ACBA BANK GROUP
BOARD RISK MANAGEMENT COMMITTEE CHARTER

Registration code	Edition number	Approval date	Entry into force
CHARTER 02#6	2	18.12.2025	29.12.2025

Developed by:

Structural unit	Position	Name Surname
Legal and Compliance Directorate	Head of Corporate Secretariat and Governance Assistance Division	Tatevik Igityan

Preapproved with:

Position	Name Surname
"ACBA BANK" OJSC, "ACBA LEASING" CO CJSC Chairperson of the Board Risk Management Committee	Ashot Karapetyan

Approved by:

Position	Name Surname
"ACBA BANK" OJSC, "ACBA LEASING" CO OJSC Chairman of the Board	Rafayel Sargsyan

Contents

1. PURPOSE AND APPLICATION SCOPE

1.1. The purpose of ACBA BANK GROUP Board Risk Management Committee charter (the "Charter") is to define the areas of responsibility of the Risk Management Committee of the Board (the “Committee”).

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(s)***: 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 Risk Management Committee.***
Group’s Internal Audit Responsible Person: Internal Audit Director of the Parent Company and the Auditor of the Subsidiary.
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.
Group’s Risk Management Responsible Person: Chief Risk Officer (CRO) of the Parent Company.

Group’s AML/CFT and Sanctions Responsible Person: AML/CFT and Sanctions Director of the Parent Company and AML/CFT and Sanctions Responsible Person of the Subsidiary.
Group’s Compliance Function Responsible Person(s): Head of the Compliance division and Legal and Compliance Director of the Parent Company.

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 Committee operates in accordance with Rules and Regulations of the Board and with the Charter adopted by the Board.

3.3. 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 Committee 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 Committee Chair will assess whether the topics to be addressed are appropriate for the Committee.

3.5. Any decision/recommendation taken/given under the authority outlined in the Charter by the Committee shall be recorded in the summary proceedings.

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) Risk Appetite:

a. to advise the Board on risk appetite and risk tolerance related matters;

b. to review the Group's Risk Appetite Framework, on an annual basis, and recommend the Framework or any proposed changes thereto to the Board for approval;

c. to review and recommend the 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 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 Group's strategy (including technology strategy);

f. to review the Group's Recovery Plan and related regulatory submissions, and recommend them to the Board for approval, if such approval is required by Board under applicable legislation, ensuring their completeness and consistency with the principles of the Group's Risk Appetite Framework.

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

h. to review and, if appropriate, advise the Board on the risks associated with proposed material transactions and/or other major projects of the Group, particular attention to their implications for the Group's risk appetite and tolerance;

i. to review and advise the Board on risks relating to the execution of the technology aspects of the approved Group strategy, cyber security and major crime relating to information security;

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

2) Ongoing monitoring over risk:

a. to oversee and advise the Board on risk-related matters (including all risk items presented to the Board), comprising both financial risks (including capital, liquidity, credit risk and market risk) and non-financial risks (operational risks-including information security and cyber security risks - and reputational risks);

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

1) enable the Committee to assess the risk profile of the Group and how the risks arising from the 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 Group's vulnerability and resiliency to potential risks;

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

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

d. to review significant risk alerts and monitor management's responses and remediation efforts.

3) Stress Testing:

a. To review, challenge and where appropriate approve or if such approval is within the remit of the Board to recommend to the Board for approval the key assumptions, vulnerabilities and scenarios identified and expanded metrics to be used in both internal and regulatory Group-wide stress tests and regulatory submissions;

b. To review and approve or if such approval is within the remit of the Board to recommend to the Board for approval the final Group internal and regulatory Stress Tests, including submissions to the Regulatory Authority;

c. To review and satisfy itself that the 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 Group's risk management framework annually;

b. to pre-approve any proposed changes to the risk management framework that are within the remit of the Board;

c. to review and oversee management's efforts to embed and maintain a strong risk management culture and a robust internal control environment that supports adherence to compliance with Group's policies and compliance requirements;

d. to review Group's internal control systems (other than internal controls over financial reporting) to satisfy itself that they are effective;

e. report to the Board on the effectiveness of risk management and internal control (other than internal controls over financial reporting).

5) Compliance, AML/CFT and International sanctions

a. to review the Group's compliance, international sanctions compliance, and anti-money laundering; and counter-financing of terrorism (AML/CFT) frameworks and recommend them or any proposed changes thereto to the Board for approval;

b. to review and provide independent challenge on compliance, international sanctions and AML/CFT reports, to:

1) enable the Committee to assess the compliance profile of the Group and how the compliance, international sanctions and AML/CFT risks are being controlled, monitored and mitigated by management;

2) provide clear focus on current and forward-looking compliance, international sanctions and AML/CFT risks to enable the Committee to assess the Group's vulnerability and resiliency to such risks;

3) enable the Committee to provide additional assurance as the Board may require regarding the reliability of compliance, international sanctions and AML/CFT information submitted to it;

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

5) enable the Committee to assess the Group's framework of controls and procedures designed to identify areas where the Group may become exposed to financial crime or system abuse;

c. to review and oversee management's efforts to embed and maintain a strong compliance culture including through training and awareness programs related to compliance, sanctions, and AML/CFT obligations;

d. to review significant alerts on compliance breaches, sanctions violations, or AML/CFT incidents and monitor management's responses and remediation efforts.

