

**APPROVED**  
**By the Extraordinary General Meeting of the Bank's**  
**Shareholders**  
**Minutes dated May 15, 2024**

**CHARTER**  
**OF THE OPEN JOIN-STOCK COMPANY**  
**«AIYL BANK»**

**Bishkek – 2024**

## **1. GENERAL PROVISIONS**

**1.1.** This Charter establishes the procedure for the organization and activities of the Open Joint-Stock Company “Aiyl Bank,” hereinafter referred to as the “Bank.” In accordance with the legislation of the Kyrgyz Republic, the Bank is the legal successor to all rights and obligations of the Open-Type Joint-Stock Company “Kyrgyz Agricultural Financial Corporation,” which was re-registered with the Ministry of Justice of the Kyrgyz Republic on December 14, 2006 (Certificate of State Re-registration of a Legal Entity dated December 14, 2006, No. 508-3301-OAO, OKPO code 21663710).

**1.2.** The Bank is a commercial financial and credit institution, forms part of the banking system of the Kyrgyz Republic, and in its activities is guided by the Constitution of the Kyrgyz Republic, the legislation of the Kyrgyz Republic regulating banking activities and the activities of joint-stock companies, international banking practice standards, this Charter, and other internal regulatory documents of the Bank adopted in accordance with the procedures established by law.

**1.3.** The Bank is a legal entity in accordance with the legislation of the Kyrgyz Republic and owns separate property recorded on its independent balance sheet, including funds transferred to it in payment for shares.

**1.4.** The Bank may, in its own name, acquire and exercise property and personal non-property rights, perform obligations, bear liability, and act as a plaintiff, defendant, applicant, or third party in court.

**1.5.** The Bank is not liable for the obligations of the Kyrgyz Republic, just as the Kyrgyz Republic is not liable for the obligations of the Bank, except in cases where the state has voluntarily assumed such obligations.

**1.6.** The Bank is not liable for the obligations of the National Bank of the Kyrgyz Republic, just as the National Bank of the Kyrgyz Republic is not liable for the obligations of the Bank.

**1.7.** The Bank is not liable for the obligations of its shareholders.

**1.8.** The Bank is established in the form of an open joint-stock company for an indefinite period and conducts its activities based on a license granting the right to perform banking operations, issued by the National Bank of the Kyrgyz Republic.

**1.9.** The Bank operates independently from state authorities and administrative bodies when making its decisions. - Банк независим от органов государственной власти и управления при принятии им решений.

**1.10.** The Bank has a round seal containing its full official name in Kyrgyz, Russian, and English languages, indicating its organizational-legal form, location, and tax identification

number, as well as stamps, letterheads with its official name and location, its own emblem, a trademark registered in accordance with established procedures, and other means of visual identification.

**1.11.** State authorities and their officials are prohibited from interfering in the lawful activities of the Bank, except on grounds stipulated by the legislation of the Kyrgyz Republic.

**1.12.** The Bank is entitled to independently establish correspondent relationships with other banks located within the territory of the Kyrgyz Republic and beyond its borders, in compliance with the requirements of the legislation of the Kyrgyz Republic.

**1.13.** The Bank may independently or jointly with other legal entities or individuals participate in other commercial and non-commercial organizations within the territory of the Kyrgyz Republic and abroad, in accordance with the legislation of the Kyrgyz Republic and the relevant foreign state.

## **2. FIRM (OFFICIAL) NAME AND ADDRESS OF THE BANK**

2.1. Full firm (official) name of the Bank:

In Kyrgyz: "Айыл Банк" ачык акционердик коому;

In Russian: Открытое акционерное общество "Айыл Банк";

In English: The open joint-stock company "Aiyl Bank";

2.2. English: Abbreviated firm name of the Bank:

In Kyrgyz: "Айыл Банк" ААК;

In Russian: ОАО "Айыл Банк";

In English: OJSC "Aiyl Bank".

**2.3.** The Bank has the exclusive right to use its firm name following registration in accordance with established procedures.

**2.4.** Address of the Bank's location: Postal code 720040, Kyrgyz Republic, Bishkek city, Logvinenko Street, № 14.

## **3. PURPOSE, SUBJECT, AND TYPE OF ACTIVITY OF THE BANK**

**3.1.** The Bank aims to generate profit.

**3.2.** The subject of the Bank's activities is the provision of banking services, including banking services based on Islamic principles of banking and financing, in accordance with the license issued by the National Bank of the Kyrgyz Republic.

**3.3.** The primary type of activity of the Bank is lending to agricultural producers and agribusiness enterprises under the conditions of urgency, repayment, and interest payment in accordance with the Bank's policies. The main focus of lending is agricultural financing, including the processing and storage of agricultural products (goods), agrotechnical measures, the purchase (or lease) of agricultural machinery (equipment), and other activities aimed at developing agricultural commodity production. The Bank also provides loans to legal entities, individual entrepreneurs, and individuals for purposes other than agriculture.

