

Approved
by the Annual General Meeting of
Shareholders of Kompanion Bank CJSC



Chairperson of the Meeting
March 28, 2024

**PROVISIONS ON THE BOARD OF DIRECTORS
KOMPANION BANK
CLOSED JOINT-STOCK COMPANY**

1. GENERAL PROVISIONS

- 1.1. These Provisions on the Board of Directors of the Kompanion Bank Closed Joint Stock Company (hereinafter - the Provisions) is developed in accordance with the legislation of the Kyrgyz Republic, the Charter of the Kompanion Bank Closed Joint Stock Company (hereinafter - the Bank) and the Bank's local regulatory acts.
- 1.2. The present Provisions define the status, composition, functions, competencies, and powers of the Bank's Board of Directors (hereinafter BOD), as well as the procedure for its activities.
- 1.3. The BOD is a collegial governing body of the Bank and conducts its activities in accordance with the legislation of the Kyrgyz Republic, regulatory acts of the National Bank of the Kyrgyz Republic (hereinafter referred to as the National Bank), the Bank's Charter, decisions of the general shareholders' meetings, this Regulation, and other local regulatory acts of the Bank that pertain to its activities. The BOD performs its duties in strict accordance with its fiduciary obligations, consistently adhering to the legal requirements of the Kyrgyz Republic, local regulatory acts of the Bank, and globally recognized best practices.
- 1.4. These Provisions is an internal document of the Bank, is approved by the general meeting of shareholders of the Bank, and can only be amended, supplemented, or declared null and void by the decision of the general meeting of shareholders.
- 1.5. The BOD is a part of the governing bodies of the Bank, is accountable to the general meeting of shareholders, and executes its decisions in accordance with the competence provided for in the Bank's Charter.

2. BOD RESPONSIBILITIES AND COMPETENCE

- 2.1. The BOD is the management body of the Bank, which exercises general management of the Bank during the period between the GMS. The BOD should act in the best interests of the Bank, observe the principle of equal treatment of all shareholders and is obliged to submit a report on its activities to shareholders at each annual GMS.
- 2.2. The BOD carries out strategic management of the Bank, determines the basic principles and approaches to organizing risk management and internal control systems in the Bank, controls the activities of the Bank's executive bodies, and implements other key functions.
- 2.3. **In order to ensure effective corporate governance, the BOD is obliged to:**
 - 2.3.1. establish clear levels of authority, responsibility and accountability within the organizational structure of the Bank;
 - 2.3.2. form an effective system of internal control and ensure its proper functioning, adequacy of the size, complexity of operations, structure and risk profile of the Bank;
 - 2.3.3. identify principles and approaches to establish and maintain an effective risk management system that meets the requirements established by the National Bank;
 - 2.3.4. take measures to communicate information on the Bank's strategic objectives to all levels of the Bank's organizational structure;
 - 2.3.5. periodically (at least once a year) evaluate the Bank's development strategy, the Bank's business plans and policies for all key activities of the Bank in order to determine adequacy of their current activities, the financial condition of the Bank and external economic conditions;
 - 2.3.6. periodically (at least once a quarter) assess the current banking activities and financial results from the point of view of achieving the Bank's strategic goals and the forecast indicators of the Bank's business plans;

- 2.3.7. ensure compliance of the Bank and its governing bodies with the legislation of the Kyrgyz Republic, regulatory legal acts and the requirements of the National Bank;
- 2.3.8. review the results and take action on the results of inspections of external, internal auditors and banking supervisors;
- 2.3.9. take objective and competent decisions to possess sufficient and reliable information and to ensure that the recommendations and proposals of the Executive Management Team (EMT), other management bodies and officials of the Bank are justified and are in the best interests of the Bank;
- 2.3.10. determine the list of key bank employees whose activities are directly related to taking and managing risks;
- 2.3.11. periodically, but not less than once a year, determine the effectiveness of the BOD and its compliance with the development needs of the Bank, including identification of deficiencies in the effectiveness of the management and the relevant corrective measures required, on the basis of an assessment of the activities of the BOD's committees and its individual members;
- 2.3.12. ensure compliance of rules and procedures for payment of remuneration to the Bank's corporate culture, the control environment, as well as long-term objectives and the Bank's strategy;
- 2.3.15. establish the main directions of the Bank's activities for the long term and their respective indicators.