5[1]) **Regulatory Compliance:**

a. to review material communications from the regulatory authority, including letters, notices, and other documents issued within supervisory review processes (including SREP);

b. to review key regulatory submissions within supervisory review processes;

c. to coordinate and oversee the efforts to remediate material supervisory findings.

6) Annual report and accounts:

a. to review and endorse the content of the Committee Report in the annual reports;

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 that are contained in the annual report for submission to the Board.

7) Risk Management, Compliance, AML/CFT and International Sanctions functions and their responsible officers:

a. to monitor the effectiveness and independence of the Group's Risk Management Responsible Person, Group's AML/CFT and Sanctions Responsible Person, Group's Compliance Function Responsible Person(s) (with regard to their compliance functions), as well as to review the composition and effectiveness of the risk management, compliance, AML/CFT and international sanctions functions

including that they are of sufficient stature, independent of the business and adequately resourced (qualifications, experience and training of staff);

b. to ensure the **Group's Risk Management Responsible Person**:

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 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 ensure that the **Group's Compliance Function Responsible Persons**

1)participate in compliance oversight on an enterprise-wide basis;
2)are satisfied that compliance responsibilities across the Group are clearly assigned and understood by relevant business units;
3)have direct access to the Chair of the Committee;
4)are independent from individual business units and free from undue influence;

c1. to ensure that the Head of Compliance Division:

1)has the opportunity to report to the Committee, alongside the internal reporting line to the Legal and Compliance Director;
2)is able to carry out supervision, risk assessment, and reporting of findings over other areas under the supervision of the Legal and Compliance Director;

d. to ensure that the Group's AML/CFT and Sanctions Responsible Person

1) participates in the oversight of AML/CFT and sanctions compliance on an enterprise-wide basis;
2) is satisfied that AML/CFT and sanctions responsibilities are clearly assigned and understood throughout the Group;
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 and operates free from undue influence;

e. to recommend to the Board the appointment or removal of the Group's Risk Management Responsible Person, Group's AML/CFT and Sanctions Responsible Person, Group's Compliance Function Responsible Person(s);

f. annually review performance of the Group's Risk Management Responsible Person, Group's AML/CFT and Sanctions Responsible Person, Group's Compliance Function Responsible Person(s), and make a recommendation regarding their compensation to the Governance, Nominations and Remuneration Committee and/or the Board.

8) Whistleblowing

a. To oversee the Group's policies and procedures for capturing and responding to whistleblower concerns;

b. To oversee the Group's procedures to ensure confidentiality, protection and fair treatment of whistleblowers;

c. routinely review reports arising from the operation of the whistleblowing policies and procedures;

d. satisfy itself that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action;

e. annually review the operation and effectiveness of the arrangements by which staff may, in confidence, raise concerns.

9) 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 Board Audit Committee;

c.to ensure that the Board 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.

10) External auditors: to review and oversee remediation of any issue raised by the external auditor in respect of the audit of the 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).

11) Responsibilities related to Financial Group:

a. to review and recommend to the Board for approval Financial Group internal legal acts and changes thereto that fall within the remit of the Board and are related to risks, compliance, international sanctions or AML/CFT;

b. to recommend to the Board the appointment and removal of the person responsible for Financial Group level compliance and risk management;

c. to review and monitor the effectiveness of the Financial Group level internal control framework and recommend to the Board for approval any changes that are within the remit of the Board;

d. to monitor the risk and compliance profile of the Financial Group via periodic reports;

e. to review breaches of Financial Group regulations and monitor management responses and remediation efforts.

12) 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 assigned to it by the Board from time to time.

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.

5. OTHER PROVISIONS

5.1. The Committee or the Committee chair:

1) shall meet with the Group's Internal Audit Responsible Person at least annually;

2) shall meet with the Group's Risk Management Responsible Person, Group's AML/CFT and Sanctions Responsible Person, Group's Compliance Function Responsible Person(s), Information security and Cyber Security Director without management present, at least twice annually;

3) may with the consent of the Board Audit Committee, request internal audits relating to the Group's risk management, compliance (including international sanctions compliance), and anti-money laundering (AML) functions to assess the adequacy, effectiveness and integrity of their operations.