**3.4.** In accordance with the license of the National Bank of the Kyrgyz Republic, the Bank may conduct operations based on Islamic principles of banking and financing, similar to the financial lending instrument specified in Clause 3.3 of this Charter.

#### **4. BRANCHES AND REPRESENTATIVE OFFICES OF THE BANK**

**4.1.** The Bank may establish branches and open representative offices within the territory of the Kyrgyz Republic and abroad, in compliance with the legislation of the Kyrgyz Republic and the laws of the foreign states where the branches and representative offices are located, unless otherwise stipulated by an international treaty. Branches and representative offices operate on behalf of the Bank, which bears full responsibility for their activities. A branch and representative office share the same charter capital and balance sheet as the Bank, as well as a name fully identical to that of the Bank.

**4.2.** Branches and representative offices are not independent legal entities; they are endowed with fixed and working capital from the Bank's assets, operate based on regulations approved by the Bank, and conduct their activities on behalf of the Bank within the scope of authority defined in those regulations.

**4.3.** Decisions regarding the establishment or closure of branches and representative offices, as well as the approval of their regulations, are made by the Bank's Board of Directors in accordance with the legislation of the Kyrgyz Republic and the legislation of the country where the branches and representative offices are established.

**4.4** Heads of representative offices and branches are appointed by the Bank's Management Board with the approval of the Bank's Board of Directors and act based on a power of attorney issued by the Bank.

##### **4.5. Branches of the Bank:**

<b>No.</b>	<b>Branch Name</b>	<b>Branch Address</b>
1	Alai-Buka Branch	Jalal-Abad Province, Alai-Buka District, Alai-Buka village, Lenin St., 39
2	Alai-Medin Branch	Bishkek city, Yunusaliev St., 173/1
3	Aravan Branch	Osh Province, Aravan District, Aravan village, Lenin St., 2/1
4	Bazar-Korgon Branch	Jalal-Abad Province, Bazar-Korgon District, Bazar-Korgon village, A. Tekebaev St., 101
5	Balykchy Branch	Issyk-Kul Province, Balykchy city, Frunze St., 207
6	Batken Branch	Batken Province, Batken city, Razzakov St., 14
7	Belovodsk Branch	Chuy Province, Moskovsky District, Belovodskoye village, Lenin St., 29
8	Bishkek Branch	Bishkek city, Shevchenko St., 83
9	Gulcha Branch	Osh Province, Alai District, Gulcha village, Alymbek-Datka St., 115
10	Jalal-Abad Branch	Jalal-Abad Province, Jalal-Abad city, Baltagulov St., 20
11	Jeti-Oguz Branch	Issyk-Kul Province, Jeti-Oguz District, Kyzyl-Suu village, Manas St., 216
12	Kadamjay Branch	Batken Province, Kadamjay District, Kadamjay city, Orozbekov St., 130/1
13	Kant Branch	Chuy Province, Issyk-Ata District, Kant city, Gagarin St., no number
14	Kara-Balta Branch	Chuy Province, Kara-Balta city, Kozhombardiev St., 59, 61
15	Kara-Buurin Branch	Talas Province, Kara-Buurin District, Kyzyl-Adyr village, M. Aitmatov St., 31
16	Karakol Branch	Issyk-Kul Province, Karakol city, Moskovskaya St., 120 "a"
17	Kara-Kulja Branch	Osh Province, Kara-Kulja District, Kara-Kulja village, Suranbai St., 3
18	Kara-Suu Branch	Osh Province, Kara-Suu District, Kara-Suu city, Lenin St., MEZ plot
19	Kerben Branch	Jalal-Abad Province, Aksy District, Kerben city, Umetaliev St., 173
20	Kochkor Branch	Naryn Province, Kochkor District, Kochkor village, S. Orozbekov St., 131
21	Kyzyl-Kiya Branch	Batken Province, Kyzyl-Kiya city, 1st Microdistrict, 21 "A"
22	Leilek Branch	Batken Province, Leilek District, Razzakov city, Koshmuratov St., 46
23	Naryn Branch	Naryn Province, Naryn city, Lenin St., 72
24	Nookat Branch	Osh Province, Nookat District, Nookat city, Lenin St., 6

