



DIRECTORS LOAN COMMITTEE CHARTER

Reviewed July 2025

Approved by:

Bankwell Financial Group, Inc. Governance Committee

Bankwell Bank Board of Directors

Bankwell Financial Group, Inc. Board of Directors

Date:

July 21, 2025

July 24, 2025

July 24, 2025

LOAN COMMITTEE CHARTER

For the purposes of this Charter, the term “Bank” shall include Bankwell Bank. The Directors Loan Committee of the Board of Directors of Bankwell Bank shall operate within the terms of reference set out in this charter.

MANDATE AND AUTHORITY

The Committee’s purpose is to provide oversight of credit risk in a fair and consistent manner within the lending and credit-related activities of the Bank.

Matters of significance as deemed so by the Committee will be reported to the Board at their next scheduled meeting, or sooner if the matter warrants.

The Directors Loan Committee shall have the following authority, to the extent it deems necessary or appropriate, to discharge its duties and responsibilities:

- i. The Committee may form and delegate authority to subcommittees.
- ii. The Committee’s job is one of oversight as set forth in this Charter. It shall be the responsibility of management to provide all appropriate information for the Committee to perform its functions. The Committee may request any officer or employee of the Bank or advisor to attend meetings of the Committee.
- iii. In performing their responsibilities, Members will rely in good faith on information, opinions, reports or statements prepared or presented by: (a) one or more officers or employees of the Bank whom the Members reasonably believe to be reliable and competent in the matters presented, (b) counsel, independent auditors, outside loan review organizations or other persons as to matters which the Members reasonably believe to be within the professional or expert competence of such person; or (c) another committee of the Board as to matters within its designated authority which committee the Member reasonably believes to merit confidence.
- iv. In cases where a loan decision is necessary prior to a regularly scheduled meeting, members of the Committee can be securely emailed or telephoned for approval after the Chair of the DLC has approved the use of secure email or telephonic approval in that instance. All such approvals should be documented.

ORGANIZATION

Committee Members

The Committee shall consist of no fewer than three (3) members of the Board plus one (1) alternate. The Board, based on the recommendation of the Governance Committee, appoints Committee members (“Members”). The Board will appoint one of the Members as chairperson of the Committee (the “Committee Chair”). The Board may at any time and with complete discretion remove any Member

and may fill any vacancy on the Committee. If a member of management serves on the DLC, he/she can only serve as a non-voting member.

Committee Meetings

The Committee shall meet at the call of the Chair of the Directors Loan Committee. As a general rule, the Committee shall meet once every two weeks or as loan volume or specific matters require, with at least a majority of the members of the Committee in attendance for a quorum. Meetings shall be in person, via zoom (or other video conference method), or conference call. The Directors Loan Committee may also act by unanimous written consent, whether in paper or electronic format.

Meeting agendas are established by the Director of Credit in consultation with the Chief Credit Officer. The Chair shall coordinate with the Chief Credit Officer on the pre-reading of reports, reviews and loan approval requests for Committee members without others present, as appropriate. The Committee may meet in executive session at the call of the Committee Chair, in its sole discretion.