2.4. **The BOD should act reasonably and in good faith in the best interest of the Bank, which means that Board members should fulfill the following fiduciary duties:**

- 2.4.1. act within the limits of its authority in compliance with the requirements of the banking legislation of the Kyrgyz Republic and the Bank's Charter;
- 2.4.2. use the powers granted to them for the purpose of fulfilling the tasks and functions for which they are provided;
- 2.4.3. after taking every possible effort to obtain the available information within a reasonable time, make informed decisions based on their own qualifications and experience;
- 2.4.4. comply with the requirements to prevent conflicts of interest, promptly inform the Bank's management bodies of the occurrence of conflicts of interest, including in cases of a perceived conflict of interest;
- 2.4.5. observe the principle of equality in relation to shareholders, not to give preference to the interests of one shareholder over the interests of others;
- 2.4.6. notify the Bank's management bodies of all known incidents that threaten the financial stability of the Bank;
- 2.4.7. have an impeccable business reputation in accordance with the legislation of the Kyrgyz Republic;
- 2.4.8. organize an effective control system within the Bank to prevent the Bank from entering into transactions and conducting operations (transactions) with clients that lack obvious economic substance, a lawful purpose, and/or may subsequently harm the interests of the Bank.

2.5. **The exclusive competence of the BOD shall be the following:**

- 2.5.1. to determine the strategy and business policy of the Bank and recommend to the shareholders for approval major business directions in accordance with that strategy, including the budget and/or annual business plan of the Bank and any changes to such strategy or plans of the Bank;
- 2.5.2. to determine and accept the internal policy on all Bank activities;
- 2.5.3. to approve or terminate the members of the committees established by the BOD;
- 2.5.4. formation of competent executive bodies and ensuring effective oversight of their activities;

- 2.5.5. taking into account the recommendations of the Remuneration and Nomination Committee to approve or terminate the employment of the Chief Executive Officer (CEO) and EMT members upon the proposal of the CEO; as well as determine salaries for EMT members;
- 2.5.6. taking into account the recommendations of the Remuneration and Nomination Committee, appoints heads of internal audit service, risk-management service and compliance control service, as well as their employees, determines the amount of remuneration as well as the quantitative and personal composition of these services;
- 2.5.7. approval of the Bank's organizational structure;
- 2.5.8. organization of an adequate internal control system of the Bank;
- 2.5.9. carrying out inspections of the activities of executive bodies and officials of the Bank, taking measures on the basis of these inspections;
- 2.5.10. decision-making on creation and/or liquidation of branches and representative offices of the Bank;
- 2.5.11. to review the results and act on the National Bank findings and findings of external and internal auditors;
- 2.5.12. to approve any financial commitment or expenditure from ten percent (10%) of the net asset value up¹ to fifty percent (50%) of the book value (unless otherwise established by separate decisions) of the Bank's assets in one or a series of related transactions (whether or not included generally in the annual business plan, unless already specifically included as a specific line item in the annual business plan of the Bank approved by the BOD, and transactions/operations established by the banking legislation of the Kyrgyz Republic and internal provisions of the Bank);
- 2.5.13. approval and/or change policies of the Bank;
- 2.5.14. approving or changing the terms of any ESOP (Employee Stock Options Plan) or a similar policy or plan;
- 2.5.15. to control the implementation of resolutions approved at the GMS;
- 2.5.16. to approve Corporate Secretary of the Bank;
- 2.5.17. to prepare recommendations on size of dividends on shares and payment arrangements;
- 2.5.18. to recommend the amount and any terms and conditions for any increase or decrease in the number of shares for approval by the Annual GMS;
- 2.5.19. to prepare materials which shall be presented at the GMS;
- 2.5.20. to call the annual or extraordinary GMS;
- 2.5.21. to form and approve of the agenda of the GMS, except for cases established by the legislation of the Kyrgyz Republic, preparation of materials for consideration at the GMS;
- 2.5.22. to approve or endorse transactions/operations of the Bank with affiliated and related parties in the amount determined by the legislation of the Kyrgyz Republic;
- 2.5.23. to approve of loan or asset related transactions which have credit risk of affiliated or related parties in the amount determined by the legislation of the Kyrgyz Republic;
- 2.5.24. to decide the acquisition or disposal of shares or of any equity interest in another company, enterprise, venture and/or other legal entity, provided such acquisition or disposal represents is less than 5% (five percent) of the book value of the Bank's assets;
- 2.5.25. to decide on other matters within the competence of the Board of Directors according to the legislation of the Kyrgyz Republic and/or local regulatory acts.

¹ Net asset value is determined by subtracting the total liabilities from the total assets. The calculation is made using the formula: Net Asset Value = Total Assets – Total Liabilities. Since the difference between the assets and liabilities in the balance sheet constitutes the equity value, for the purposes of calculating the Bank's net asset value, the equity value (Total Equity) indicated in the Bank's published financial statements is considered.