<b>No.</b>	<b>Branch Name</b>	<b>Branch Address</b>
25	Nooken Branch	Jalal-Abad Province, Nooken District, Masy village, Lenin St., 18
26	Osh Branch	Osh city, Razzakov St., 21
27	Osh-Datka Branch	Osh city, Lenin St., 313-g
28	Sokuluk Branch	Chuy Province, Sokuluk District, Sokuluk village, Frunze St., 116
29	Talas Branch	Talas Province, Talas city, Otorbaev St., 231
30	Tokmok Branch	Chuy Province, Chuy District, Chuy village, Ibraimov St., 5
31	Toktogul Branch	Jalal-Abad Province, Toktogul District, Toktogul city, Suerkulov St., 7
32	Tyup Branch	Issyk-Kul Province, Tyup District, Tyup village, M. Elebaev St., 85
33	Uzgen Branch	Osh Province, Uzgen District, Uzgen city, Lenin St., 125
34	Aiyl Bank-Center Branch	Bishkek city, Kievskaya St., 114/2
35	Bishkek-Meerim Branch	Bishkek city, Abdrakhmanov St., 119
36	VIP Center Branch	Bishkek city, Jumabek St., 105/1
37	Cholpon-Ata Branch	Issyk-Kul Province, Cholpon-Ata city, Sovetskaya St., no number
38	Chon-Alai Branch	Osh Province, Chon-Alai District, Daroot-Korgon village, Ch. Sulaimanov St., 71

#### **4.6. Board of the Bank:**

<b>№</b>	<b>Name of Representative Office</b>	<b>Address of the representative office</b>
1	Representative Office of OJSC “Aiyl Bank” in the Russian Federation, Moscow.	Address of the representative office: Russian Federation, Moscow, Bolshaya Polyanka St., 42, bldg.1, 1 <sup>st</sup> floor, office 110”.

## **5. BANKING OPERATIONS AND OTHER TRANSACTIONS**

**5.1.** To achieve the objectives of its activities, the Bank may perform the following types of banking operations as specified in the license issued by the National Bank of the Kyrgyz Republic:

- Attraction of deposits in its own name under contractual terms;
- Placement of its own and/or attracted funds in its own name under contractual terms;

- Opening and maintaining accounts;
- Execution of settlements and payments on behalf of clients and correspondent banks, as well as their cash servicing;
- Issuance, purchase, payment, acceptance, storage, and confirmation of payment documents (checks, letters of credit, bills of exchange, and other documents), including credit and payment cards;
- Acquisition of claims from third parties for the fulfillment of monetary obligations (factoring);
- Payment of debt obligations through the purchase of simple and transferable bills of exchange (forfaiting);
- Issuance and placement of debt securities;
- Conducting financial leasing operations;
- Issuance of bank guarantees;
- Execution of client money transfers, including without opening an account;
- Opening and maintaining correspondent accounts for non-resident banks of the Kyrgyz Republic;
- Conducting operations on accounts in foreign currency for clients and acquiring (exchanging) foreign currency on behalf of the client;
- Purchase and sale (exchange) of foreign currency in its own name;
- Conducting operations with precious metals (only banking silver, gold, and platinum in refined standard and measured ingots, as well as coins made of these high-purity metals);
- Conducting operations with derivative financial instruments (derivatives);
- Issuance of electronic money;
- Acceptance and processing of payments for goods and services, not resulting from its own activities, in favor of third parties through payment systems based on information technologies and electronic means and methods of payment;

- Acceptance, processing, and provision of financial information (processing, clearing) related to payments and settlements of third parties participating in the payment system of the respective processing and clearing center;
  
- Conducting banking operations specified in the list of permitted banking operations under Islamic principles of banking and finance, subject to possession of the relevant license to perform banking operations in accordance with Islamic principles of banking and finance through an "Islamic window."

**5.2. The Bank is entitled to carry out the following activities and transactions:**

- Issuance of sureties and other obligations on behalf of third parties;
- Issuance, purchase, sale, and servicing of securities, including Islamic securities, as well as depository services;
- Trust management of property (excluding cash funds) under an agreement with an individual or legal entity;
- Provision of safes for rent to individuals and legal entities for the storage of valuables;
- Sale of collateralized property to settle obligations owed to the Bank;
- Investment services;
- Consulting services related to banking activities;
- Financial leasing transactions;
- Services as a financial agent.

The Bank carries out other activities in accordance with the legislation of the Kyrgyz Republic, provided it does not contradict the banking legislation of the Kyrgyz Republic. The Bank may engage only in activities necessary to support its core operations or related to banking activities.

**5.3.** The Bank is entitled to independently set interest rates for its active and passive operations, the amount of commission fees, and the profit rate under Islamic principles of banking and finance, unless otherwise stipulated by the legislation of the Kyrgyz Republic.

**5.4.** Transactions and operations of the Bank with affiliated and related parties, as well as the procedures for their execution, are carried out in accordance with the requirements of the banking legislation of the Kyrgyz Republic and the Bank's internal regulations.

**5.5.** The Bank is entitled to independently develop and approve its activity plans.

**5.6.** The Bank is entitled to acquire, alienate, lease, and otherwise conduct transactions with

property, including transactions related to real estate and property rights, in cases provided by law, including when:

- It is necessary for the Bank's operations;
- It is necessary to ensure the fulfillment of obligations undertaken by the Bank's counterparties;
- Real estate was acquired through purchase, transfer, alienation, or other means to repay (fully or partially) previously issued loans.

