

REGULATION OF RISK COMMITTEE
BANCO COMERCIAL DO ATLÂNTICO, S.A

Article 1

(Nature)

The Risk Committee, established by resolution of the Board of Directors on November 16, 2015, is a support and advisory body to the Board of Directors in the areas of risk taking and control.

Article 2

(Composition)

1. The Risk Committee is composed of two non-executive directors, appointed by the Board of Directors. The head of the Risk Management Department is also a member of the Risk Committee.
2. The Committee is chaired by the non-executive director appointed by the Board of Directors.

Article 3

(Performance of Functions)

The Committee shall perform its functions for a period of time corresponding to the mandate of the Board of Directors.

Article 4

(Competences)

1. It shall be the responsibility of the Risk Committee to:
 - a) Advise the Board of Directors on BCA's general, current and future risk appetite and strategy within the CGD Group, proposing the risk standards adapted to the Bank as well as its tolerance limits;
 - b) Propose to the Board of Directors the policies and risk limits of BCA taking into account, in particular, the limits of the group in consolidated terms, in accordance with the principles of articulation between the policy and the risk limits of the CGD Group;
 - c) Analyze specific categories of risk, namely credit risks, monitoring and evaluating the risks of non-compliance with the obligations to which the BCA and the CGD Group are subject by law;
 - d) Assist the Board of Directors in supervising the implementation of the Bank's risk strategy by the Executive Committee;
 - e) Propose to the Board of Directors limits on the delegation of powers to the Executive Committee in terms of risk taking; analyze whether the conditions of the products and services offered to customers take into consideration the Bank's business model and risk strategy, and present to the Board of Directors a plan for correction,

when this analysis shows that the aforementioned conditions do not adequately reflect the risks;

f) Examine whether the incentives established in the Bank's remuneration policy take into consideration risk, capital, liquidity and expectations regarding results, including the dates of revenues;

(g) Evaluate the processes and methodologies for evaluating assets and external ratings and the models related to these risks;

(h) Monitor and ensure that BCA's risk management systems are appropriate to its profile and strategy.

2. In performing the above tasks, the Risk Committee shall be responsible:

(a) for credit risks, to monitor:

- i. the evolution of the credit portfolio and of defaults;
- ii. The analysis of defaults in amounts higher than 45. 000 contos (forty-five million escudos);
- iii. The evolution of impairments;
- iv. The analysis of the 50 (fifty) largest impairments;
- v. The evolution and analysis of companies under observation without impairment;
- vi. The evolution of credit risks by sectors:
- vii. The analysis of sectors with the highest risk that the Risk Committee may designate at any time for this purpose;
- viii. The evolution of real estate received in payment and respective impairments in amounts higher than 30. 000 contos (thirty million escudos);
- ix. The risk of concentration of total gross credit exposure of each economic group, including all the companies that are in a control or group relationship with it at any time, regardless of the location of the respective head office, main and effective headquarters of its management or main establishment, and also of groups of connected clients;
- x. Risk of exposure to the State, including, without limitation, municipalities and public companies, provided that it exceeds 10 (ten) percent of BCA's own funds, according to the latest audited balance sheet approved.

b) As to the remaining financial risks, monitor:

- i. liquidity management and the medium and long-term financing plan, including the contingency plan;
- ii. The risks of the bond, stock and other securities portfolio;
- iii. The financial assets that may be mobilized from the Bank of Cabo Verde.

c) Non-financial risks, to be monitored:

- i. The evolution of Operational Risk, Information Systems Risk and Compliance Risk.
 - d) Give a written opinion on any operation, whenever requested by the Executive Committee.
3. The Risk Committee is also responsible for monitoring:
 - a) The risk measurement models and calculation of own funds adopted internally;
 - b) The Community Directives and guidelines of the Bank of Cabo Verde regarding financial risks and credit risks;
 - c) The rating processes.

The Risk Committee should exercise its competencies in permanent interaction and communication with the Risk Management Department (DGR), the BCA Director in charge of risk (Chief Risk Officer) and the Chairman of the Executive Committee.

