

REGULATION OF THE RISK MANAGEMENT COMMITTEE

Approved in the BoD meeting from 12.07.2018

This regulation is drawn up based on the provisions of the FSA Regulation no. 3/2014 regarding some aspects related to the application of the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy and Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) no. 648/2012.

Organization

The Risk Management Committee is formed by the decision of the Board of Directors and has at least two non-executive members of the Board of Directors, so that the majority of members are represented by non-executive members of the Board.

The members of the risk management committee must have appropriate knowledge, skills and expertise to fully understand and monitor the company's risk management strategy and risk appetite.

The risk management committee must have adequate access to information on the company's risk situation and, if necessary and appropriate, to the risk management function and to specialized external advice.

Duties of the risk management committee

The Committee and the Management Board shall determine the nature, volume, format and frequency of information inflows with respect to the risks to be received.

Without prejudice to the responsibilities of the Board of Directors, the management or supervisory bodies or other Committees, the Committee has the following attributions:

- Advises the Board of Directors on risk tolerance and the company's overall, current and future risk strategy.
- Ensures the information of the Board of Directors in reference to the strategy and policy of risk management, proposes the necessary modifications following the revisions performed;
- Makes proposals and recommendations to the Board of Directors regarding the appetite and limits of risk tolerance of the company, establishing the risk profile, at least annually;
- Makes proposals and recommendations to the Board of Directors regarding the indicators and parameters used to monitor the performance with respect to the company's risk management, in accordance with the best applicable practices, including the risk management systems and tools used within the company;

- Analyzes the proposals of the Risk Management Department and makes recommendations to the Board of Directors regarding the establishment of stress scenarios and their testing plan by the Risk Management Department together with the operational departments targeted by the respective scenarios and tests, per case;
- Checks the extent to which the requirements of adequacy of the company's capital to risks are met;
- Makes proposals and recommendations to the Board of Directors regarding the plan for attracting additional capital, if the equity approaches the minimum required level, and the plan for ensuring an orderly liquidation or restructuring of operations and services, if the company is unable to attract new capital;
- Analyzes the reports on risk management and makes recommendations on the measures that may be adopted by the Board of Directors and monitors the application of those measures.

Activity of the Risk Management Committee

The Committee shall meet whenever necessary with a minimum of two times per year.

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The meetings of the Committee can be physical, through email or in a teleconference system. The meetings will be organized even before the debate of the issues within the competence of this Committee, registered on the agenda of the Board of Directors.

A verbal statement will be drawn up for the meetings of the Committee, which will include the conclusions and the proposed measures / recommendations.

Other employees of the company may be invited to the meetings of the Committee.

Whenever it deems necessary, the Committee has access to specialized external advice.

The Committee will draw up an annual report on the activity carried out according to its attributions, which will also include the recommendations formulated and addressed to the Board of Directors regarding the risk management activity.

The Committee shall draw up a report on the appetite and limits of risk tolerance which it shall submit to the Management Board with proposals for their revision.

Final provisions

These Regulations are approved by decision of the Board of Directors of the Company. Any modification of its provisions is subject to the approval of the Board of Directors of the Company.