**5.7.** In addition to the actions listed in clauses 5.3-5.6 of this Charter, the Bank is entitled to conduct other transactions and operations necessary to support its activities, within the scope of its legal capacity as defined by the civil and banking legislation of the Kyrgyz Republic.

**5.8.** The Bank is entitled to hire foreign specialists in compliance with the labor legislation of the Kyrgyz Republic, while independently determining the forms, systems, amounts, and types of their remuneration.

**5.9.** The Bank is entitled to engage in other types of licensed activities with the consent of the National Bank of the Kyrgyz Republic.

## **6. CAPITAL OF THE BANK**

**6.1.** The Bank's capital serves to ensure its profitable and sustainable growth, to cover potential losses inherent in banking activities, acts as a guarantee of client confidence in the Bank, and provides a safeguard against possible risks that may arise in the course of the Bank's operations.

**6.2.** The Bank's capital refers to its net worth or equity, representing the difference between its assets and liabilities as reflected in the balance sheet items, in accordance with established accounting principles.

### **6.3. Authorized Capital of the Bank:**

**6.3.1.** The foundation of the Bank's capital consists of fully paid authorized capital, with respect to which the Bank has no obligations to return funds invested by founders (shareholders), and it complies with the requirements of the National Bank of the Kyrgyz Republic.

**6.3.2.** The authorized capital is paid exclusively with the monetary funds of the founders (shareholders) and is formed in non-cash form, in the national currency of the Kyrgyz Republic.

**6.3.3.** The size of the authorized capital – the Bank's authorized capital amounts to 16,467,480,000 (sixteen billion four hundred sixty-seven million four hundred eighty thousand) KGS. The authorized capital is divided into 1,646,748 (one million six hundred forty-six thousand seven hundred forty-eight) registered ordinary shares, each with a nominal value of 10,000 (ten thousand) KGS.

**6.3.4.** The size of the authorized capital may be increased through the issuance and placement of additional shares. The increase or decrease of the Bank's authorized capital is carried out in accordance with the procedure established by the legislation of the Kyrgyz Republic.

**6.3.5.** An increase in the authorized capital is permitted only after it has been fully paid.

**6.3.6.** An increase in the Bank's authorized capital to offset losses incurred by the Bank is not permitted.

**6.3.7.** The Bank is also not entitled to reduce the size of its authorized capital if, as a result of such reduction, its amount falls below the minimum size established by the banking legislation of the Kyrgyz Republic at the time of registering amendments to this Charter.

**6.4.** The Bank's additional capital consists of funds contributed in excess of the paid authorized capital:

**6.4.1.** Funds from individuals and legal entities contributed toward the acquisition of the Bank's shares based on a concluded agreement, with mandatory conditions: irrevocability (under no circumstances), perpetuity of the contributed funds, and the condition that, in the event of the Bank's bankruptcy, claims related to these funds will be satisfied in the same order as those of the Bank's shareholders. Subsequently, the additional funds contributed by individuals and legal entities must be converted into ordinary shares, and these persons must be granted an indisputable right to acquire issued shares in the amount of the funds provided.

#### **6.5. Reserves of the Bank:**

**6.5.1.** The Bank establishes reserves intended for the timely coverage of losses related to banking activities. The procedure for forming and methods for calculating reserves created by the Bank to cover potential losses from credit, leasing, and other losses classified as Bank expenses are determined in accordance with banking legislation.

**6.5.2.** To ensure an appropriate level of control and reliability of its activities, in accordance with the nature and scale of its operations, the Bank may establish reserves in compliance with International Financial Reporting Standards and in the manner prescribed by the legislation of the Kyrgyz Republic.

**6.5.3.** The Bank also establishes a reserve for future needs in the form of a portion of undistributed accumulated profits, which is not available for future dividend payments. The reserve for future needs is created to maintain the Bank's liquidity by reducing cash dividend payments, preserving capital adequacy in the event of potential future declines in profitability, and for reinvestment in the Bank's operations, including investments in capital assets and the Bank's operational development, as well as for other purposes as decided by the General Meeting of the Bank's Shareholders.

## **7. SHARES OF THE BANK. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

7.1. The Bank's shares are ordinary and registered securities.

7.2. A share does not grant voting rights until it is fully paid.

7.3. Shareholders are not liable for the Bank's obligations and bear the risk of losses related to the Bank's activities only to the extent of the value of the shares they own.

7.4. A shareholder who owns ordinary shares of the Bank is entitled to:

7.4.1. Receive a portion of the profits (dividends) from the Bank's activities.

7.4.2. Receive a portion of the Bank's property in the event of its liquidation.

7.4.3. Sell or otherwise transfer shares or a portion thereof into the ownership of other individuals or legal entities, subject to the requirements of the legislation of the Kyrgyz Republic.

