

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-03

Ulaanbaatar

Approval of the Board Review of the  
Annual Operational Report for 2023

In accordance with Article 62.1.9 of the Company Law and pursuant to the discussions at its Annual General Meeting held on 29 April 2024, the Shareholders of XacBank JSC (the "Bank"), hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, pursuant to Clause 76.1.11 of the Company Law, the Board of Directors of XacBank (the "Board") has reviewed the Annual Operational Report for 2023 (the "Annual Operational Report 2023") and submitted to the shareholders that the Annual Operational Report 2023 provides true and fair overview of the Bank's operational performance (the "Board Review") by its Resolution No. R-2024-12 dated 07 March 2024; and
2. **WHEREAS**, pursuant to Article 62.1.9 of the Company Law, the Shareholders of the Bank have the authority to approve the Board review of the Annual Operational Report 2023 of the Bank.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The Annual Operational Report 2023 of the Bank, as attached to this Resolution and the Board Review are hereby approved.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-04

Ulaanbaatar

Approval of the Board Review of  
the Audited Financial Statements for 2023

In accordance with Article 62.1.9 of the Company Law and pursuant to the discussions at its Annual General Meeting held on 29 April 2024, the Shareholders of XacBank JSC (the "Bank"), hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, after consideration and review of the financial statements of the Bank for the fiscal year ended 2023, which has been audited by Ernst and Young Mongolia Audit LLC (the "Audited Financial Statements 2023") with an unqualified opinion, the Board of Directors of the Bank (the "Board") has submitted to the shareholders that the Audited Financial Statements 2023 provides true and fair overview of the Bank's financial position, in accordance with IFRS and IAS (the "Board Review") by its Resolution No. R-2024-19 dated 15 March 2024; and
2. **WHEREAS**, pursuant to Article 62.1.9 of the Company Law, the Shareholders of the Bank have the authority to approve the Board review of the Audited Financial Statements 2023 of the Bank.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The Audited Financial Statements 2023 of the Bank, as attached to this Resolution, and the Board Review are hereby approved.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-05

Ulaanbaatar

Decision on the Dividend Distribution from the  
2023 Year-End Bank Earnings

Based on Article 46.1 of the Company Law and Clause 8.6 (ii) of the Charter of XacBank JSC (the "Bank"), and pursuant to the discussions at its Annual General Meeting ("AGM") held on 29 April 2024, the Shareholders of the Bank hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, dividend distribution is considered a Strategic Matter as defined in the Bank Charter, it is thereby required that such decisions receive the approval of the shareholders of the Bank;
2. **WHEREAS**, the Board of Directors (the "Board") of the Bank, by its Resolution No. R-2024-02 dated 19 February 2024, has recommended to the Shareholders the distribution of a cash dividend from the Bank's earnings for the financial year 2023 to the shareholders of the Bank, contingent upon the 2023 year-end audited financial statements results (the "Dividend");
3. **WHEREAS**, the Board, by its Resolution No. R-2024-19 dated 15 March 2024, has approved the audited financial statements for the year 2023, and furthermore, no material change was reflected in the said results; and
4. **WHEREAS**, as per Clause 8.6 (ii) of the Charter of the Bank and subject to the Bank of Mongolia's consent, the Shareholders now wish to declare and distribute the Dividend in the amount as stated below as recommended by the Board.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The declaration and distribution of Dividend is hereby approved in the total gross amount of MNT 26,580,675,000.00 (twenty-six billion five hundred eighty million six hundred seventy-five thousand) by a declaration of dividend in the amount of MNT 25.25 (twenty-five tugrugs and twenty-five mungus) per share.
2. It is hereby approved that the record date for registering shareholders eligible to participate in the AGM, set on 09 April 2024, shall concurrently be established as the Record Date for shareholders entitled to the disbursement of the said Dividend.
3. It is hereby approved that the Dividend shall be paid in cash within a period not exceeding 7 days subsequent to the later of either obtaining the Bank of Mongolia consent or the date of this Resolution. The funds will be disbursed to the shareholders via Mongolian Central Securities Depository unless shareholders expressly requests in written form the disbursement to be made through their XacBank account.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING

SANJAY GUPTA



# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-06

Ulaanbaatar

Approval of Amendment to  
Dividend Policy of XacBank JSC

Pursuant to the discussions at its Annual General Meeting held on 29 April 2024, the Shareholders of XacBank JSC (the "Bank") hereby adopt the following resolutions:

## IT IS NOTED THAT:

- WHEREAS**, the Shareholders of the Bank have previously adopted the amended and restated Dividend Policy of the Bank pursuant to its Resolution No. SR-2024-01 (the "Dividend Policy");
- WHEREAS**, the Financial Regulatory Commission (the "FRC"), by its Resolution No.49 dated 23 February 2024, has amended its Resolution No.28 on the "Specification of the Dividend Distribution Process" dated 29 January 2020, requiring open joint-stock companies to distribute dividends to shareholders within four months following the end of the relevant financial year, and to submit a report on the dividend distribution to the FRC within 15 working days after completing the dividend distribution;
- WHEREAS**, the FRC, by its letter No.3/712 dated 27 February 2024, has officially instructed the Bank to ensure the implementation of its Resolution No.49 dated 23 February 2024 regarding the distribution and reporting of dividends by open joint-stock companies; and
- WHEREAS**, considering the FRC requirements, the Board of Directors of the Bank (the "Board"), by its Resolution No. R-2024-18, has recommended to amend the Dividend Policy and the Shareholders now wish to approve the same as recommended by the Board.

## NOW THEREFORE BE IT RESOLVED THAT:

- Pursuant to the foregoing, Clauses 3.2, 3.3 and 4.1 of the Dividend Policy shall be amended as follows:

Current Formulation	Amended Formulation
3.2. According to the Company law, unless otherwise specified in Bank Charter, the Board of Directors shall convene and resolve whether to declare a dividend within 50 days following the end of a financial year. For declaring semi-annual dividends, the Board will decide within 120 days following the first half of the year. Any decision to distribute and allocate dividends is subject to approval by the Shareholders' meeting.	3.2. According to the Company law, unless otherwise specified in Bank Charter, the Board of Directors shall convene and resolve whether to declare a dividend within 50 days following the end of a financial year. For declaring semi-annual dividends, the Board will decide within 120 days following the first half of the year. <del>Any decision to distribute and allocate dividends is subject to approval</del> by the Shareholders' meeting.

<p>3.3 Shareholders shall be entitled to receive dividends as resolved by the Board of Directors and approved by the Shareholders' meeting.</p> <p>4.1 The amount of dividend attributable per share shall be determined by the authorized body referred in Section 3.2 of the Policy and subject to Shareholders' approval, based on the financial results of a given financial year, taking into account future targets and projections.</p>	<p>3.3. Shareholders shall be entitled to receive dividends as resolved by the Board of Directors <del>and approved by the Shareholders' meeting.</del></p> <p>4.1 The amount of dividend attributable per share shall be determined by the authorized body referred in Section 3.2 of the Policy <del>and subject to Shareholders' approval,</del> based on the financial results of a given financial year, taking into account future targets and projections.</p>
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2. The amended Dividend Policy, incorporating the aforementioned amendments, shall be attached hereto.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-07

Ulaanbaatar

Approval of XacBank's Entry into the  
Framework Agreement with EBRD

Pursuant to the discussions at its Annual General Meeting (the "AGM") held on 29 April 2024, the Shareholders of XacBank JSC ("XacBank") hereby adopt the following resolutions:

## IT IS NOTED THAT:

- WHEREAS**, it is mandatory for XacBank, the sole subsidiary of TenGer Financial Group LLC ("TFG"), a company holding 94.99% of XacBank's total issued and outstanding shares, to comply with Article 36.1 of the Banking Law with respect to the requirement of any shareholder individually or jointly together with its affiliated persons owning no more than 20% of the bank's total issued shares (the "Statutory Mandate");
- WHEREAS**, the Shareholders of XacBank have previously determined pursuant to their Resolution No. SR-2023-01 that the best way to fulfill the Statutory Mandate is through a merger of TFG and XacBank, following XacBank's reorganization into an open joint-stock company. Consequently, XacBank would be the surviving entity and the shareholders of TFG would become direct shareholders of XacBank (the "Merger");
- WHEREAS**, in connection with the Merger, the Shareholders of TFG by its Resolution No. SGR-2024-03, have resolved to execute the Merger Agreement provided that XacBank shall have entered into a Framework Agreement with European Bank for Reconstruction and Development ("EBRD"), on or prior to the date of the signing of the Merger Agreement; and
- WHEREAS**, to fulfill the precondition that XacBank shall have entered into the Framework Agreement on or prior to the date of signing the Merger Agreement, and having reviewed the same, the Shareholders now wish to approve the entry into the Framework Agreement by XacBank with EBRD, to ensure prompt compliance with the Statutory Mandate.

## NOW THEREFORE BE IT RESOLVED THAT:

- The entry into the Framework Agreement by XacBank with EBRD as attached herewith, is hereby approved.
- The Chief Executive Officer, Tsevegjav Gumenjav, is hereby instructed and authorized to sign and execute the Framework Agreement on or prior to the date of the execution of a Merger Agreement between the TFG and XacBank.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-08

Ulaanbaatar

Approval of XacBank's Entry into the Policy Agreement with IFC

Pursuant to the discussions at its Annual General Meeting (the "AGM") held on 29 April 2024, the Shareholders of XacBank JSC ("XacBank") hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, it is mandatory for XacBank, the sole subsidiary of TenGer Financial Group LLC ("TFG"), a company holding 94.99% of XacBank's total issued and outstanding shares, to comply with Article 36.1 of the Banking Law with respect to the requirement of any shareholder individually or jointly together with its affiliated persons owning no more than 20% of the bank's total issued shares (the "Statutory Mandate");
2. **WHEREAS**, the Shareholders of XacBank have previously determined pursuant to their Resolution No. SR-2023-01 that the best way to fulfill the Statutory Mandate is through a merger of TFG and XacBank, following XacBank's reorganization into an open joint-stock company. Consequently, XacBank would be the surviving entity and the shareholders of TFG would become direct shareholders of XacBank (the "Merger");
3. **WHEREAS**, in connection with the Merger, the Shareholders of TFG by its Resolution No. SGR-2024-03, have resolved to execute the Merger Agreement provided that XacBank shall have entered into a Policy Agreement with International Financial Corporation ("IFC"), on or prior to the date of the signing of the Merger Agreement; and
4. **WHEREAS**, to fulfill the precondition that XacBank shall have entered into the Policy Agreement on or prior to the date of signing the Merger Agreement, and having reviewed the same, the Shareholders now wish to approve the entry into the Policy Agreement by XacBank with IFC, to ensure prompt compliance with the Statutory Mandate.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The entry into the Policy Agreement by XacBank with IFC as attached to this Resolution, is hereby approved.
2. The Chief Executive Officer, Tsevegjav Gumenjav, is hereby instructed and authorized to sign and execute the Policy Agreement on or prior to the date of the execution of a merger agreement between the TFG and XacBank.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-09

Ulaanbaatar

Approval of Reorganization of XacBank  
through Merging TenGer Financial Group LLC into XacBank