- 2.6. Issues referred by the Charter, these Provisions and the legislation of the Kyrgyz Republic to the exclusive competence of the BOD cannot be delegated for consideration to the EMT or the GMS.
- 2.7. **To fulfill the requirements for transactions/operations with real estate, the Board of Directors:**
- 2.7.1. Decides to conclude a major transaction for real estate acquisition following the Kyrgyz Republic's legislation;
- 2.7.2. Within one year after the property's acquisition, it considers the issue of approving the EMT's decision regarding using an immovable property as the Bank's premises or refusal to use this property;
- 2.7.3. Considers the reasons for the Bank's impossibility to sell the Bank-owned real estate within three years from the date of the emergence of ownership except for agricultural land, recreational facilities, tourism infrastructure (timelines and features are established by the Kyrgyz Republic's legislation);
- 2.7.4. Considers issues of concluding a lease agreement for the Bank-owned real estate with an affiliated/related person to cover the costs associated with its maintenance (the person affiliated/related to the Bank should not participate and/or vote when making a decision). In this case, the documents for consideration by the Board of Directors, among other things, must be accompanied by the following documentation:
- description of the transaction with the person affiliated/connected with the Bank;
 - name of the person affiliated/connected with the Bank (name of the legal entity that is the affiliated person) and his/her relation to the Bank;
 - evidence of the fairness of the terms of the transaction with an affiliated/related party to the Bank (market research, report of an independent appraiser/appraisal organization, etc.);
 - estimate of the expected expenses of the Bank;
- 2.7.5. Decides to approve additional expenses to improve the Bank-owned real estate condition, which will lead to the emergence of future economic benefits and an increase in its value. The Bank's actions are not aimed at making a profit from these transactions;
- 2.7.6. Decides on the approval of the EMT's decision on the non-use of the acquired real estate for the future expansion of the Bank and/or the cessation of the use of the premises for banking activities (for example, as a result of the closure of a separate structural unit, relocation, and for other reasons in accordance with the act) and on the necessity of its sale.
- 2.8. Quarterly, get acquainted with the results of the consideration by the Bank's EMT of issues on the sale of other real estate and written reports on this issue;
- 2.9. Based on quarterly reports of the EMT, considers and evaluates the effectiveness of the EMT in dealing with the Bank-owned real estate with the determination of subsequent measures for the sale of the Bank-owned real estate for more than three years from the date of the emergence of ownership, except for agricultural land, recreational facilities, tourism infrastructure (timelines and features are established by the Kyrgyz Republic's legislation).
- 2.10. **In the event that the Bank has signs of bankruptcy threat, the BOD obliged:**
- 2.10.1. take urgent necessary measures to prevent bankruptcy of the Bank and urgently call an extraordinary GMS;
- 2.10.2. immediately notify the National Bank on the emerging signs of bankruptcy in the Bank as well as the results of meeting of BOD on the issue of calling an extraordinary GMS of the Bank, as well as of the urgent and necessary measures required to prevent bankruptcy of the Bank.

- 2.11. BOD members commit to uphold and promote the highest standards of corporate governance to ensure the Bank's transparency and good governance

3. ELECTION OF BOD MEMBERS

- 3.1. BOD members are elected by the GMS for a term of four years.
- 3.2. The BOD must consist of at least **five** members, in an odd number. At least one member of the BOD must be a citizen of the Kyrgyz Republic, who is proficient in a state and / or official language. At least one third of the BOD should be composed of **independent** members of the BOD. An independent member of the BOD must be a following person at the time of election:
- 3.2.1. is not and has not been an employee of the Bank or an employee of any of the legal entities associated with the Bank during the last five years;
 - 3.2.2. is not a member of the EMT and has not been a member of the EMT of any legal entities associated with the Bank during the last five years;
 - 3.2.3. has not received, directly or indirectly, any significant additional remuneration, compensation, benefits or donations, except for reimbursement of expenses related to participation in the BOD meetings from the Bank or related to the Bank, or on their behalf within the last five years;
 - 3.2.4. does not have significant business ties (including the provision and receipt of loans, borrowings) with the Bank or any of the Bank-related individuals, either directly or as a partner, during the past five years;
 - 3.2.5. has not been a partner or employee of the current or former external auditor of the Bank or any of the Bank related persons during the past five years;
 - 3.2.6. does not exercise significant participation or control over the Bank and does not represent in any way a shareholder that exercises significant participation or control over the Bank;
 - 3.2.7. has not been a member of the BOD of the Bank or any of the legal entities related to the Bank during the last four years for the past four years;
 - 3.2.8. does not have a close relations with the persons mentioned in clauses 3.2.1-3.2.7 of this clause.
- 3.3. Only individuals with full legal capacity and meeting requirements of impeccable business reputation, professional suitability and work experience established by the National Bank can be elected to the BOD. Employment contracts or other similar agreements and contracts with members of the BOD are not concluded and the labor legislation of the Kyrgyz Republic does not apply to them.
- 3.4. When being nominated as candidates for the BOD, candidates must provide the Bank with the following information and materials about themselves according to the requirements of the National Bank. In the event of a candidate's election to the Bank's BOD for a new (subsequent) term, the documents previously submitted in the course of coordination with the National Bank are not provided again if the information contained therein has not changed. In this case, the Bank is provided with a written confirmation of the relevance of the information, prepared in the form of Appendix 1 to this Regulation.
- 3.5. A member of the Bank's BOD may at any time voluntarily resign by notifying the Bank with a written statement to the BOD 14 calendar days in advance. In this case, the powers of the member of the BOD cease upon the expiry of the notice period specified in the statement of the respective member of the BOD.
- 3.6. If a member of the BOD violates the norms of banking legislation, by a decision of the National Bank, a member of the BOD may be suspended from performing their duties without payment