7.4.4. Pledge or transfer shares or a portion thereof into trust management to other individuals or legal entities.

7.4.5. Acquire shares issued by the Bank on a preemptive basis in accordance with the Bank's Charter.

7.4.6. Participate in the management of the Bank's affairs in the manner prescribed by the legislation of the Kyrgyz Republic and this Charter of the Bank.

7.4.7. Participate in shareholders' meetings of the Bank with voting rights.

7.4.8. Submit proposals for inclusion in the agenda of the General Meeting of Shareholders.

**7.4.9.** Protect their rights through legal proceedings, file lawsuits against the Bank's officials, as well as against persons with an interest in transactions conducted by the Bank in accordance with the legislation of the Kyrgyz Republic, provided that the shareholder's property rights have been violated and they have suffered material damage.

**7.4.10.** Challenge decisions made by the Bank within one year from the date of such a decision, provided that the decision has violated the shareholder's property rights and caused them material damage.

**7.4.11.** Challenge in court the validity of an issuance and/or issuance-related procedure within two months from the date of state registration of the share issuance by the authorized state body of the Kyrgyz Republic regulating the securities market, provided that their actual rights to participate in this issuance were violated and they suffered material damage as a result of

the issuance.

**7.4.12.** Obtain information about the Bank's activities in the manner prescribed by the legislation of the Kyrgyz Republic and this Charter.

**7.4.13.** Apply to the court to protect the interests of shareholders and the Bank itself regarding transactions involving interested parties, as per the legislation of the Kyrgyz Republic, provided that the shareholder's property rights are violated and they suffer material damage.

**7.4.14.** A shareholder may have other property and non-property rights in accordance with the legislation of the Kyrgyz Republic and the Bank's Charter.

**7.5.** Shareholders of the Bank are obliged to:

**7.5.1.** Pay for shares within the deadlines, in the manner, and by the methods stipulated by the legislation of the Kyrgyz Republic, this Charter, and the agreement for their acquisition;

**7.5.2.** Comply with the requirements of the legislation of the Kyrgyz Republic governing the rights and obligations of shareholders of commercial banks, the provisions of this Charter, including maintaining confidentiality regarding matters related to the Bank's activities.

**7.6.** A shareholder's right to participate in shareholders' meetings and vote their shares on any matters at their discretion may not be restricted by any individuals, state authorities, or courts.

**7.7.** The proper restoration of a shareholder's violated rights consists of full compensation for the material damage caused to them by the actions (or inaction) or decisions of the Bank's bodies.

## **8. PLACEMENT OF SHARES AND OTHER SECURITIES OF THE BANK. REGISTER OF SHAREHOLDERS**

### **8.1. Procedure and Methods for the Placement of Shares and Other Securities:**

**8.1.1.** The Bank carries out the placement of shares when issuing additional shares to increase the size of its authorized capital.

**8.1.2.** The issuance and placement of additional shares by the Bank prior to the registration of the results of the previous issuance and placement of shares are not permitted.

**8.1.3.** The Bank is also not entitled to repurchase or accept its own shares as collateral.

**8.1.4.** The Bank is entitled to place additional shares and other securities through open (public placement) and closed (private placement) subscriptions.

**8.1.5.** The methods of placing additional shares and other securities by the Bank are determined by the decision on their placement, adopted in accordance with this Charter and the legislation of the Kyrgyz Republic.

**8.1.6.** The decision to increase the Bank's authorized capital must specify the number of shares, the terms and conditions of their placement, including the placement procedure, and the procedure for determining the price of additional shares for shareholders who, under this Charter, have a preemptive right to acquire the placed shares.

**8.1.7.** The placement of shares is carried out by a professional securities market participant (underwriter) selected by the Bank's Board.

**8.2.** Procedure for Payment of Placed Shares and Other Securities:

**8.2.1.** Payment for the purchase of shares and other securities of the Bank may only be made in monetary form and in the national currency of the Kyrgyz Republic – Kyrgyz som.

**8.3. Register of Shareholders:**

**8.3.1.** The independent registration of shares and maintenance of the Bank's shareholder register are carried out by an independent specialized registrar and the Bank.

**8.3.2.** The Bank's shareholder register contains information about each registered person (shareholder or nominee holder of shares), including their details, the number and categories of shares recorded in the name of each registered person, the date of their acquisition, and other information as required by the legislation of the Kyrgyz Republic.

**8.3.3.** The Bank and the specialized registrar are not liable for consequences arising from the failure of a shareholder or nominee holder of shares to inform the registrar of the Bank's shareholder register about changes that must be recorded in the shareholder register in accordance with the requirements of this Charter and the legislation of the Kyrgyz Republic.

