



Approved by
ARMECONOMBANK OJSC Board Resolution #24/04-08.08.23

Effective from 10.10.2023

Chairman of the Board

----- S. Sukiasyan

**REGULATION
OF ARMECONOMBANK OJSC RISK COMMITTEE**

YEREVAN 2023

HISTORY OF AMENDMENTS			
#	Date of resolution/order	Number of resolution/order	Document ID
1	08.08.2023	24/04-08.08.23	ISO/KG/A.7/044/08.08.2023/1

1. GENERAL PROVISIONS

- 1.1. This Regulation defines the membership, structure, objectives, functions, the operating arrangements and procedure of Risk Committee (hereinafter referred to as "Committee") affiliated with the Board of ARMECONOMBANK OJSC (hereinafter referred to as "Bank").
- 1.2. The Committee is an advisory body affiliated with the Board of the Bank, which is created by a Board resolution.
- 1.3. The activities of the Committee are governed by Armenian laws and by-laws, resolutions adopted by the Central Bank of Armenia, internal regulatory documents of the Bank and this Regulation, and decisions adopted by the managerial bodies of the Bank.

2. OBJECTIVES AND FUNCTIONS OF THE COMMITTEE

- 2.1. The main objectives of the Department include:
 - 2.1.1. Providing of recommendations to the Board regarding the improvement (enhancement) of control over the implementation of the Bank's risk management function.
 - 2.1.2. Discussion of recommendations on improvement of the Bank's risk management system.
 - 2.1.3. Discussion of the Bank's internal regulatory documents pertaining to risk management.
- 2.2. In line with its objectives, the Committee performs the following functions:
 - 2.2.1. Providing of advisory recommendations to the Board regarding the setup, activity, and the efficiency of the continuous monitoring of the Bank's risk management system.
 - 2.2.2. Providing of advisory recommendations to the Board regarding the improvement (enhancement) of control over the implementation of the Bank's risk management function.
 - 2.2.3. Discussion of recommendations for improvement of the Bank's risk management system and providing of advisory proposals to the Board.
 - 2.2.4. Discussion of risk management reports submitted by the Bank's risk management unit and providing of advisory recommendations to the Board.
 - 2.2.5. Discussion of the report on the negative opinions issued by the Bank's risk management unit and providing of advisory recommendations to the Board.
 - 2.2.6. Discussion of the Bank's internal regulatory documents pertaining to risk management and providing of advisory proposals to the Bank's Board.

3. COMPOSITION AND FORMATION OF COMMITTEE

- 3.1. The Committee shall include Board members only.
- 3.2. The composition of the Committee is approved by the Board and the number of its members may not be less than 4. The Committee structure includes the Chairman, the Secretary who is the Secretary of the Board by position, and the members.

4. COMMITTEE MEETINGS

- 4.1. The Chairman of the Committee calls Committee sessions upon his/her initiative or as requested in writing by a Committee member, a Board member, or the head of the internal audit subdivision.
- 4.2. The Committee meetings are held as necessary, but no less often than once a month.
- 4.3. Committee members may attend the sessions remotely by voice call, video call or through other means of telecommunication that enable all of the session participants hear each other. The attendance in such manner shall be deemed attendance in person.
- 4.4. The Committee sessions shall be valid provided that at least the half of the members are present.

- 4.5. The minutes of sessions are composed by the Secretary or a person assigned by him/her.
- 4.6. The minutes shall be signed by all of the Committee members attending the particular session.
- 4.7. The minutes of the Committee sessions shall be kept with the Board in individual folders.
- 4.8. Employees of the Bank or other persons may be invited to attend the Committee sessions.