RESPONSIBILITIES

- i. Final decision maker on all loan approval requests in accordance with the Lending Authority Matrix, except for loan requests where Regulation O applies.
- ii. Monthly or quarterly statistical review of management prepared classified loan reports, i.e., past dues, watch list, non-accrual and OREO. Ongoing review of problem loans in the form of detailed discussions and management memos outlining background and action plans for larger problem loans as deemed necessary. Impairment analysis on FASB 114 credits and associated action plans are available from management upon request. Acknowledgement and evaluation, if necessary, of individual reserves for impaired loans through the review of the quarterly ACL memo which details individual specific reserves for classified loans.
- iii. Review senior management's assessment of the level of credit risk within the lending portfolio.
- iv. Review Loan Policy Exception reports, including the prior month and YTD reports, as well as a report of all exceptions for the entire loan portfolio by loan type.,
- v. Review and approve management requests for new loan products..
- vi. Review the credit risk analysis of management associated with any potential acquisition.
- vii. Review senior management's assessment as to whether the lending function is being conducted in a manner which is consistent with the Bank's strategic plans and its objectives for asset quality.
- viii. Review senior management's assessments and those of outside loan review organizations and regulatory examiners, together with supporting analyses, data, reports, and summaries, regarding: asset quality and asset quality trends: credit administration and underwriting standards; the effectiveness of portfolio credit risk management systems and processes to enable management to identify, measure, monitor, and control loan portfolio credit risk; and such other matters as senior management or the Committee may deem relevant to the Committee's purpose.
- ix. Review and approve, as appropriate, policies, including portfolio limits, after due consideration of senior management's recommendations, and respective lending authorities delegated to the and by the Chief Credit Officer.

- x. Perform reviews of specified credit-related policies and reports, as required by applicable regulations, as is brought to the Committee by management.
- xi. Review and recommend for approval to the Board loans/amounts to be charged off as recommended by senior management per schedule detailed in Loan Policy.
- xii. Review senior management's recommendation of the adequacy and appropriateness of the current allowance for loan losses and related allowance for unfunded loan commitments and letters of credit.
- xiii. Review senior management's recommendations regarding the credit risk associated with off-balance sheet instruments (such as derivatives).
- xiv. Review periodic reports from the regulatory agencies, external and internal auditors and others.
- xv. Review actions taken with respect to any matters related to the Committee's purpose and requiring Board or management attention, as contained in any report of examination by regulatory agencies, audit report, or self-assessment.
- xvi. Review reports from the Loan Review function regarding their independent assessment of the lending portfolio, including trends, noncompliance with established policies and procedures, risk ratings and other matters it considers necessary for the Committee to have a proper understanding of the Corporation's overall credit risk.
- xvii. In accordance with Connecticut State Statutes, section 36a-260 (c) regarding Loan Review:
 - a. Review and approval of the loan review policy, as detailed in the Loan Policy, and any changes for recommendation to the Board for approval
 - b. Review and approval of the annual loan review plan, as detailed in the Loan Policy, including progress and any plan changes during the year
 - c. Review of all reports and memoranda presented to this committee
- xviii. Review existing loans to executive officers and directors on a quarterly basis, and new loan requests to executive officers and directors, per Regulation O requirements.
- xix. Maintain minutes of its meetings and records relating to those meetings and the Committee's activities, with copies of the minutes reported to the Board.
- xx. Review and assess the quality and clarity of the information provided to the Committee and make recommendations to management as the Committee deems appropriate from time to time for improving such materials.
- xxi. Obtain advice and assistance from internal or external legal, accounting or other advisors, as needed.
- xxii. Form and delegate authority to subcommittees when appropriate.

OTHER MATTERS

Consultants

If and when needed, the Directors Loan Committee shall delegate to the Chief Credit Officer the authority to retain and terminate any consultants including, without limitation, counsel to be used for any Committee purpose in accordance with the authority delegated to that party by virtue of the Accounts Payable Policy. The Committee will be notified of any recommendations for loan closing counsel and Loan Review consultants prior to any engagement.

Charter Modifications/Updating

The Directors Loan Committee shall review this Charter at least annually and may recommend to the Board from time to time any proposed changes to this Charter and to documents related to the responsibilities of the Directors Loan Committee.

Committee Self-Assessment

The Directors Loan Committee will perform an annual self-assessment of the Committee's performance to be included in an overall assessment report of the Committee developed by the Governance Committee for Board review and comment. This responsibility may be discharged by participating in a Board-wide self-assessment process.

Other Duties

The Directors Loan Committee will also perform such other functions and have such other powers as may be necessary or convenient to facilitate the discharge of the Committee's responsibilities.