ACBA BANK GROUP
BOARD GOVERNANCE, NOMINATIONS, AND REMUNERATIONS COMMITTEE CHARTER

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1. PURPOSE AND APPLICATION SCOPE

1.1. The purpose of ACBA BANK GROUP Board Governance, Nominations and Remunerations Committee Charter (hereinafter the Charter) is to define areas of responsibility of the Governance, Nominations and Remunerations Committee of the Board.

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

2. DEFINITIONS

ACBA Bank Group or Group: includes the Parent Company and the Subsidiary.

Parent Company or Bank: "ACBA BANK" OJSC - the main governing body of the Group.

Subsidiary or Leasing: "ACBA LEASING" Credit Organization CJSC and any company that the Parent Company may acquire or establish in the future as a subsidiary, in accordance with applicable law.

Parent Company's Board: the collegial governing body of the Parent Company, responsible for strategic oversight, supervision of executive management, and the protection of shareholder and stakeholder interests, within its competence as defined by applicable legislation and the Parent Company's Charter.

Subsidiary's Board: the collegial governing body of the Subsidiary, responsible for strategic oversight, supervision of executive management, and the protection of shareholder and stakeholder interests, within its competence as defined by applicable legislation and the Subsidiary's Charter.

Board: The Parent Company's Board and the Subsidiary's Board.

Board Committee(s) or Committee: Committees of the Parent Company's Board and the Subsidiary's Board, established to support the Parent Company's and the Subsidiary's Boards in fulfilling their responsibilities.

****In the context of the Charter Board Committee(s) refers to the Board Governance, Nominations and Remunerations Committee.***

***Executive* Body:** The Parent Company's CEO and the Subsidiary's General Director.

***Parent* Company's Chief Executive Officer (CEO) or Chief Executive Officer:** The sole executive body of the Parent Company, responsible for overall management and day-to-day operations, in accordance with applicable legislation and the Parent Company's Charter.

***Subsidiary's General Director or General Director*:** The sole executive body of the Subsidiary, responsible for overall management and day-to-day operations, in accordance with applicable legislation and the Subsidiary's Charter.

Top Management: Parent Company's CEO, Deputy CEOs, and Chief Risk Officer.

3. GENERAL PROVISIONS

3.1. The responsibilities outlined in the Committee's Charter apply to the Board committees of Group companies, to the extent that they are related to that company's activities.

3.2. The Board Committee(s) operates in accordance with Rules and Regulations of the Board and with the Charter adopted by the Board.

3.3. Board Committee(s)' operational standards, composition and structure, meetings and quorum, as well as the scope of responsibilities of the Board Committee Chairpersons are defined by the Rules and Regulations of the Board.

3.4. The Board Committee(s) can address other topics than the ones provided by the Charter, upon request of the Board or the Executive Body. If asked to address other topics by the Executive Body, the Chair of the Board Committee(s) will assess whether the topics to be addressed are appropriate for the Board Committee(s).

3.5. Any decision/recommendation taken/given under the authority outlined in the Charter by Board committee(s) shall be recorded in the summary proceedings of those bodies.

4. AREAS OF RESPONSIBILITY OF THE COMMITTEE

4.1. The Committee reviews and provides opinions, recommendations and advice to the Board regarding its areas of responsibility as outlined in 4.2 point of the Charter.

4.2. **The Committee(s)' responsibilities shall include:**

1) Governance:

a. reviews the Group's corporate governance framework on behalf of the Board and ensure it is consistent with best corporate governance standards and practices while remaining appropriate for and proportionate to the size, complexity and strategy of the Parent company and Subsidiary.

b. monitors whether the Board performs its duties and functions in accordance with regulations or not.

c. monitors and ensures that the Group's governance system complies with international best practices and standards.

d. periodically prereviews and pre-approves the Parent company's and Subsidiary's charter, corporate governance code, policies in the field of governance, ensures the implementation in practice of the requirements of the mentioned legal acts.

e. assists the Board in protecting the rights of shareholders.

f. reviews and pre-approves corporate governance reports.

g. submits for approval corporate culture and values, as well as an "ethical tone", assists in their oversight and communication.

h. monitors the effectiveness of the Group's governance activities and, if necessary, submits proposals for changes. This includes the following:

1) monitoring of the practices internal organisation and governance structure and practices, preliminary approval of the structure,

2) monitoring of the structures and practices of the Board and the Board committees, preliminary approval of the structures,

3) introduction of clear lines of accountability for management,

4) organization of self-evaluation processes of the Board and its committees, as well as the evaluation of the results of the activities of individual members of the Board, the Chairman of the Board, and key personnel, summarizing their results, and developing and implementing interim measures resulting from them (including mandatory and/or continuous trainings for Board members).

i. oversees maintenance of effective relationship with supervisor, i.e. the CBA of RA.

j. oversees and manages potential conflicts of interest of management, Board members and shareholders, including abuses related to the use of corporate assets and related party transactions.

ja. oversees disclosure and communication of information by the Parent company and Subsidiary.

jb. reviews the independence of the Board Members including:

1) the balance of the number of independent Board members;

2) the length of service and renewal of the terms of office of Board members;

3) the re-election by shareholders of Board members retiring annually;

4) any situational conflict which a Board members may have with the interests of the Parent company and Subsidiary;

5) any other relevant matter.