**8.3.4.** An entry in the Bank's shareholder register is made at the request of a shareholder or nominee holder of shares no later than three days from the submission of the documents required by the legislation of the Kyrgyz Republic.\*\*

**8.3.5.** Refusal to make an entry in the Bank's shareholder register is not permitted, except in

cases provided for by the legislation of the Kyrgyz Republic. In the event of a refusal to make an entry in the Bank's shareholder register, the registrar of said register must, no later than three days from the date of the request for entry, send a reasoned notice of refusal to the person requesting the entry.

**8.3.6.** A refusal to make an entry in the Bank's shareholder register may be appealed in accordance with the procedure established by the legislation of the Kyrgyz Republic.

**8.3.7.** At the request of a shareholder or their legal representatives, the Bank, or its official representative, the registrar must, within five working days from the receipt of the request, provide an extract from the register indicating the number of shares owned by a particular shareholder of the Bank, and, if necessary, information about transactions previously conducted by those shareholders. The extract from the Bank's shareholder register is not a security but confirms the shareholder's ownership of shares as of the date of its issuance.

**8.3.8.** Information from the Bank's shareholder register is provided by the registrar to the National Bank of the Kyrgyz Republic upon its initial request.

## **9. DISTRIBUTION OF NET PROFIT. DIVIDENDS**

**9.1.** The Bank's net profit (after tax payment) remains at the Bank's disposal and, by decision of the General Meeting of Shareholders, is distributed among shareholders in the form of dividends, allocated to reserves for the Bank's future needs, or directed to other purposes in accordance with the current legislation of the Kyrgyz Republic and the Bank's Charter.

**9.2.** The Bank has full economic autonomy in matters concerning the distribution of net profit.

**9.3.** To ensure the Bank's development, including social development, targeted and other funds may be established from net profit by decision of the General Meeting of Shareholders, where the obligation or possibility of creating such funds is provided for or not contradicted by the legislation of the Kyrgyz Republic.

**9.4.** A dividend is a portion of the Bank's net profit for the current year, distributed among shareholders in direct proportion to the number of shares they hold in the respective category, subject to compliance with the legislation of the Kyrgyz Republic and the regulations of the National Bank of the Kyrgyz Republic.

**9.5.** The Bank does not guarantee the payment of dividends to shareholders on ordinary shares.

**9.6.** The Bank makes a decision (announces) the payment of dividends on placed shares once a year. The dividend amount is announced without accounting for taxes thereon.

- 9.7.** The Bank is obliged to pay the announced dividends, except in cases where a shareholder has waived receipt in favor of the Bank.
- 9.8.** Dividends are paid in cash or other property with the shareholder's consent.
- 9.9.** The decision on the payment of dividends, the dividend amount, and the form of payment for the Bank's shares is made by the annual General Meeting of Shareholders.
- 9.10.** The dividend amount per ordinary share may not exceed the amount recommended by the Bank's Board of Directors but may be reduced by the General Meeting of Shareholders.
- 9.11.** The General Meeting of Shareholders may decide not to pay dividends on shares only in cases stipulated by the legislation of the Kyrgyz Republic and this Charter.
- 9.12.** The Bank may not decide to pay (announce) dividends, and the National Bank of the Kyrgyz Republic may prohibit or impose restrictions on dividend payments in cases provided for by the legislation of the Kyrgyz Republic.
- 9.13.** Dividends are neither accrued nor paid on shares that are not fully paid, on shares not issued into circulation, including by decision of the Bank's Board of Directors.
- 9.14.** The Bank determines the dividend amount without accounting for taxes. Dividends are paid to shareholders net of the applicable tax.
- 9.15.** The dividend payment date is determined by the decision of the General Meeting of Shareholders and may not be earlier than the date of the decision to pay dividends nor later than 120 (one hundred twenty) days after such a decision is made.
- 9.16.** For the payment of dividends, the Bank's Board of Directors approves a list of persons (shareholders) entitled to receive dividends.
- 9.17.** If the Bank has not specified a dividend payment date, the payment date is deemed to be the 120th day following the decision to pay dividends.

## **10. RELATIONSHIPS OF THE BANK WITH CLIENTS**

- 10.1.** The provision of banking services to legal entities and individuals is carried out by the Bank based on a contract and the principle of partnership, in accordance with the provisions of the legislation of the Kyrgyz Republic.
- 10.2.** The general terms of banking services are public information and cannot be subject to commercial or banking secrecy. These terms are provided by the Bank upon the client's initial request.

**10.3.** In the event of changes to the general terms of banking services, the Bank notifies clients in the manner prescribed by the legislation of the Kyrgyz Republic or the terms of the contract concluded between the Bank and the client.

**10.4.** The Bank ensures the safety of funds and other valuables entrusted to it by its clients and correspondents. Their safety is guaranteed by all movable and immovable property of the Bank.

**10.5.** The Bank is entitled to use any settlement systems applied in international banking practice, in accordance with the legislation of the Kyrgyz Republic.