of remuneration for the period of suspension. The decision of the National Bank to remove a member of the Bank's BOD takes effect immediately from the day the decision is issued.

3.7. A member of the BOD is subject to exemption from the position held by the decision of the National Bank in the following events:

- 3.7.1. loss of impeccable business reputation;
- 3.7.2. revealing the fact of concealing a conflict of interest or interest in concluding Bank transactions;
- 3.7.3. if the person has concealed the information, which indicates that person does not meet the qualification requirements as well as to requirements for independence and impeccable business reputation;
- 3.7.4. when according to the National Bank, the acts or omissions of a member of the BOD are a threat to the financial stability of the Bank.

The decision of the National Bank on the dismissal of a member of the Bank's BOD takes effect immediately from the day the decision is issued.

3.8. In the event as a result of early termination of the powers / exemptions of the members of the BOD, its membership is reduced to an amount less than the established quorum, the EMT shall within five days from the date of termination of the powers of the members of the BOD decide to convene an extraordinary GMS of the Bank for the election of a new composition BOD.

3.9. In the event of a vacancy (vacancies) of independent members of the BOD, which does not affect the quorum but results in the bank failing to meet the requirement of having one-third of the BOD members be independent, the Bank's BOD must, within ten working days from the date of the vacancy (vacancies), decide to convene an extraordinary general meeting of shareholders at which independent members of the BOD should be elected for the respective vacant positions.

3.10. The following persons cannot be members of the BOD:

- 3.10.1. who are members of the EMT of the Bank or hold other positions in the Bank;
- 3.10.2. an official or significant shareholder of another bank or other entity under the supervision of the National Bank, or holding positions in other competing financial organizations;
- 3.10.3. does not meet the requirements established by the National Bank, as well as persons who are prohibited from holding such posts by law or by court decision.

4. BOD CHAIRPERSON

4.1. The BOD Chairperson presides at the BOD and is elected only by majority vote of all BOD members. The Deputy BOD Chairperson can be elected by decision of the BOD. The BOD Chairperson and his or her deputy can be re-elected at any time by majority of BOD members.

4.2. The BOD Chairperson carries out the overall organization of the BOD; after consulting with BOD members, the Chairperson determines the agenda and form of BOD meetings, calls meetings, presides at them, ensures that minutes of meetings are taken; signs them; arranges voting on draft resolutions, oversees preparation arrangements of the GMS.

4.3. The BOD Chairperson signs any documents approved at the BOD meetings, if there is no other decision made by the BOD.

- 4.4. If the BOD Chairperson is absent from the meeting (in case of sickness, business trip, vacation, etc.), the Deputy Chairperson will replace him or her; in case of the absence of Deputy one of the BOD members elected by the BOD shall Chair the meeting.
- 4.5. The Chairperson is entitled to give assignments to the CEO on subject matter where experts are required for their qualified opinions on certain issues within the competence of the BOD. The Chairperson is also entitled to give assignments to the CEO on the preparation of documents, conclusions and other materials for BOD meetings.

