

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