**10.6.** The Bank continuously maintains its readiness to promptly and fully fulfill its obligations by managing its balance sheet structure in compliance with the mandatory standards established by the National Bank of the Kyrgyz Republic, as provided for by the legislation of the Kyrgyz Republic.

**10.7.** The Bank guarantees the observance of banking secrecy in accordance with the legislation of the Kyrgyz Republic. Shareholders of the Bank, members of the Bank's Board of Directors, members of the Bank's Sharia Council, members of the Bank's Management Board, employees of the Bank, and other persons associated with the Bank through contractual or other relationships are obliged not to disclose to third parties or use for any purpose any information entrusted to them or to which they had access in the course of relationships between the Bank and its clients or between the Bank and its correspondents, except on grounds provided for by the legislation of the Kyrgyz Republic.

**10.8.** Information constituting banking secrecy is provided to third parties in accordance with and in the manner prescribed by the legislation of the Kyrgyz Republic.

## **11. STRUCTURE OF MANAGEMENT AND CONTROL BODIES**

### **11.1. The management bodies of the Bank are:**

- The highest management body – the General Meeting of Shareholders of the Bank;
- The supervisory body – the Board of Directors of the Bank;
- The executive body – the Management Board of the Bank.

### **11.2. The bodies responsible for the adequacy of the Bank's internal control system are:**

- The Board of Directors of the Bank;
- The Management Board of the Bank;

- The Audit Committee;
- The Risk Management Committee;
- The Internal Audit Unit;
- The Compliance Control Unit;
- The Risk Management Unit.

**11.3.** Officials of the Bank who have led its operations to bankruptcy or who have been removed from their positions due to unsatisfactory performance, impeccable conduct, or the commission of an offense at the workplace may not be elected to the management bodies of a Bank with a state-owned shareholding.

**11.4.** A Sharia Council is established within the Bank, responsible for ensuring that the Bank's policies, transactions, and standard contracts comply with Sharia standards.

## **12. GENERAL MEETING OF SHAREHOLDERS OF THE BANK**

**12.1.** The exclusive competence of the General Meeting of Shareholders includes:

- 1) Amending and supplementing the Bank's Charter or approving a new version of the Bank's Charter;
- 2) Reorganization, voluntary liquidation of the Bank, appointment of a liquidator, and approval of the liquidation balance sheet in the case of voluntary liquidation;
- 3) Deciding on changes (increase or decrease) in the number of circulating shares of the Bank;
- 4) Deciding on the non-application of a shareholder's preemptive right to acquire shares of the Bank;
- 5) Deciding on the execution of a major transaction valued at 20 percent or more of the book value of the Bank's assets as of the date of the decision, as well as on entering into transactions involving interested parties and other banking operations, including loans and their substitutes, conducted with affiliated and related parties, where the amount exceeds 14 percent of the Bank's net total capital;
- 6) Approving annual reports, balance sheets, profit and loss statements, and the distribution of the Bank's profits;
- 7) Electing members of the Bank's Board of Directors;
- 8) Approving the amount of remuneration and compensation payable to members of the Bank's Board of Directors;

- 9) Deciding on the early termination of the powers of the Bank's Board of Directors;
- 10) Utilizing the Bank's reserve and other funds not specified in the Bank's Charter;
- 11) Deciding on the amount and procedure for dividend payments;
- 12) Deciding to cancel decisions adopted by previous General Meetings of Shareholders that contradict the legislation of the Kyrgyz Republic;
- 13) Approving the annual financial plan and the report on its execution;
- 14) Electing the Bank's external auditor upon the recommendation of the Bank's Board of Directors and determining the auditor's remuneration;
- 15) Electing members of the Bank's Sharia Council;
- 16) Determining the terms and amount of remuneration for members of the Bank's Sharia Council;
- 17) Deciding on the early termination of the powers of the Bank's Sharia Council;
- 18) Approving the composition of the vote-counting commission;
- 19) Deciding on the issuance of bonds and other securities by the Bank;
- 20) Addressing other matters assigned to the competence of the General Meeting of Shareholders by the legislation of the Kyrgyz Republic and the Bank's Charter.

The exclusive competence of the annual General Meeting of Shareholders of the Bank includes:

- 21) Approving the annual financial plan and the report on its execution;
- 22) Approving the annual performance results of the Bank and the reports of the Bank's Management Board;
- 23) Addressing other matters included in the agenda.

**12.2.** Matters not falling within the exclusive competence of the General Meeting of Shareholders may be delegated by it to the Bank's Board of Directors or Management Board for consideration.

**12.3.** The General Meeting of Shareholders of the Bank conducts its activities in the manner and under the conditions established in accordance with the legislation of the Kyrgyz Republic and this Charter.