5. CORPORATE SECRETARY

- 5.1. The Bank's Corporate Secretary keeps the minutes of the GMS and the BOD, monitors the implementation of their decisions, assists in ensuring proper corporate interaction between the Bank's management bodies, provides and organizes the work (meetings and proceedings) and effective ongoing interaction required of the GMS and the BOD of the Bank, as well as coordination of the Bank's actions to protect the rights and interests of shareholders.
- 5.2. The Corporate Secretary is an official of the Bank, appointed and dismissed by a decision of the BOD of the Bank.
- 5.3. The Corporate Secretary carries out its activities in accordance with the Law of the Kyrgyz Republic "On Banks and Banking Activities", regulatory legal acts of the National Bank, the Charter of the Bank and internal documents of the Bank, as well as resolutions of the GMS and the BOD.
- 5.4. The combination of an independent position of the Bank's Corporate Secretary with the performance of other duties in the Bank is allowed only with the consent of the BOD of the Bank.
- 5.5. The Corporate Secretary shall possess knowledge, experience and qualifications sufficient to fulfill the duties assigned to him/her, and be trusted by shareholders. The Corporate Secretary shall have the necessary authorities and resources to carry out the tasks assigned to him/her.
- 5.6. The functional duties of the Corporate Secretary are developed by the Bank independently in accordance with the legislation of the Kyrgyz Republic and internal documents of the Bank.
- 5.7. The Corporate Secretary of the Bank shall act in good faith and reasonably in the best interests of the Bank, which implies compliance with the following **fiduciary duties**:
 - 5.7.1. to fulfill its powers in compliance with the requirements of the banking legislation of the Kyrgyz Republic, the Bank's Charter and internal documents of the Bank;
 - 5.7.2. use the powers granted to Corporate Secretary;
 - 5.7.3. to observe the principle of equality in relation to shareholders and members of the BOD;
 - 5.7.4. to comply with the legal requirements of the Kyrgyz Republic.
- 5.8. In the event of the temporary absence of the Corporate Secretary, the functions of the BOD Secretary are performed by a Bank's employee who is appointed at the relevant meeting of the BOD.

6. PROCEDURE OF CONVENING AND CONDUCTING MEETINGS OF THE BOD

- 6.1. BOD meetings are called:
 - 6.1.1. By the BOD Chairperson at his/her initiative;

- 6.1.2. By request of any BOD member or an internal auditor of the Bank;
 - 6.1.3. By the EMT;
 - 6.1.4. By request of persons entitled by the Charter or legislation.
- 6.2. BOD meetings are called in writing and notification is sent to the BOD Chairperson and CEO in the cases specified in clauses 6.1.2-6.1.4 of these Provisions.
- 6.3. Meetings of the BOD are held by a written poll or using communication facilities in accordance with the schedule approved by the BOD, but at least once a quarter. In cases where the date of the meeting has already been determined at the previous meeting of the BOD, the notice to convene a meeting is not sent.
- During in-person meetings of the Bank's BOD, to ensure the possibility of participation in the discussion of agenda items and voting remotely for members of the BOD who are absent from the meeting location, the opportunity to use conference and video conference communication is provided.
- If it is not possible to hold a meeting in person and/or using conference and video conference communication, decisions are made by absentee voting of the BOD members in the form of a written survey. In absentee voting by written survey, opinions are expressed by sending an absentee voting ballot for the Bank's BOD meeting on agenda items put to a vote (Appendix No. 2 to these Provisions) by email to the Corporate Secretary, signed with an electronic signature according to the relevant local regulatory act of the Bank. During meetings of the Bank's BOD using conference and video conference communication, if an individual member of the BOD is unable to participate in such a meeting, the opportunity to send an absentee voting ballot for the Bank's BOD meeting on agenda items put to a vote is also provided.
- 6.4. All materials for BOD meetings are sent by the Corporate Secretary to each BOD member by email at least 5 (five) working days before the date of the meeting.
- 6.5. All documents and materials relating to the meeting should be kept confidential and cannot be disclosed to third parties or in other way distributed unless agreed by the BOD.
- 6.6. The BOD Chairperson shall call a BOD meeting to consider and make decisions on the following:
- 6.6.1. calling of the Annual GMS and make decisions on relevant arrangements for calling a meeting as required by the legislation of the Kyrgyz Republic;
 - 6.6.2. preliminary approval of the annual report of the Bank;
 - 6.6.3. reviewing shareholder proposals to include agenda items in the Annual GMS as well as shareholder proposed candidates to the BOD;
 - 6.6.4. other matters mandatory for approval by the BOD in compliance with the legislation, the Charter, and these Provisions.
- 6.7. A quorum for holding a BOD meeting to conduct business shall be not less than two-thirds (2/3) of the number of elected BOD members.
- 6.8. All resolutions reached at a BOD meeting shall be made by a simple majority vote of the attending BOD members if there is a quorum of no less than two-thirds of the composition of BOD.
- 6.9. During the discussion, voting, and decision-making on a transaction/operation of the Bank with an affiliated or related party, the Chairman or any member of the Board of Directors with a direct or indirect interest in the proposed transaction or operation must leave the Board of Directors meeting during the discussion of the issue and is not allowed to vote on that matter.