The Risk Committee has access to information on the risk situation of the BCA and may determine the nature, quantity, format and frequency of the risk information it should receive. The Risk Committee shall establish internal procedures for communication with the Board of Directors and the Executive Committee for this purpose.

Notwithstanding the duty to report immediately to the Board of Directors any situations detected that it considers to be high risk, the Risk Committee should prepare a quarterly report, providing the Board of Directors with information on its activity which should be presented within a maximum period of 30 (thirty) days from the end of each calendar quarter.

Article 5

(Convening, Functioning, Participation in the Meetings)

1. The Commission shall meet when convened by its Chairman, either on his own initiative or at the request of any of its members, with at least one meeting held every three months.
2. The members shall be convened at least seven days before the date of the meeting, preferably by fax or e-mail (provided that each member has confirmed in writing the e-mail address and his or her acceptance of the convening by this means).
3. The convening shall be accompanied by the respective agenda.
4. At the beginning of each meeting, any member may request the Chair to include other items on the agenda.
5. As a rule, the preparatory documents for meetings that are considered suitable should be shared among the RC members at least two (2) days before the meeting.
6. Unless another place is designated in advance in the respective convening, the RC meetings shall be held in one of BCA's meeting rooms.
7. RC meetings may be held by telematic means, such as videoconferencing or telephone conferences, provided that BCA ensures the authenticity of the statements and the security of communications, and that the content of the statements and the persons involved are recorded.

8. RC members shall be deemed to be definitively absent if, without justification accepted by the RC, they do not attend more than two of its meetings during a financial year.
9. Declaration of definitive absence shall be made by the RC.
10. The Secretary, or the person designated by him, shall support the functioning of the RC and the holding of its meetings.

Article 6

(Functioning of Meeting)

The meetings of the Committee shall be chaired and directed by its Chairman and, in his absence or inability to attend, it shall be for the Commission itself to choose who is to perform his duties at that meeting.

Article 7

(Participation in the Meetings)

1. Any Member may be represented at Committee's meetings by another Member of the Committee or by the Chairman of the Board of Directors, by means of a letter addressed to the Chairman, each instrument of representation not being used more than once.
2. No Member of the Committee may represent more than one other Member.
3. The letter of representation shall state the day and time of the meeting for which it is intended and shall be mentioned in the minutes and filed in the meeting papers.
4. Other members of the Board of Directors, employees and staff of the Bank, or other CGD Group companies, as well as consultants or other third parties of recognized competence or specialization, may be summoned to attend Committee meetings to provide explanations, technical contributions or advice to the Committee on relevant matters.

Article 8

(Resolutions and Minutes)

1. In order for the Committee to be able to act validly, at least half of its Members must be present or represented.
2. The deliberations of the Committee shall be taken by a majority of votes of the members present or represented, abstentions shall not be counted and the Chairman shall have a casting vote in the event of a tie.
3. Votes against the proposals made at each meeting shall be substantiated by a statement in the minutes.
4. Minutes of each meeting shall be drawn up in the respective book and shall be signed by all members of the Committee who have participated in the meeting.
5. If not immediately drawn up and signed, the minutes of the meeting shall be sent to all members within three working days so that they may comment on them within five working days of their receipt, sending any comments to the Chairman of the Committee.

6. Once the minutes have been finalized, they shall be circulated to collect signatures by the members present and a copy of the final version shall be sent to the absent members.
7. At meetings where there is not a minimum quorum, minutes shall nevertheless be drawn up indicating the occurrence and any justifications for the absence of its members.
8. All minutes of the Risk Committee meetings shall be kept in the corresponding minutes' book, and digitized copies shall also be extracted for archiving in a secure computer file with restricted access.

Article 9

(Final Provisions)

In all that is not provided for in this Regulation, shall apply what is established in the Commercial Companies Code, in the articles of association, in the legislation that regulates the activity of financial institutions and, if appropriate, in the Regulations of the Board of Directors.