

“ACBA BANK” OJSC BOARD RISK MANAGEMENT COMMITTEE CHARTER

The purpose of "ACBA BANK" OJSC Board Risk Management Committee charter (the "Charter") is to define the procedure of forming "ACBA BANK" OJSC's (the "Bank") Board Risk Management Committee (the "Committee"), requirements applicable to Committee members, procedure of convening meetings and participating in them, the activities of the Committee, areas of its responsibilities and the scope of responsibilities of the Chair of the Committee.

This Charter is applied by the Bank's Board, Committee Chair and members and Secretary.

CHAPTER 1. GENERAL PROVISIONS

1.1. The Board of the Bank has delegated its functions for the oversight of risk related matters and the enterprise risks, impacting the Bank, its subsidiaries and affiliates (the "Group"), risk governance and internal control systems (other than internal financial control systems).

CHAPTER 2. MEMBERSHIP

2.1. The Committee (including the Chair) will comprise at least three members.

2.2. The Chair of the Committee shall be appointed by the Board from among the independent Board members.

CHAPTER 3. ATTENDANCE IN THE MEETINGS OF THE COMMITTEE

3.1. Only members have the right to attend Committee meetings.

3.2. Any other person can attend, by invitation of the Chair for the whole or part of the meeting.

3.3. Members are expected to attend Committee meetings in person where possible but may also attend by telephone or video conference.

CHAPTER 4. MEETINGS AND QUORUM

4.1. The Committee shall meet with sufficient notice and with such frequency and at such times as it may determine.

4.2. The quorum for meetings is two members, including the Chair (or his/her delegate from among the members).

4.3. The Secretary of the Committee is the Bank's Corporate Secretary (or their nominee).

CHAPTER 5. RESPONSIBILITY OF THE CHAIR OF THE COMMITTEE

5.1. The Chair's role requires:

- 1) fostering an open, inclusive and, where appropriate, challenging discussion;
- 2) ensuring the Committee has the information necessary to perform its tasks and devotes sufficient time and attention to the matters within its remit;
- 3) facilitating the running of the Committee by assisting it in providing independent oversight of executive decisions;
- 4) safeguarding the independence of, and overseeing the performance of, the Risk Function and the Compliance Function;
- 5) reporting to the Board on the Committee's activities.

CHAPTER 6. AREAS OF RESPONSIBILITY OF THE COMMITTEE

6.1. The Committee's responsibilities shall include:

1) Risk Appetite:

- a. to advise the Board on risk appetite and risk tolerance related matters;
- b. to review and recommend the Bank's and Group's Risk Appetite Framework, on an annual basis, to the Board for approval;
- c. to review and recommend the Bank and Group Risk Appetite Statement, on an annual basis and more often, where justified, to the Board for approval;

d. to receive reports and draw independent external advice, where appropriate, to satisfy itself that the Bank's and Group's approach to the determination of its risk appetite is in line with regulatory requirements;

e. to satisfy itself that risk appetite informs all aspects of the Bank's and where applicable Group's strategy (including technology strategy);

f. to review and recommend the regulatory submissions of the Bank's Recovery Plan, or approval, satisfying itself with regards the completeness of the submissions and their consistency with the principles of the Bank's Risk Appetite;

g. to review and recommend the Internal Capital Adequacy Assessment Process to the Board for approval;

h. to review and recommend the Bank's Individual Liquidity Adequacy Assessment Process to the Board for approval;

i. to consider and, if appropriate, advise the Board on the risks associated with proposed material acquisitions/disposals and/or other major projects of the Bank, focusing in particular on the resulting implications for the risk appetite and tolerance of the Group and the Group;

j. to review and advise the Board on the effective management of risks relating to the Bank's and Group's Operational and IT Resilience, including risks relating to the execution of the technology aspects of the approved Group and/or Bank strategy, cyber security and serious, large scale, organised crime relating to information security;

ja. to review and advise the Board and/or the Remuneration Committee on alignment of remuneration with risk appetite and conduct;

jb. to review and advise the Board on the Bank's cost of equity on an annual basis.

2) Risk-related matters:

a. to oversee and advise the Board on risk-related matters (including on all risk-related items that are presented to the Board), comprising both financial risks (including capital and liquidity, retail and wholesale credit risk, strategic risk, and market risk) and non-financial risks (including operational risks, resilience risk (incorporating information technology, cyber security and third party risk), financial crime and fraud risk, regulatory compliance risk, people risk, legal risk, model risk, and financial reporting and tax risk);

b. to review and provide independent challenge on risk management reports, including the Bank's and Group's enterprise risk reports, to:

1) enable the Committee to assess the risk profile of the Bank and the Group and how the risks arising from the Bank's and Group's businesses are controlled, monitored and mitigated by management;

2) provide clear focus on current and forward-looking risks to enable the Committee to assess the Bank's and Group's vulnerability and resiliency to potential risks;

3) review the effectiveness of the Bank's and Group's conduct framework designed to deliver fair outcomes for customers, preserve the orderly and transparent operation of financial markets, and protect the Bank and the Group against adverse outcomes (including reputational damage) to the Bank's and Group's financial and nonfinancial condition and prospects;

4) enable the Committee to provide additional assurance as the Board may require regarding the reliability of risk information submitted to it; and