2) Nomination:

a. reviews the composition of the Board and its committees and makes recommendations to the Board on appointments based on merit and aligned with objective criteria promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

b. plan for the orderly succession of members of the Board and Top Management, and oversees the development of a diverse pipeline for succession.

c. advises the Board on the selection of new Board members. The Committee should analyze the Board member's role and responsibilities and the knowledge, experience and competencies that this role requires.

d. advises the Board on senior executive and key personnel appointments (including interim appointments) on the recommendation of the CEO/ General Director.

e. advises the Board on the termination of powers of Board members, senior management and other key personnel members or on succession planning.

f. makes recommendations for approval by the Board of the membership of Board committees.

g. ensures that the Group has a clear, thorough and transparent process for discovery, identification, evaluation and selection of Board member candidates.

h. develops and constantly reviews the Board skills matrix.

i. maintains a database of potential candidates for replacement of Board members, Top management and key personnel, ensuring their proper succession planning, as well as pre-approves their job descriptions.

j. organizes orientation and induction programs for Board members, identifies the qualifications of Board members, Top management and key personnel, ensures that Board members have ongoing trainings on relevant issues and areas.

ja. assists the Board in overseeing staff or human resources policies, checks whether the selection, evaluation and decision-making procedures for the appointment of Board members and staff are consistent with the Parent company's and Subsidiary's objectives, risk appetite, the Group's internal rules and regulations.

jb. approves selection of organizations supporting in the selection of Board members and staff, as well as on the remuneration and maintenance conditions of such organizations.

jc. in making its recommendations, the Committee shall take account of the following:

1) the leadership needs of the Group.

2) the structure, size, composition and time requirements of the Board to ensure Board responsibilities can be met.

3) the balance of skills, experience, independence and knowledge of candidates so as to ensure that those who are appointed are best able to meet the challenges and opportunities facing the Group and to promote its success.

4) the diversity and inclusion, including the need to consider candidates from a wide range of backgrounds.

5) other demands that may arise on the nomination process, including actual or potential conflicts.

3) Remuneration:

a. reviewing and pre-approving the principles, parameters and governance of the Group's remuneration framework as applicable to the Parent company's and Subsidiary's workforce, including:

1) the methods for measuring performance;
2) fixed and variable pay plans;
3) retirement plans;
4) employee share plans (prior to referral to shareholders, as applicable);
5) shareholding requirements;
6) malus, clawback and other risk adjustment mechanisms; and
7) severance plans.

b. satisfying itself that the framework is:

1) aligned with the business strategy, risk appetite, culture and values, and long-term sustainable success of the Parent company and Subsidiary;
2) aligned with the interests of its shareholder and other stakeholders; and
3) free from bias of any form.

c. reviewing and pre-approving:

1) the aggregate variable pay pool to be distributed to the Parent company's and Subsidiary's workforce; and
2) new hire packages, fixed pay changes, international assignment terms, exceptional payments, annual total remuneration and severance packages (together, the ‘remuneration’) for any employee where it exceeds an amount specified by the Committee from time to time (the ‘Committee Individual Threshold’);
3) individual discretions in accordance with the terms of any deferred remuneration plan;
4) individual awards that require regulatory approval.

d. overseeing the wider workforce value proposition to ensure this supports the Parent company’s and Subsidiary’s business strategy, goals and long-term sustainable success.

e. reviewing and pre-approving the remuneration for Top Management, ensuring that these decisions take account of wider workforce pay and people strategies.

f. recommending to the Board, the Remuneration Policy and any other remuneration matters that may require Board approval.

g. assessing that there are effective safeguards in place to ensure that the remuneration framework complies with regulatory and other legislative requirements that the Parent company and Subsidiary is subject to.

h. reviewing any matters relating to remuneration that need to be reported to the Board, shareholders or the regulator, including the review and approval of:

1) the content of the Board Remuneration Report in the annual report and accounts for approval by the Board as a whole;

2) the Parent company's and Subsidiary's regulatory submissions in relation to the Remuneration Policy, if required.

i. satisfying itself that the remuneration framework:

1) aligns with the Parent company's and Subsidiary's purpose, strategy, values and promotes inclusion, employee engagement and wellbeing;

2) takes into account all types of risks, liquidity and capital levels;

3) is consistent with and promotes the sound and effective risk management of the Group;

4) does not encourage risk-taking that exceeds the level of tolerated risk of the Group; and

5) does not encourage the Parent company and Subsidiary to bear any risk that would undermine its ability to comply with any regulatory obligation.

j. seeking advice from the Board Risk Management Committee on the alignment of remuneration with risk appetite and conduct.

k. considering material issues communicated to it by the Board Audit Committee arising from the work of Internal Audit relating to matters within this charter.

In carrying out the responsibilities mentioned in Subclause 3 of Clause 4.2. of this Charter, the Committee shall:

1) determine the governance of, and delegated mandates for, approving individual remuneration packages and any changes to framework as covered in Subclause 3 of Clause 4.2 of this Charter

2) satisfy itself that remuneration for employees in the Risk and Compliance, and Internal Audit, functions is determined independently of other business areas;

3) ensure that no employee is involved in deciding their own remuneration;

4) regularly review the effectiveness of the Group's remuneration framework, to ensure practices continue to react appropriately to external and internal events and to allow the Committee to test the criteria used for determining remuneration awards and risk adjustment; and

5) ensure that the remuneration structures and procedures implemented to achieve compliance with remuneration regulations are subject to both central and independent internal review at least annually.

4.3. In cases where a matter falls within the remit of more than one Board Committee, the Board chairperson shall determine whether the matter should be considered at a joint meeting, by each committee separately or only by one of the committees.