

Risk Committee Charter

Risk Committee Charter approved by the Board of Directors on 13 December 2021 AD

1.4 Risk Committee Charter

1.5.1 Committee Structure

The Risk Committee shall be formed by a resolution from the Board of Directors and shall consist of no less than three and no more than five members from non-executive board members, provided that one of them shall be an independent member at least and the Chairman of the Committee shall be from the board members. The members of the Committee shall have a suitable level in risk management and financial affairs and among them members who are experienced in cyber and technical risks, in addition to the requirements and conditions for appointment stipulated in this Regulation and the policies and mechanisms of appointment and replacement of the Board of Directors, its affiliated committees, and the relevant laws and regulations. The Chairman of the Committee may not be the chairman of any other committee of the Board of Directors, however it is possible for him/her to be a member in it, except the Executive Committee. In case the Chairman of the Committee loses the membership of the Board of Directors for any reason, he/she shall lose the chairmanship of the Committee.

The independent member of the Committee shall be obligated to abstain from everything that affects his/her independence as he/she must abstain from accepting any position, work, dealing, contracting, action, or others that may prejudice, affect, or constitute an independence obstacle, except after informing the Board of Directors and a resolution is issued by the Board to authorize him/her to do so, in accordance with the controls and provisions it sets, without prejudice to the availability of the minimum number of independent members of the Committee prescribed by the relevant laws, regulations and regulatory controls (if any).

- The General Manager of Risk shall be appointed as the secretary of the Committee, and the person in charge of his/her works shall replace him/her unless the Committee deems otherwise.
- The Executive Vice President of Risk - or his/her representative in his/her absence - should be invited to attend the Committee's meetings on an ongoing basis without having the right to vote in them.

1.5.2 Tasks and Responsibilities:

The main purpose of the Risk Committee is to provide advice and consultancy to the Board about the current and future overall plans and strategies related to the capability and ability of the Bank to bear the risks and to supervise the implementation of these plans and strategies by the Executive Management of the Bank. Generally, the Committee works on assisting the Board of Directors in supervising all activities and resolutions related to risk management in the Bank such as assisting the Board of Directors in performing the tasks of risk management, market risks, credit risks, equity risks, investment, financial, operational risks, liquidity risks, reputation risks, information technology and security (cyber) risks, legal risks, and strategic risks, in addition to any tasks or responsibilities that may be assigned to it temporarily by the Board of Directors in a manner that does not conflict with the tasks and responsibilities of other committees of the Board.

The Committee shall, specifically, undertake the following responsibilities and tasks:

1.5.2.1 Ensuring the development of a comprehensive strategy and policies for risk management, taking into account cyber and technical risks, and managing business continuity in proportion to the nature of the volume of the Bank's activities, and verifying

their implementation, reviewing and updating them based on the Bank's internal and external changes.

1.5.2.2 Reviewing the strategies of treasury, risks, business continuity, and information security, and making recommendation to the Board of Directors about the proposed amendments for approval, if any.

1.5.2.3 Reviewing and making recommendation to the Board of Directors regarding the levels of acceptable risks at the level of the Bank, the level of permissible excesses of those risks, and the amendments to them, if any.

1.5.2.4 Evaluating the volume of the risks to which the Bank is exposed, following up on the risks, and submitting reports about this to the Board of Directors.

1.5.2.5 Being informed about and issuing directions regarding the Bank's ability to identify and manage new types of risks and make a comprehensive evaluation of the categories of capital risks at the Bank level.

1.5.2.6 Examining the material changes proposed to be inserted to the volume of risks or risks acceptance level that arise from proposed strategic transactions, including the operations of purchasing or selling assets.

1.5.2.7 Examining the implications of the changes proposed to be inserted to regulations and legislations that are of a material nature in relation to the level of the Bank's acceptance of risks and the extent of the Bank's exposure to risks and their management.

1.5.2.8 Reviewing and making recommendation to the Board of Directors about the approval of the policies of treasury, business continuity, and risk management, which include but are not limited to, credit policies, operations, market, asset and liability management,

acceptable risks, capital adequacy, and other requirements of the Basel Committee and the regulatory and supervisory authorities.

1.5.2.9 Reviewing and approving the treasury products recommended by the Assets and Liabilities Committee of the Executive Management.

1.5.2.10 Studying and reviewing the annual report of acceptable risk and the annual report of the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) and submitting recommendation to the Board of Directors to approve them and their amendments, if any.

1.5.2.11 Approving measurement mechanisms and proposed models and methods of application and verification of credit risks, operation risks, market risks, information technology risks, and all risks within the Basel applications and models, which include, but are not limited to, models for measuring the degree of risk for companies and individuals.

1.5.2.12 Studying and approving scopes and frameworks for risk management functions including for example the framework for market risks, liquidity risks and risk-adjusted return on capital (RAROC).

