Charter of Risk High Committee
Definitions:

- **Risk Management**: The process of identifying, measuring, analyzing, and responding appropriately to the major risks that have an adverse effect on the achievement of the Bank's objectives, as well as continuous monitoring of them.
- **Risk High Committee**: A specialized committee formed by the Board of Directors to assist them (in overseeing the effective management of the risks that the bank is exposed to), to operate within assigned framework of its objectives, powers and duties and the responsibilities.
- **Risk Management Unit**: Risk Management Department

Objectives:

The main objective of Risk High Committee is to assist the Board of Directors in managing the risks associated with the bank.

Authorities:

- The authorities of the Risk High Committee are limited to cases that the Board of Directors of the bank is the ultimate decision-making body for them.
- In order to carry out the duties and responsibilities assigned to this Committee, it is necessary to delegate the authority to use the resources required to conduct the relevant investigations. This includes the use of independent consultants, accountants and other experts in the field and the use of their expert comments if necessary.
- The Risk High Committee has the authority to request and receive the necessary documents for performing its duties from bank’s executive units, all departments, units, bank authorities, internal audit units and the risk management executive unit. Submission of the documents to the Risk High Committee shall be made by the secretary of the Committee upon written application by the Chair of the Committee and before the deadline set by him.
• Establishing subcommittees to examine the status of various bank risks and make recommendations to the Risk High Committee.
• In the case of necessity, it is suggested to hold joint meetings with the members of the supervisory Board members and the relevant persons in the risk management units.

**Responsibilities and Duties:**

1. Reviewing the plans and suggestions provided by the management regarding risk appetite and giving advice to the Board of Directors of the bank.
2. Reviewing the status of types of bank risks and providing the necessary proposals for covering and managing all types of risk to the Board of Directors of the bank.
3. Checking the risk situation of subsidiaries and, if necessary, consulting with the Management and internal auditors.
4. Collaborating with the Audit Committee to evaluate the performance of internal control systems and risk management.
5. Reviewing the recommendations of internal and independent auditors on risk management.
6. Examining major cases of violations of units from the identified risk levels and evaluating the responses provided by the relevant authorities.
7. Creating a balance between minimizing risks and maximizing their benefits in the bank.
8. The Risk High Committee may establish subcommittees in order to examine the various risks in the bank and make appropriate proposals. The Committee members’ letter of appointments will be issued with the signature of the Chair of the Committee.
9. Promoting a culture in which the need for risk management is emphasized.
Composition of the Committee:

The members of the Risk High Committee are as follows:

1. Member of the Board of Directors and Credit and Consumption Control Deputy Managing Director (Chair of the Committee)
2. Member of the Board of Directors and IT & Communications Network Deputy Managing Director
3. Member of the Board of Directors and Financial Deputy Managing Director
4. Deputy Managing Director for International & Foreign Currency Affairs
5. Head of Risk Management Unit (Secretary of the Committee)

Timetable for Meetings of the Risk High Committee:

The Risk High Committee is expected to have at least four regular sessions annually. In addition, in terms of providing the issues to be discussed in the Committee, in coordination with the Chair of the Committee, the Committee will decide on the time and the meeting.

The Reporting Framework:

- The Committee must submit its annual performance report to the Board of Directors prior to the date set for the annual general meeting.
- Committee reports should include all of its activities, in particular:
  - Reports, points of views and recommendations submitted to the Board of Directors, within the framework of the objectives set by the Risk High Committee.
  - Matching the Committee's performance with its approved program.
  - Giving recommendation for corrective actions to optimize the management of bank risks.
  - A record of corrective actions taken on risk management.
  - Findings and observations related to the risk management culture that exists in all or part of the bank and lead to the promotion of risk management process.
  - Other important information, as determined by the Committee.