



DemirBank
банк для вашей жизни

Approved by Board of Directors of the CJSC

«Demir Kyrgyz International Bank»

Protocol # 4.2/8/2019

dtd 30/08/2019

**BOARD RISK MANAGEMENT COMMITTEE REGULATION OF
CJSC “Demir Kyrgyz International Bank”**

(Recognized as relevant by decision of the Board of Directors, minutes No. 1/2024 dated January 30, 2024)



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1. GENERAL PROVISIONS

- 1.1. Nothing in the Regulation statements violates the relevant laws and regulations of the Kyrgyz Republic and where local rules and regulations are stricter, they will prevail.
- 1.2. The target of Board Risk Management Committee is to assist the Board of Directors in determining Bank's first-priority risk management activity and promotion for appropriate risk management environment.

2. BASIC TERMS AND CONCEPTS

- 2.1. **Bank** - "Demir Kyrgyz International Bank" CJSC
- 2.2. **BoD** – the Board of Directors of "Demir Kyrgyz International Bank" CJSC.
- 2.3. **BRMC** – the BOARD Risk Management Committee of "Demir Kyrgyz International Bank" CJSC.
- 2.4. **RMD** – Risk Management Department.
- 2.5. **NBKR** – the National Bank of Kyrgyz Republic.

3. RESPONSIBILITIES

- 3.1 The Board Risk Management Committee has the following responsibilities:
 - 3.1.1 Evaluation of existing risk management systems, which includes:
 - Analysis of Bank's internal documents and risks exposures.
 - Analysis of adequacy of reporting.
 - 3.1.2 Coordination with RMD, compliance control, internal and external audit in issues of risk management in the Bank.
 - 3.1.3 Development/preparing recommendations for the BoD on:
 - Improvement of existing risk management system effectiveness;
 - Risk mitigation;
 - Other matters of substance.
 - 3.1.4 Submitting to the BoD information about all material risks of the Bank.
 - 3.1.5 Other responsibilities according to the NBKR requirements.
- 3.2 Each Board Risk Management Committee member is responsible for signed and taken decisions.

4. COMPOSITION

- 4.1 The composition of the Board Risk Management Committee is determined by the BoD and consists of at least three members of the BoD. Two of BRMC members should be independent members. The Chairperson of BRMC shall be an independent Board member, who does not chair the BOD or the Audit Committee.
- 4.2 The Board appoints chairperson and members of the BRMC for the same term as the term of their Board membership.

5. MEETINGS

- 5.1. The BRMC will meet at least once in a month. Meetings of the BRMC could be physical or correspondence. The minutes of the BRMC meeting, including issues considered, voting results and decisions made by the Committee, shall be drawn up in written form.
- 5.2. BRMC should report at least quarterly to the BoD. The Report should include matters reviewed by the BRMC and overall description of BRMC's activity during the reporting period.
- 5.3. Each committee member involved in the decision should:
 - be aware of the essence of the issue under consideration and independent in judgment (capable of acting independently, regardless of anyone's influence on the results of his conclusions, conclusions and in conditions that exclude any extraneous influence on the expression of opinion)
 - to realize the influence of the decisions made by him on the bank's activities;

- assess the possibility of risks and the consequences of the decisions made by them.
- 5.4. The Minutes of the meeting must be signed by all BRMC members and by the Secretary of the Committee. BRMC members who did not attend the BRMC meeting should familiarize with minutes and all decisions made and sign the minutes as familiarized. The opinion of a committee member who has comments and suggestions on the issue under consideration and who does not agree with the decision made should be expressed in the vote and reflected in the protocol.
- 5.5. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.
- 5.6. To provide the effectiveness of bank's activity, BRMC meetings can be attended by the General Manager of the Bank, RMD Head and other invited persons.
- 5.7. In case execution of any transaction/deal by the Bank creates a conflict of interest for any BRMC member, his/her spouse or relatives, such member must abstain from participation in the voting process for this issue and should reflect information about his/her conflict of interests in the minutes of BRMC meeting. Such transaction/deal, which the member of BRMC has interest in, must be approved by the BoD.
- 5.8. The BRMC can be held with other committees of the Bank jointly. Joint meetings are held by committees' chairpersons in coordination between each other.
- 5.9. All BRMC members have voting right, invited persons do not. A minimum half of BRMC members should attend the meeting to form a quorum. All decisions are taken by majority of votes. In case of equality of votes, the Chairperson vote is considered as final and decisive.

6. AUTHORITY

- 6.1. The BRMC has the following authorities:
- 6.1.1. To involve in the work any experts including Bank's employees according to decision made by Chairperson of the BRMC;
- 6.1.2. To get professional services from external entities or to involve third party as experts/consultants who have special knowledge of the RMC's terms of reference as agreed by BoD.
- 6.2. BRMC for the execution of their tasks and functions under present Regulation:
- monitors and coordinates activity of departments accountable to the BoD. Therefore BRMC can take decisions which are obligatory for the Bank;
 - inquires any information, documents and reports from the Bank management, structural units of the Bank.
- 6.3. BRMC members can get additional compensation per decision of Shareholders Meeting and subject to opinion of an appointments and compensation committee of the Bank.

7. FINAL PROVISION

- 7.1. This Regulation should be reviewed by the BoD on a regular basis and/or updated in connection with the changes related to functions and authority of BRMC and/or changes in the Kyrgyz Republic legislation.