Based on Articles 4.2, 29.2.4 and 36.1 of the Banking Law, Articles 18.1, 20.4, and 62.1.2 of the Company Law, Clauses 8.6 and 8.6 (viii) of the Charter of XacBank JSC ("**XacBank**"), and pursuant to the discussions at its Annual General Meeting (the "**AGM**") held on 29 April 2024, the Shareholders of XacBank hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, it is mandatory for XacBank, the sole subsidiary of TenGer Financial Group LLC ("**TFG**"), a company holding 94.99% of XacBank's total issued and outstanding shares, to comply with Article 36.1 of the Banking Law with respect to the requirement of any shareholder individually or jointly together with its affiliated persons owning no more than 20% of the bank's total issued shares (the "**Statutory Mandate**");
2. **WHEREAS**, the Shareholders of the Bank have previously determined pursuant to their Resolution No. SR-2023-01 that the best way to fulfill this requirement is through a merger of TFG and XacBank, following XacBank's reorganization into an open joint-stock company. Consequently, XacBank would be the surviving entity and the shareholders of TFG would become direct shareholders of XacBank (the "**Reorganization of XacBank through Merger**");
3. **WHEREAS**, XacBank has successfully undertaken an IPO and reorganized into an open joint-stock company, in compliance with Article 4.2 of the Banking Law and Article 4 of the Law in Implementation of the Amendments to the Banking Law, respectively;
4. **WHEREAS**, any decision for a merger is considered a Strategic Matter as defined in Article 8.6 of the XacBank Charter, it is thereby required that such decisions receive the approval of the shareholders of XacBank;
5. **WHEREAS**, in connection with the Reorganization of XacBank through Merger, the Shareholders of TFG by its Resolution No. SGR-2024-03, have resolved to execute the Merger Agreement provided that XacBank shall have entered into each of (i) a Framework Agreement with European Bank for Reconstruction and Development ("**EBRD**"), and (ii) a Policy Agreement with International Financial Corporation ("**IFC**"), on or prior to the date of the signing of the Merger Agreement;
6. **WHEREAS**, at the request of TFG, the adoption of a shareholders' resolution by XacBank to approve the entry into the Framework Agreement with EBRD and the Policy Agreement with IFC, respectively, has been submitted as agenda items to the AGM of the XacBank shareholders pursuant to the Board of Directors' (the "**Board**") Resolution No. R-2024-13;



7. **WHEREAS**, the Shareholders of XacBank, by their Resolutions No. SR-2024-07 and No. SR-2024-08, have resolved to fulfill the precondition of TFG in connection with the Reorganization of XacBank through Merger, that XacBank shall have entered into both the Framework Agreement and the Policy Agreement on or prior to the date of signing the Merger Agreement; and
8. **WHEREAS**, the Shareholders now wish to approve the Reorganization of XacBank through Merger, to ensure prompt compliance with the Statutory Mandate as recommended by the Board.

**NOW THEREFORE BE IT RESOLVED THAT:**

1. The Reorganization of XacBank through Merger, by ceasing TFG's operation as a dissolving entity and by continuing XacBank's operation as a surviving entity, pursuant to the Merger Agreement between TFG and XacBank as attached herewith as Annex 1, is hereby approved.
2. The document prepared solely for formal submission to the Financial Regulatory Commission and the Mongolian Stock Exchange as part of the required documentation for the Merger process - "Reorganization through Merger: Terms and Conditions", as attached herewith as Annex 2, is hereby approved.
3. Tsevegjav G., the Chief Executive Officer, Erdenebayar G., the Chief Financial Officer, Munkhtselmeg N., the General Counsel and the Corporate Secretary, are hereby appointed as the Reorganization Committee and are instructed and authorized to take all necessary steps in this connection such as executing, signing, delivering and submitting relevant documents and applications to the Bank of Mongolia, the Financial Regulatory Commission, the Mongolian Stock Exchange, the Legal Entity Registration Office and other related Authorities, establishing the inspection committee pursuant to the Banking Law Clause 28.2 if necessary, and to do all such acts as may be ancillary or incidental to give effect to the foregoing.
4. XacBank, as the surviving entity, will continue to retain Ernst and Young Mongolia Audit LLC for its external auditing.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-10