1.5.2.13 Reviewing and approving the quarterly and semi-annual risk reports, including reports of stress tests, capital adequacy, and liquidity adequacy, and ensuring that the credit and investment portfolio, capital adequacy rates, and the limits of the bank's external accounts are consistent with the approved policies and limits for approved risks.

1.5.2.14 Reviewing periodic risk reports about credit, market and operations risks, including risks related to information technology, legal risks, strategic risks and others for informing and making recommendations, if necessary, to the Board of Directors.

1.5.2.15 Approving the limits of the credit concentrations of the credit portfolio, reviewing them periodically and ensuring that they are acted upon.

1.5.2.16 Reviewing the methods and policies for measuring and calculating provisions for expected credit losses (ECL) and submitting them to the Board of Directors with a recommendation for approval, if necessary.

1.5.2.17 Approving the frameworks and systems associated with the calculation inputs for ECL.

1.5.2.18 Reviewing and approving the criteria for risks control that include for example, credit acceptance criteria.

1.5.2.19 Reviewing the risks limits of financing, liquidity, changes in prices, financing portfolio, investments programs in capital market and making recommendation to the Board of Directors about the proposed amendments for approval, if any.

1.5.2.20 Reviewing and approving the framework and strategy related to diversification and distribution of assets and investments.

1.5.2.21 Reviewing the credit authority limits schedule and making recommendation to the Board of Directors about the proposed amendments for approval, if any.

1.5.2.22 Reviewing the organizational structure of the first level of the risk management group, and making recommendation about the approval of the proposed amendments to it.

1.5.2.23 Reviewing the level of insurance coverage of the Bank in accordance with the regulatory requirements and the requirements of the Bank.

1.5.2.24 Working closely with the Nomination and Remuneration Committee on the evaluation of annual incentives/remunerations it recommends or approves; To review the level of risk, and to ensure that it complies with the instructions of the Basel Committee and the rules of the Central Bank and the relevant regulators, in cases where the Nomination and Remuneration Committee so requests.

1.5.2.25 Making recommendation to the Board of Directors about the appointment and/or dismissal of the Executive Vice President for Risk.

1.5.2.26 Making recommendation to the Executive Committee (to approve conducting the investigation with regard to the General Manager / Executive Vice President of Risk, specifying the entity or forming a committee to conduct the investigation, issue a resolution to form it, determine its powers and approve its recommendations), according to what is specified in the financial and administrative powers matrix.

1.5.2.27 Reviewing and following up the implementation of corrective measures and recommendations regarding risks of credit, operations, market, technical systems, and business continuity.

1.5.2.28 Being informed about and issuing directions regarding the work of the Risk Management Committee, the Information Security Committee, and the Business Continuity Committee of the Bank's Executive Management.

1.5.2.29 Making recommendation to the Executive Committee to approve and making recommendation to the Board of Directors to adopt the issuance of financial instruments.

1.5.2.30 Reviewing the issues raised by the Audit Committee that may affect risk management.

1.5.2.31 Verifying the feasibility of the Bank's continuity and the continuation of its activities successfully, and identifying the risks that threaten its continuity during the next 12 months.

1.5.2.32 Ensuring the availability of sufficient human resources to manage risks and verifying the independence of its employees from business departments, and working on raising their awareness about and understanding of the risks related to the Bank and the culture of risks.

1.5.3 Meetings of the Committee

The Risk Committee shall hold four meetings at least every year. It may hold a meeting whenever the Chairman of the Committee deems it necessary. It shall conduct its deliberations and issue its resolutions according to the mechanism stipulated in the General Provisions of the Board Committees.

1.5.4 Reports Submission Provisions

The Committee shall abide by submitting its minutes and reports to the Board of Directors according to the mechanism stipulated in the General Provisions of the Board Committees. The Committee shall also submit a report on the activities of the Risk Management Committee of the Executive Management that are supposed to be included in the annual report, including the roles and responsibilities assigned to risk management and the actions taken by the management to fulfill these responsibilities.

1.5.5 Provisions of Amendment to the Regulation

This Regulation shall be updated/ amended/ developed based on a recommendation from the Risk Committee and a recommendation from the Compliance and Governance Committee and the approval of the Board of Directors.

1.5.6 General and Final Provisions:

1.5.6.1 The general rules and provisions of the committees of the Board of Directors approved in the governance manual annex, and in a manner that does not conflict with the relevant laws, regulations, rules, instructions, and legal and regulatory controls, apply to the works, meetings, and mechanisms of the Committee in a manner that does not conflict with its provisions and rules.

1.5.6.2 The provisions of this Regulation came to express the laws, regulations, rules and controls issued by the regulatory authorities, which are binding and in force as soon as they are issued, and in the event of any amendments to them or issuance of new ones, the new developments are complied with on the dates specified for compliance with them.