

“ACBA BANK” OJSC
BOARD STRATEGY COMMITTEE CHARTER

Registration code	Edition number	Approval date	Entry into force
CHARTER 04#6	1	17.10.2024	15.11.2024

Author`

Structural Unit	Position	Name Surname
Corporate Law Division	Head of Division	Narek Antonyan

Pre-approved by

Position	Name Surname
Chief Executive Officer	Hakob Andreasyan
Chairman of “ACBA BANK” OJSC board governance, nominations and remunerations committee	Bruno Charrier

Approved by

Position	Name Surname
Board Chairman	Rafayel Sargsyan

1. PURPOSE AND SCOPE OF APPLICATION

1.1. The purpose of “ACBA BANK” OJSC board strategy committee charter (hereinafter the Charter) is to define the procedure for formation of the strategy committee (hereinafter the Committee) of “ACBA BANK” OJSC (hereinafter the Bank), the requirements set out for the members of the Committee, the procedure for convening and participation in the meetings, the Committee’s operation, areas of responsibility of the Committee and the scope of responsibility of the Chair of the Committee.

1.2. This Charter must be applied and complied with all managers, employees, contributors and contractors engaged in, for or with any of the entities within the governance remit of the Board.

2. GENERAL PROVISIONS

2.1. The Committee reviews and provides opinions, recommendations and advice to the Board regarding its areas of responsibility as outlined in Chapter 7 of the Charter.

3. MEMBERSHIP

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

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

4. ATTENDANCE IN THE MEETINGS OF THE COMMITTEE

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

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

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

5. MEETINGS AND QUORUM

5.1. The Committee shall meet with sufficient notice and with such frequency and at such times as it may determine or otherwise as required/necessary to adequately and timely advise the Board.

5.2. The quorum for meetings is two thirds of the members. The Secretary of the Committee is the Bank’s Corporate Secretary (or their nominee).

6. RESPONSIBILITY OF THE CHAIR OF THE COMMITTEE

6.1. The Chair’s role requires:

- 1) providing leadership to the Committee, ensuring it fulfills its responsibilities effectively and in alignment with the Bank’s overall strategic goals;
- 2) fostering an open, inclusive and, where appropriate, challenging discussion;
- 3) ensuring the Committee has the information necessary to perform its tasks and devote sufficient attention to the matters within its remit;
- 4) facilitating the running of the Committee;
- 5) acting as a liaison between the Committee, senior management and the Board;
- 6) reporting to the Board on the Committee’s activities.

6.2. The CEO of the Bank may request the Committee Chair to convene a meeting for support and advice from the Committee regarding the execution of the Bank’s Strategic plan or to address emerging opportunities related to the Bank’s strategy.

7. AREAS OF RESPONSIBILITY OF THE COMMITTEE

7.1. The Committee’s responsibilities shall include:

1) Overall Corporate Purpose of the Bank, which includes:

- a. overall vision of the business to be conducted;
- b. expectations of key stakeholders, such as shareholders, staff, Armenian society, etc.;

- c. global objectives, such as expected profitability level, nature/level of activity, contribution to social or collective goals;
- d. core values.

2) Key Business Priorities and Goals, which includes:

- a. Markets to be addressed, meaning client segments, nature of products and service, profitability levels by business, etc.;
- b. Key medium and long term financial and non-financial KPI's for these markets;
- c. Target competitive positioning on these markets;
- d. Overall Risk Tolerance.

3) Financial Planning and Performance monitoring, which includes:

- a. Overall finance management;
- b. Processes ensuring consistency between strategic priorities and other targets, such as budget, sales targets, risk guidelines;
- c. Processes ensuring proper performance monitoring, feedback mechanisms and corrective actions;
- d. Overall financial consistency of the business, such as asset-liability balances, liquidity strength, funding policy.

4) Equity, Key partnerships and M&A, which includes:

- a. Target shareholdership structure and related governance issues, such as shareholders' agreements;
- b. Equity strategy, such as target volume of Equity, Equity structure, attractiveness for shareholders, dividend policy, etc.;
- c. Nature, profile and type of agreement with major partners;
- d. Acquisition and disposal of businesses or companies;
- e. Mergers and legal structures.

5) Technology and Cyber Security, which includes:

- a. Overall supervision of the IT policy, considering the ever-growing impact of technology on the banking business;
- b. Review of key investment decisions, such as major outsourcing, dependency on key vendors, major technological options, appropriateness of the level of investment;
- c. Risk policy regarding IT, including the management of cybersecurity, key-man and talent scarcity risk, in coordination with the Board Risk Management Committee.

6) ESG Principles, which includes:

- a. Integration of Environmental, Social, and Governance criteria in the business policy, including possible restrictions set to some businesses;
- b. Positioning of Bank as a responsible player in the development of the local society;
- c. Differentiation of the Bank from the competitors regarding ESG principles.

7.2. The Committee can address other topics than the ones under Clause 7.1 of the Charter, upon request of the Board or the CEO of the Bank. If asked to address other topics, the Chair of the Committee will assess whether the topics to be addressed are appropriate for the Committee.

8. OPERATION OF THE COMMITTEE

8.1. The Committee:

- 1) shall annually review this Charter and its own effectiveness, as well as the quality of information it receives, and recommend any necessary changes;
- 2) shall report to the Board on the matters set out in this charter, how the Committee has discharged its responsibilities and will make recommendations on action needed to resolve concerns or make improvements;
- 3) shall obtain any information and documents it reasonably requires from any manager or employee of the Bank or its controlled entities, through a demand addressed to the CEO or one of his deputies;

4) shall have the right to ask the senior management members or relevant persons in charge of topics for which the Committee is responsible to make oral or written working reports to the Committee within the regulated period and timely answer questions of the Committee;

5) may request any information it considers appropriate from the Bank's subsidiaries, through a demand addressed to the CEO of the Bank;

6) shall be kept properly informed and be proactively furnished with accurate and appropriate information as related to its scope by the Executive Management;

7) is authorized by the Board to engage special counsel, advisers, experts, or other consultants, within agreed upon budget. The hiring of any external experts will require prior consultation of the Management;

8) shall give consideration to laws and regulations of all applicable jurisdictions and regulators;

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 ("ACBA BANK" OJSC and its subsidiary companies), 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.