- 6.10. When deciding on issues at a meeting of the BOD, each member of the BOD has one vote. Transfer of voting rights by a member of the BOD to another person, including another member of the BOD, is not allowed. Voting on agenda items at the meeting of the Bank's Board of Directors is conducted openly by voting "For," "Against," or "Abstaining". In case of a tie during the decision-making, the Chairperson of the BOD has the right to a decisive vote.
- 6.11. Invited persons may participate at the meeting of the BOD without the right to vote with the permission of the Chairperson of the BOD.
- 6.12. The invited persons are entitled:
 - 6.12.1. to speak on the agenda items as defined earlier;
 - 6.12.2. to provide explanations on issues under discussion as requested by the BOD.
- 6.13. Minutes are taken at the BOD meetings. Minutes should be finalized within ten business days after the meeting.
- 6.14. The BOD meeting minutes shall at least include:
 - 6.14.1. the place and date of the meeting;
 - 6.14.2. the list of attendees;
 - 6.14.3. the agenda;
 - 6.14.4. items for voting;
 - 6.14.5. discussion of the agenda items put to a vote and the voting results;
 - 6.14.6. resolutions made.
- 6.15. The Corporate Secretary shall conduct a stenographic record (detailed written text of the participants' speeches) of the meetings of the BOD and prepare minutes based on the results, including voting by written poll and using communication facilities.
- 6.16. The opinion of a member of the BOD who has comments and suggestions on the matter under consideration and disagrees with the adopted decision must be expressed during the voting and reflected in the minutes.
- 6.17. The Minutes of the meeting shall be signed by the Chairperson of the BOD (or by the person presiding at the meeting in the absence of the Chairperson) who is responsible for the correctness of drawing up the minutes and by the Corporate Secretary of the BOD after coordination (sighting) with the members of the BOD present at the meeting. The deadline for the approval of the minutes of the BOD meeting by the members of the BOD is 2 (two) working days. Members of the BOD who did not attend the meeting should be familiarized with the Minutes and resolutions. The minutes of the Board of Directors' meeting can be signed with an electronic signature following the relevant policy/procedure of the Bank.
- 6.18. The Corporate Secretary must necessarily familiarize with the signed Minutes all the members of the BOD by using communication facilities.
- 6.19. Minutes of the BOD meetings shall be kept at the place of location of its Executive Board in compliance with legislation of the Kyrgyz Republic. The Bank provides access to the minutes for shareholders and BOD members, auditors, CEO and EMT.
- 6.20. A BOD member who does not vote or votes against any resolution of the BOD that is made in violation of the Law "On Joint-Stock Companies", other regulations, and the Charter is entitled to appeal such resolution at the court, if such resolution violates his or her rights or legal interests.

- 6.21. Each BOD member, when drafting resolutions applicable to the Bank's activities, shall be impartial and rely on the interests of the Bank, not on his or her own interests or the interests of separate members (shareholders) and Bank officials or third parties.

7. RIGHTS AND RESPONSIBILITIES OF THE MEMBERS OF THE BOD

- 7.1. BOD members have the right to:
- 7.1.1. propose agenda items for BOD meetings;
 - 7.1.2. discuss the Bank's business activities;
 - 7.1.3. make proposals and vote on draft resolutions;
 - 7.1.4. receive remuneration for his or her participation and (or) reimbursement of expenses related with such duties in cases and size as approved by the resolution of the GMS;
 - 7.1.5. require and receive from the Bank's Executive Management, departments, branches and representative offices any documents necessary for performance of BOD functions;
 - 7.1.6. discuss minutes of BOD meetings before they are signed by the BOD Chairperson and the secretary;
 - 7.1.7. receive information on activities of BOD committees;
 - 7.1.8. familiarize themselves with minutes of any other bodies of the Bank including copies of them;
 - 7.1.9. to require the inclusion in the minutes of the meeting of the BOD of its special opinion on the agenda issues, decisions taken;
 - 7.1.10. a member of the BOD also has other rights stipulated by the legislation, legal acts of the Kyrgyz Republic and the Charter of the Bank.
- 7.2. The BOD has the right to hire advisors (specialists, consultants, experts, etc.) to prepare analytical reference or information materials and make recommendations on issues assigned to them in accordance with their duties. Opinions provided by such advisors are recommendations only and the BOD as a body is ultimately responsible for its decisions.
- 7.3. The BOD or any of its members is not entitled to interfere in the operational activities of the Bank.
- 7.4. **A member of the BOD shall:**
- 7.4.1. Be loyal to the Bank, refrain from using the office in interests of third parties, act within the interests of the Bank and perform duties fairly and reasonably;
 - 7.4.2. Not to disclose confidential information about activities of the Bank or other inside and business information to authorized persons and use it in his/her own interest or the interests of third persons within the term of office and five years after concluding work with the Bank;
 - 7.4.3. Take active part in BOD meetings and committees, if selected;
 - 7.4.4. Inform the BOD in case of absence before any meeting including explanation of reasons;
 - 7.4.5. Make decisions by vote on the meeting agenda issues;
 - 7.4.6. Express opinions on the annual reports and financial statements, including on income statement (profit and loss accounts) of the Bank, on distribution of income, including on payment (declaration) of dividends, and losses for the financial year;
 - 7.4.7. Require explanations and ask clarifying questions;
 - 7.4.8. Make informed decisions, study necessary documents (materials), conduct investigations, make decisions, and inform all BOD members;