Ulaanbaatar

Election of Directors on the Board of XacBank  
for Tenure Until 2026 AGM

Based on Article 62.1.7 of the Company Law, Article 29.2.8 of the Banking Law, and pursuant to the discussions at its Annual General Meeting (the "AGM") held on 29 April 2024, the Shareholders of XacBank JSC (the "Bank") hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, in accordance with Clause 8.16 of the Charter of the Bank, the Board of Directors (the "Board") serve a term of 2 years, and furthermore, the current Board's term is set to conclude on the day of 2024 AGM of the Bank Shareholders;
2. **WHEREAS**, pursuant to Clause 5.1 of the Board Director Selection and Nomination Policy, the Governance, Nomination and Compensation Committee (the "GNCC") has recommended to the shareholders of the Bank certain candidates for the 12 seats of the Bank Board by its recommendations dated 29 November 2023; and
3. **WHEREAS**, the Shareholders now wish to elect the following candidates on the Bank Board for tenure until 2026 AGM of the Bank Shareholders as evidenced by the decision of the AGM Tabulating Committee detailing the results of the shareholders votes through cumulative voting.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The following candidates are hereby elected on the Bank Board for tenure until 2026 AGM:
  1. Albertus Bruggink;
  2. Andrzej Witak;
  3. Dominic Jacques;
  4. Michael Madden;
  5. Suzannah Carr;
  6. Sanjay Gupta;
  7. Tsevegjav Gumenjav;
  8. Tselmuun Nyamtaishir;
  9. Niraj Vedwa;
  10. Stewart Hall;
  11. Ulambayar Bayansan; and
  12. Amy Choi (Lai Fung Choi).
2. The General Counsel and Corporate Secretary, Munkhtselmeg N., is hereby directed and authorized to register the newly established Board composition with the relevant authorities, and to take such actions as she may deem necessary or appropriate to carry out the intent of the foregoing resolutions.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-11

Ulaanbaatar

Approval of the Board Director Remuneration Update

Based on Articles 8.4 and 8.6 (v) of the Charter of XacBank JSC (the "Bank"), and the discussions at its Annual General Meeting held on 29 April 2024, the Shareholders of the Bank hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, the Board of Directors (the "Board") of the Bank has recommended to the Shareholders the Board Director Remuneration Update by its Resolution No. R-2024-10 dated 07 March 2024, and has submitted to the Shareholders for its final approval; and
2. **WHEREAS**, the Shareholders now wish to approve the updated remuneration of the board directors as recommended by the Board.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The remuneration of the non-executive directors, except for the Chairman, is hereby approved as follows:
  - 1.1. Annual fee in the total gross amount in MNT equivalent of USD 50,000 (fifty thousand), payable quarterly. This adjustment shall take effect from the beginning of the fiscal year 2024.
  - 1.2. Annual gross supplement of USD 5,000 (five thousand) to each director who serves as the chairperson of one or more board committees is reinstated unchanged and continue to be effective from the beginning of the fiscal year 2024.
2. The operative clauses 1 and 2 of the previous Shareholders' Resolution No. SR-2022-04 concerning the board directors' remuneration, are hereby revoked and replaced by this Resolution, effective from the beginning of the fiscal year 2024.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA

# SHAREHOLDERS MEETING RESOLUTION



Date: 29 April, 2024

No. SR-2024-12

Ulaanbaatar

Approval of the 2024 Budget of the  
Board of Directors of XacBank

Based on Article 62.1.13 of the Company Law, Clause 29.2.9 of the Banking Law, Articles 8.4 and 8.6 (v) of the Charter of XacBank JSC (the "Bank"), and the discussions at its Annual General Meeting held on 29 April 2024, the Shareholders of the Bank hereby adopt the following resolutions:

## IT IS NOTED THAT:

1. **WHEREAS**, the Board of Directors of the Bank (the "Board") has recommended to the Shareholders the Budget of the Board for the fiscal year 2024 by its Resolution No. R-2024-11 dated 07 March 2024 (the "Board Budget 2024") and has submitted to the Shareholders for its final approval.

## NOW THEREFORE BE IT RESOLVED THAT:

1. The Board Budget 2024, as attached to this Resolution, be and is hereby approved.

CHAIRMAN OF THE  
SHAREHOLDERS' MEETING



SANJAY GUPTA