5) enable the Committee to assess the Bank's and Group's framework of controls and procedures designed to identify areas where the Bank may become exposed, and through that exposure the financial system more broadly may be exposed, to financial crime or system abuse;

c. to conduct forward looking thematic reviews and deep dives to address key risks and areas of regulatory concerns;

3) Stress Testing:

a. to review, challenge and where appropriate approve the key assumptions, vulnerabilities and scenario themes identified and expanded metrics to be used in both internal and regulatory Group and Bank-wide stress tests and regulatory submissions;

b. to review and approve final Bank and Group-wide internal and regulatory Stress Tests, including submissions to the Regulatory Authority;

c. to review and satisfy itself that the Bank's and Group's stress testing framework, governance and related internal controls are robust;

4) Enterprise risk management framework and internal control systems

a. to review the Bank's and Group's risk management framework annually and consider a report from Internal Audit that it is operating effectively across the Bank and the Group;

b. to review how effectively management is embedding and maintaining an effective risk management culture and a strong internal control environment designed to foster compliance with Bank's and Group's policies and compliance requirements;

c. in carrying out its oversight role, the Committee will:

1) consider any material findings from regulators relating to risk governance, conduct of business, risk assessment or management processes;

2) review Bank's and Group's controls relating to compliance risks and satisfy itself that they are adequate and that the Bank and the Group are maintaining an appropriate relationship with its regulators;

3) review internal control systems to satisfy itself that these are effective. The Audit Committee shall have primary responsibility in relation to internal financial control systems;

4) consider risk management and internal control reports;

5) receive Internal Audit reports on the Bank's and Group's internal control processes;

6) report to the Board on the effectiveness of risk management and internal control other than in relation to internal financial control systems, which are the responsibility of the Audit Committee;

d. oversee the Bank's policies and procedures for capturing and responding to whistleblower concerns;

5) Annual report:

a. to review and endorse the content of the Risk Committee Report in the annual report and accounts. In recommending the Risk Committee Report to the Board, the Committee shall focus on the following:

1) the Bank's and Group's risk disclosures, including the articulation of the Bank's and Group's strategy within a risk management context, including inherent risks to which the strategy exposes the Group, the associated risk appetite and tolerance and how actual risk appetite is assessed over time;

2) forward looking information indicating the expected impact of potential risks facing the Bank and the Group; and

3) the articulation of how risk is managed across the Group and the Bank and the role of the Committee in providing oversight.

b. to review and endorse the statements relating to internal controls (other than internal financial control systems) and viability, including the assessment of principal risks facing the Group and the Bank that are contained in the annual report for submission to the Board;

6) Head of Risk and Compliance and Risk Management Function:

a. to monitor the effectiveness and independence of the Head of Risk and Compliance ("HRC") and to review the composition and effectiveness of the risk management function including that it is of sufficient stature, independent of the business and adequately resourced (qualifications, experience and training of staff);

b. the Committee shall ensure the HRC:

1) participates in the risk management and oversight on an enterprise-wide basis;

2) is satisfied that risk owners in the business lines are aware of, and aligned with, the Bank's and Group's risk appetite;

3) has direct access to the Chair of the Committee;

4) reports to the Committee, alongside the internal reporting line to the Chief Executive Officer;

5) is independent from individual business units;

c. to recommend to the Board the appointment or removal of the HRC;

d. annually review HRC's performance and make a recommendation regarding his compensation to the Governance, Nomination and Remuneration Committee and/or the Board;

7) Internal Audit:

a. to review reports from Internal Audit that pertain to the purpose and the areas of responsibility of the Committee;

b. to respond to other Internal Audit matters referred to it by the Audit Committee;

c. to ensure that the Audit Committee is advised of the Committee's work in relation to Internal Audit reports and, in particular, any shortcomings perceived in the scope or adequacy of the work of Internal Audit;

8) External auditors: to review, and track remediation of any issue raised by the external auditor in respect of the audit of the Bank's and Group's annual report and accounts (and management's

response), which relates to the management of risk or internal control systems (other than internal financial control systems);

9) Other responsibilities:

a. to consider whether external advice on risk matters should be taken, in particular, to challenge analysis undertaken and assessments made by the Committee and the risk management function. Where it is deemed necessary, the Committee is authorised by the Board to obtain such professional external advice;

b. to carry out such other duties that may be delegated to it by the Board from time to time.

CHAPTER 7. OPERATION OF THE COMMITTEE

7.1. The Committee:

1) shall meet with the Bank's Head of Internal Audit at least twice annually;

2) shall meet with the external auditor annually;

3) shall meet with the HRC, without management present, at least twice annually;

4) shall periodically review this charter and its own effectiveness, as well as the quality of information it receives and recommend any necessary changes;

5) shall report to the Board on the matters set out in these terms of reference, how the Committee has discharged its responsibilities and will make recommendations on action needed to resolve concerns or make improvements;

6) may request any information it considers appropriate from any of the Bank's subsidiaries and affiliates;

7) is authorised by the Board to engage independent professional advisers and have access to such resources, including employees, as it may consider appropriate;

8) shall give consideration to the laws and regulations;

9) shall work and liaise as necessary with all other Board committees (including to determine where there is an overlap or any gaps in responsibilities). The Committee's interaction with other relevant Boards and Committees of the Group if possible will be reflected in the detailed plans and processes for the Committee which are developed on an ongoing basis throughout each calendar year.

CHAPTER 8. TRANSITIONAL PROVISIONS

8.1. The Charter goes into effect since 11 November 2022.