- 7.4.9. Do not participate in equity or manage competitors without preliminary written consent of the BOD;
- 7.4.10. Inform the BOD on the following in a timely manner:
- a) expected transactions of the Bank where they might have interest;
 - b) on legal entities with 20% or more of voting shares in their ownership;
 - c) on legal entities where they hold a position;
 - d) intention to establish or take part in any competing entity or organization at the time of becoming a BOD member.
- 7.4.11. Members of the BOD of the Bank must submit at least once a year to the BOD written information concerning their commercial, entrepreneurial or other material interests (personal interest).
- 7.4.12. Properly implement the decisions of the GMS and the BOD.
- 7.4.13. Provide the Bank with information about changes in the questionnaire in accordance with the requirements of the National Bank by submitting information about the changes that have occurred, where possible with attached copies of documents confirming the changes (no later than 5 working days from the date of the change in the questionnaire data).
- 7.5. Regular attendance at BOD meetings is necessary to ensure continuity in managing the Bank. Attendance requirements for the BOD meetings:
- 7.5.1. Members of the BOD and committees are expected to demonstrate their commitment to the company by consistently attending meetings of the BOD or committees, except in cases where unforeseen circumstances prevent attendance.
- 7.5.2. Members of the BOD are expected to be present at no less than 75% of face-to-face meetings.
- 7.5.3. Members of the BOD will be provided with an annual schedule of meetings, which will be set annually. In case of the need to change agreed dates, members of the BOD will be notified in advance.
- 7.5.4. If it is impossible to attend a meeting of the BOD, the respective member should inform the Chairman of the BOD and the Corporate Secretary as early as possible.

8. RESPONSIBILITIES OF BOD MEMBERS

- 8.1. The BOD shall play a key role in preventing, identifying and resolving internal conflicts, including those between executive bodies and employees within the Bank. The BOD is responsible for organizing a system to identify and prevent conflicts of interest, ensuring transparency of the Bank's activities, timely and complete disclosure of information, and ensuring unencumbered access for shareholders to the Bank's documents in accordance with the legislation of the Kyrgyz Republic.
- 8.2. In order to maintain an adequate level of capital in accordance with the risks in the Bank's operations, the BOD is responsible for establishing effective evaluation, monitoring and control systems in the Bank.
- 8.3. Each member of the BOD bears personal responsibility for the decisions made at the BOD meetings. In case a member of the BOD believes that the decisions being made by the BOD pose a threat to the financial stability and security of the Bank, as well as to the rights and legitimate interests of depositors and other creditors, they are obligated to inform the National Bank about it.
- 8.4. Members of the Bank's BOD are responsible to the Bank and its shareholders for any damage caused to the Bank and the shareholders by their wrongful actions (or inaction), in accordance with the legislation of the Kyrgyz Republic. Members of the BOD who voted against a decision

that resulted in damage to the Bank, or who did not participate in the voting, are not responsible for the damage caused to the Bank.

- 8.5. To determine reasons and level of responsibility of BOD members, standard business practice and other material circumstances for a particular case should be taken into consideration. If several BOD members are responsible, they should bear joint liability.
- 8.6. BOD members bear responsibility for the implementation of Bank's policy.

9. REMUNERATION PAID TO BOD MEMBERS AND REIMBURSEMENT OF EXPENSES ASSOCIATED WITH PERFORMING DUTIES

- 9.1. If approved by the GMS, the Bank can provide remuneration to BOD members and/or reimburse expenses of BOD members incurred while performing BOD duties. Total remuneration and amount subject to reimbursement is defined by decision of the GMS.
- 9.2. The size of remuneration to each member shall depend on personal contribution to work of the BOD.
- 9.3. The decision on remuneration and reimbursement can be a separate item for discussion at the GMS meetings or as a part of the income distribution for the financial year.
- 9.4. Reimbursement of BOD member expenses is done after submission of supporting documents.

