

BOARD OF DIRECTORS RESOLUTION



Date: 31 May, 2024

No. R-2024-28

Ulaanbaatar

Approval of conflict of interest transaction

Based on Articles 76.1.17 and 92.1 of the Company Law, Articles 17.9 and 33.5 of the Banking Law and pursuant to decisions made through its online voting held between 27-31 May 2024, the Board of Directors (the "**Board**") of XacBank JSC ("**XacBank**") hereby adopts the following resolutions:

IT IS NOTED THAT:

1. **WHEREAS** MSM Group LLC (the "**Borrower**"), which is a related party of XacBank, is negotiating with XacBank with respect to credit lines, which would be used for general corporate working capital purposes and the principal terms of which are as follows (the "**Credit Lines**"):

Credit line:

| | |
|----------------------------|---|
| Total amount: | MNT 7,000,000,000 |
| Tenor: | 24-month extension |
| Interest: | 15.6% per annum |
| Commitment fee: | 2.0% |
| Classification/ Provision: | Norm /0.5% |
| Terms and conditions: | as indicated in the Front Sheet of the Loan Request |

Multi line:

| | |
|----------------------------|---|
| Total amount: | MNT 12,000,000,000 |
| Tenor: | 24-month extension |
| Interest: | 15.6% per annum |
| Commitment fee: | 2.0% |
| Classification/ Provision: | Norm /0.5% |
| Terms and conditions: | as indicated in the Front Sheet of the Loan Request |

Credit card:

| | |
|----------------------------|---|
| Total amount: | USD 80,000 |
| Tenor: | 24-month extension |
| Interest: | 20.4% per annum |
| Classification/ Provision: | Norm /0.5% |
| Terms and conditions: | as indicated in the Front Sheet of the Loan Request |

2. **WHEREAS**, the Board Risk Management Committee (the "**BRMC**"), after its deliberation at its online voting simultaneously held with the Boardonline voting, recommended for the Board to approve the Credit Lines;
3. **WHEREAS** the Credit Lines are conflict of interest transactions as per Clause 89.1.2 of the Company Law;
4. **WHEREAS**, in accordance with Clause 17.9 of the Banking Law, transactions between the bank and related persons should not receive preferential treatment compared to regular transactions with unrelated individuals, and conflicts of interest transactions must be processed according to the specified legal requirements and procedures. The Credit Lines and the approval thereof fulfill these requirements; and
5. **WHEREAS** the Board now wishes to approve the Credit Lines and disbursements thereunder as recommended by the BRMC.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Credit Lines are hereby approved.
2. The Credit Management Committee of XacBank ("**CMC**") be and is hereby authorized to approve any loans and disbursement thereof under the Credit Lines provided that the total credit exposure of the Borrower does not exceed MNT 19,270,100,000.
3. The CMC, from the date of this Resolution and for 12 months thereafter, be and is hereby authorized to approve waivers and consents to be provided for the Borrower as per its requests and to restructure the loans under the Credit Lines, if necessary, upon such terms as the CMC shall deem proper and in the best interests of XacBank, such execution to be conclusive evidence of such approval.

CHAIRMAN OF THE
BOARD OF DIRECTORS

GENERAL COUNSEL,
CORPORATE SECRETARY



SANJAY GUPTA

N.MUNKHTSELMEG

XACBANK JSC

Information on the approval of Related party and conflict of interest transaction

| | |
|--|---|
| Ad-Hoc announcement /Form 3/ | |
| Reporting period | 03 June, 2024 |
| Information of issuer | <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">Name:</div> <div>XacBank JSC</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 40%;">State registration certificate number:</div> <div>000239852</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 40%;">Registration number:</div> <div>2578697</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 40%;">Securities code:</div> <div>MN00XAC05687</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 40%;">Address:</div> <div>XacBank HQ Building, Ulaanbaatar-14200, Post Branch 20A, PO Box-72, Mongolia</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 40%;">Phone:</div> <div>75771888</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 40%;">Email:</div> <div>info@xacbank.mn</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 40%;">Website:</div> <div>www.xacbank.mn</div> </div> |
| Name of registered trading entity | Mongolian Stock Exchange |
| Classification of business activities | Banking and financial sector |
| The total number of shares issued by the issuer | 1,052,700,000 common shares |
| The name of the specialist who prepared the information to be reported and the official who reviewed it: | <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">Prepared by: N. Tselmegkhishig, Lawyer, Board Secretariat</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 40%;">Reviewed by: N. Munkhtselmeg, General Counsel and Corporate Secretary</div> </div> |
| 1. Information on the approval of Related party and conflict of interest transaction | |
| | <p>Pursuant to the recommendation of the Board Risk Management Committee, the Board of Directors of XacBank JSC (the "Bank") adopted Resolution No. R-2024-28 dated 31 May 2024, approving 1 (one) transaction in the total amount of MNT 19,270,100,000 (nineteen billion, two hundred seventy million, one hundred thousand) with a certain related party of the Bank. The transaction was on an arms' length basis and the terms of the transaction were consistent with the terms offered for customers within the ordinary course of the Bank's business, adhering to the specifications outlined in Clause 17.9 of the Banking Law.</p> |
| Signature and date of the person who prepared the information | |

Name: Munkhtselmeg. N

Position: General Counsel and Corporate Secretary

Signature:



Date: 03 June 2024