of the members of the Committee to serve as its chairperson. The Committee may delegate to its chairperson such power and authority as the Committee deems to be appropriate, except such powers and authorities required by law or regulation to be exercised by the whole Committee or a subcommittee of at least two members. The Committee may also appoint a secretary, who need not be a director.

**MEETINGS**

The Committee shall meet as often as it determines is necessary and appropriate but is expected to meet quarterly preceding regularly scheduled Board meetings. The Chairperson shall have the authority to call a special meeting of the Committee or seek a unanimous written consent of the Committee whenever he or she deems such a meeting or consent necessary or desirable. The Committee may meet in executive session without members of management in attendance at the Committee's discretion. Any member of the Committee may call for an executive session.

A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present, shall be the act of the Committee. Members of the Committee may participate in a meeting of the Committee by means of a conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Any director, officer or employee of S&T, outside counsel, independent auditor or other person may attend meetings, as the Committee deems appropriate. At least quarterly or as needed, the Committee will meet in separate executive sessions with the Credit Risk Review Manager and any other persons, solely at the Committee's discretion, to discuss any matters that the Committee or any of these persons

believe should be discussed privately and have such direct and independent interaction with such persons from time to time as the members of the Committee deems appropriate.

## **DUTIES AND RESPONSIBILITIES**

The primary responsibility is oversight. In performing their responsibilities, Committee members are entitled to rely in good faith upon S&T's records and upon information, opinions, reports or statements prepared or presented by any of S&T's officers or employees, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of S&T. Each member of the Committee also may rely in good faith upon actions taken by another committee of the Board as to matters within its designated authority.

In carrying out its responsibilities, the Committee's policies and procedures should remain flexible to enable the Committee to react to changing conditions and circumstances. The following shall be the principal duties and responsibilities of the Committee and are intended to serve as a guide with the understanding that the Committee may supplement them as appropriate.

### Commercial Banking

1. While the Committee does not exercise approval authority, the Chief Commercial Banking Officer or his/her designee shall review lending activity in sufficient detail and satisfactorily address questions in order for the Committee to be fully informed of management's decisions including:
  - a. All loan approvals requested by the Chairperson or other Committee members
  - b. A periodic review of loan portfolio concentrations (i.e., CRE or C&I loans) or larger loan relationships (with particular attention to those relationships whose aggregate exposure exceeds the House limit) in order to monitor portfolio diversification and performance in relation to growth strategies and defined risk appetite parameters.
  - c. Discuss and obtain the approval of the Committee for any significant changes to the type(s) of assets or lending structures (i.e. indirect lending, specialty leasing, etc.) which would increase/decrease the risk to the Bank prior to implementation.
  - d. Discuss the lack of consensus between the Departments reporting to this Committee or between management and the Committee to ensure appropriate risk, growth, and operational efficiency.

### Retail Banking

1. While the Committee does not exercise approval authority, the Director of Consumer Banking or his/her designee shall review lending activity in sufficient detail and satisfactorily address questions in order for the Committee to be fully informed of management's decision.

### Credit Administration

1. The Chief Credit Officer ("CCO") or his/her designee shall review credit risk management reports.
2. All loan proposals approved by the Senior Loan Committee ("SLC") as well as meeting minutes shall be posted to the Boardvantage board portal as soon as practically possible following the SLC meetings in order for the Committee members to review in advance of scheduled meetings.

3. The CCO or his/her designee(s) shall periodically present new and/or revised credit policies for Committee consideration and approval. At a minimum, the Corporate Credit Policy should be reaffirmed annually by the Committee.

### Credit Risk Review

The Director of Loan Review ("DLR") shall report directly to the Committee Chairperson, with administrative oversight provided by the Chief Risk Officer ("CRO"). The DLR's reporting relationship will be re-evaluated annually by the Committee to ensure the independence and objectivity of the credit risk review function. The functional reporting line for the credit risk review function is the ultimate source of its independence and authority. In this context, the Committee would:

1. Review and approve the appointment, replacement, or dismissal of the DLR, who shall have supervisory responsibility for the credit risk review function.
2. The Committee Chairperson will complete the annual performance evaluation of the DLR, including determining compensation. Given the administrative oversight role, the CRO will also provide input regarding the DLR's performance for consideration. The results will be reviewed with the full Committee.
3. At least annually, review with the DLR, the role and scope of work performed by the Credit Risk Review Department, the annual commercial and consumer loan review plan including targeted reviews, the adequacy of staffing, the continuing professional education plan and financial budget.
4. Receive periodic communications from the DLR on the completion status of the annual loan review plan, as well as a summary of material changes made to such plan, if any. In addition, the DLR or his/her designee shall review and discuss with the Committee the results of Credit Risk Review Reports and any other reviews as well as management's responses to the findings and recommendations. All final Credit Risk Review Reports shall be posted to the Boardvantage board portal as soon as practically possible following issuance in order for the Committee members to review in advance of scheduled meetings.
5. Review and approve Policy #215 Residential Mortgage Quality Control Program, on at least an annual basis.
6. Ensure the results of the Quality Control Program align with S&T's strategic plan and risk appetite related to residential mortgages originated for sale and portfolio.
7. Review and approve special project requests by management to ensure that they do not impair independence or objectivity.
8. Discuss with the DLR at least annually, Credit Risk Review's contingency plan to mitigate any significant suspension in credit risk review coverage, particularly in high-risk areas.
9. Review and approve any outsourcing or co-sourcing arrangements pertaining to the credit risk review function.
10. Ensure that Credit Risk Review staff has access to all necessary S&T resources and that there are no unjustified restrictions or limitations.

11. On at least a quarterly basis, meet with the DLR in executive sessions. Additional meetings and/or conference calls will be scheduled as needed by the DLR or Committee Chairperson.

## **REPORTING AND RECOMMENDATIONS**

In addition to any other reports that may be requested by the Committee from time to time, the Committee shall review quarterly updates regarding regulatory matters, portfolio management performance, asset quality performance, [asset quality health scorecard](#), [portfolio management and credit maturation dashboard](#), policy, procedures and governance revisions, and Credit Risk Review reports. In some cases as needed, updates of management projects and initiatives associated with asset quality and portfolio management will be presented quarterly. Annual reviews of corporate credit and regulatory policies, CRE stress testing and the Credit Risk Review plan shall be reviewed. Emerging credit risks will be disclosed on an as necessary basis.

The Committee shall provide for the maintenance of minutes of its meetings and report the Committee's activities to the Board with respect to such matters as are relevant to the Committee's discharge of its responsibilities and with respect to such recommendations, as the Committee may deem appropriate.

The Committee shall review and reassess the adequacy of this Charter as needed, but at least annually, and recommend to the Board any proposed changes to this Charter.

## **RESOURCES AND AUTHORITY**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of independent legal, accounting or other experts and advisors, as it deems necessary or appropriate. The Committee shall also have the authority, to the extent it deems necessary or appropriate, to ask S&T to provide the Committee with the support of one or more S&T employees to assist in carrying out its duties. S&T shall provide for appropriate funding, as determined solely by the Committee, for payment of compensation to any advisors retained by the Committee and to pay for ordinary administrative expenses of the Committee.

The Committee may authorize S&T's officers to take any and all actions necessary to implement actions approved by the Committee.

Approved: Credit Risk Committee, 10/24/2023  
Board of Directors, 10/25/2023