10. BOD COMMITTEES

- 10.1. To fulfill its functions, the Bank's BOD may establish committees as well as other auxiliary expert-advisory bodies. Committees of the BOD are created for the preliminary consideration of issues within the competence of the BOD and for the development of recommendations for them. Committees are not management bodies of the Bank, cannot replace the BOD, and cannot perform their functions.
- 10.2. The BOD must establish the following committees:
 - 1) The Risk Management Committee, which ensures control over the activities of the Bank's EMT in matters of risk management that the Bank undertakes;
 - 2) Audit Committee;
 - 3) Remuneration and Nomination Committee.Other Committees may be established in the Bank.
- 10.3. The procedure for the formation and operation of a specific committee is regulated by the internal regulations on the relevant committee. All committees in the Bank are led by the chairpersons of the respective committees. The composition of the committees is recommended to be determined in such a way that it allows for a comprehensive discussion of the issues under consideration, taking into account various opinions.
- 10.4. The BOD has the right to engage auditors to inspect the activities of structural departments, established committees and officials of the Bank.
- 10.5. The activities of the committees of the BOD must comply with the requirements of the National Bank and internal documents of the Bank.

11. ASSESSMENT OF THE EFFECTIVENESS OF THE BOD'S WORK

- 11.1. The BOD ensures the assessment of the quality of the work of the BOD, the members of the BOD, and the committees formed by the BOD. The purpose of assessing the quality of the work of the BOD is to determine the degree of effectiveness of the work of the BOD and its members, the compliance of their work with the development needs of the Bank, the activation of the work of the BOD, and the identification of areas in which their activity can be improved.
- 11.2. The evaluation of the Board of Directors' performance, its members, and relevant committees is conducted by the Board members independently on a regular basis, no less than once a year.
- 11.3. Based on the results of the self-assessment, the Chairman of the BOD formulates suggestions for improving the work of the BOD.

12. FINAL PROVISIONS

- 12.1. These Provisions are subject to approval at the GMS by majority of attending shareholders that are eligible to vote and is reviewed annually.
- 12.2. In the event of any conflict between these Provisions and legislation of the Kyrgyz Republic or the Charter, BOD members should be guided by legislation of the Kyrgyz Republic or the Bank Charter including in the case of changes to the legislation of the Kyrgyz Republic, these Provisions remain effective in the part that does not contradict the current legislation of the Kyrgyz Republic, regulatory documents of the National Bank, as well as the Charter of the Bank, until it is brought into compliance with such changes.
- 12.3. To the issues of the activity of the Bank's BOD not covered by these Provisions, the provisions of the current legislation of the Kyrgyz Republic and the Charter of the Bank apply.

**CONFIRMATION
of the relevance of information**

Hereby I, _____, being a member of the Board of Directors of Kompanion Bank CJSC, confirm that the information about me contained in the Questionnaire and documents previously sent to the National Bank has not changed.

«__» ____ 20__

_____ (_____)
(signature) (initials, surnames)

<p>Absentee voting ballot of the meeting of the Board of Directors of KOMPANION BANK CJSC on the agenda issues put to vote</p> <p>Date: _____</p>	<p>Бюллетень заочного голосования заседания Совета Директоров ЗАО «БАНК КОМПАНИОН» по вопросам повестки, поставленным на голосование</p> <p>Дата: _____</p>
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<p>Absentee voting ballot №__</p> <p>Board of Directors member: _____</p>	<p>Бюллетень заочного голосования №__</p> <p>Член Совета директоров: _____</p>
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Agenda issue №1 - _____. Draft resolution: _____.				Вопрос повестки №1 - _____. Проект решения: _____.			
Voting options	For	Against	Abstained	Варианты голосования	За	Против	Воздержался
Board member's vote	_____			Голосование члена Совета директоров	_____		
Agenda issue №2 – _____. Draft resolution: _____.				Вопрос повестки №2 - _____. Проект решения: _____.			
Voting options	For	Against	Abstained	Варианты голосования	За	Против	Воздержался
Board member's vote	_____			Голосование члена Совета директоров	_____		
Agenda issue №3 - _____. Draft resolution: _____.				Вопрос повестки №3 - _____. Проект решения: _____.			
Voting options	For	Against	Abstained	Варианты голосования	За	Против	Воздержался
Board member's vote	_____			Голосование члена Совета директоров	_____		
Agenda issue №4 - Approval of EMT KPIs. Draft resolution: _____.				Вопрос повестки №4 - _____. Проект решения: _____.			
Voting options	For	Against	Abstained	Варианты голосования	За	Против	Воздержался
Board member's vote	_____			Голосование члена Совета директоров	_____		

An unsigned ballot is considered invalid.

*Неподписанный бюллетень считается
недействительным.*

_____ (signature/подпись)

_____/_____

Member of the Board of Directors / Член Совета Директоров