#### **12.4. Procedure for Decision-Making by the General Meeting of Shareholders:**

- Decisions on matters specified in subparagraphs 1–5 of clause 12.1 of this Charter are adopted by a majority of at least two-thirds of the votes of the total number of voting shares;
- Decisions on matters specified in subparagraphs 6, 8–13 of clause 12.1 of this Charter are adopted by a majority of at least two-thirds of the votes of shareholders owning voting shares of the Bank who participate in the meeting;
- Decisions on matters specified in subparagraphs 7 and 15 of clause 12.1 of this Charter (election of members of the Bank’s Board of Directors and Sharia Council) are adopted by cumulative voting:
  - In cumulative voting, each ordinary share of the Bank carries a number of votes equal to the total number of seats on the Bank’s Board of Directors. A shareholder may cast all votes for their shares entirely for one candidate or distribute them among several candidates for the Bank’s Board of Directors. Candidates receiving the highest number of votes, equal to the number of seats on the Bank’s Board of Directors, are deemed elected.
  - In cumulative voting, each ordinary share of the Bank carries a number of votes equal to the total number of seats on the Sharia Council. A shareholder may cast all votes for their shares entirely for one candidate or distribute them among several candidates for the Sharia Council. Candidates receiving the highest number of votes, equal to the number of seats on the Sharia Council, are deemed elected.
- Decisions on all other matters are adopted by a simple majority of votes of shareholders owning voting shares of the Bank who participate in the meeting.

**12.5.** The General Meeting of Shareholders may not adopt decisions on matters not included in the agenda unless a unanimous decision to the contrary is made at a meeting attended by all shareholders owning ordinary shares of the Bank. If the notice period was shorter or no notification of the meeting was provided, the decisions of the meeting shall have legal force only if adopted unanimously at the meeting.

**12.6.** The Bank is obliged to hold an annual General Meeting of Shareholders within the timeframe established by the legislation of the Kyrgyz Republic, but not before receiving the audit report. The specific date of the annual General Meeting of Shareholders is determined by a decision of the Bank’s Board of Directors. The annual General Meeting of Shareholders is convened by the Bank’s Board of Directors.

**12.7.** All meetings other than the annual General Meeting of Shareholders are deemed extraordinary.

**12.8.** Extraordinary General Meetings of Shareholders are convened by the Bank’s Board of Directors at the initiative of members of the Bank’s Board of Directors, the Bank’s

Management Board, at the request of the authorized regulatory state body of the Kyrgyz Republic in cases provided by the legislation of the Kyrgyz Republic, or upon a written request from shareholders collectively holding at least 20 percent of the Bank's votes as of the date of the request. The request must specify the reasons for convening the extraordinary General Meeting of Shareholders and the proposed agenda, including the timeframe for its holding.

**12.9.** The decision of the Bank's Board of Directors must determine the format of the extraordinary General Meeting of Shareholders (in-person or absentee voting).

**12.10.** The procedure for conducting a General Meeting of Shareholders by absentee voting (via polling) is carried out in accordance with the requirements of the legislation of the Kyrgyz Republic.

**12.11.** The procedure for conducting the General Meeting of Shareholders, its regulations, and other procedural matters are established by this Charter and the current legislation of the Kyrgyz Republic.

**12.12.** Minutes of the General Meetings of Shareholders are maintained in accordance with the established record-keeping procedure under the legislation of the Kyrgyz Republic. The minutes must be signed by the chairperson and secretary of the meeting or their substitutes at the meeting and certified with the company's seal.

### **13. BOARD OF DIRECTORS OF THE BANK**

**13.1.** The Board of Directors of the Bank represents all shareholders, exercises strategic management of the Bank, defines the core principles and approaches to organizing the Bank's risk management and internal control systems, oversees the activities of the Bank's Management Board, and performs other key functions as established by the legislation of the Kyrgyz Republic.

**13.2.** The competence of the Bank's Board of Directors includes addressing matters of general management of the Bank's activities, except for issues assigned by the legislation of the Kyrgyz Republic and this Charter to the exclusive competence of the General Meeting of Shareholders.

**13.3.** The exclusive competence of the Bank's Board of Directors includes the following matters:

- 1) Defining the Bank's strategic goals and shaping its policies;
- 2) Forming an effective Management Board of the Bank;

- 3) Convening annual and extraordinary General Meetings of Shareholders;
- 4) Formulating and approving the agenda of the General Meeting of Shareholders, except in cases specified by the legislation of the Kyrgyz Republic, as well as addressing other matters related to the preparation and conduct of the General Meeting of Shareholders;
- 5) Determining and adopting internal policies for all types of the Bank's activities, including amendments and supplements thereto, except in cases provided by the legislation of the Kyrgyz Republic;
- 6) Appointing members of the Audit Committee, the Appointments and Remuneration Committee, and the Risk Management Committee;
- 7) Electing/appointing and dismissing the Chairperson and members of the Bank's Management Board and terminating their powers;
- 8) Determining the amount and terms of remuneration for the Chairperson and members of the Bank's Management Board;
- 9) Deciding on the early termination of the powers of members of the Management Board;
- 10) Approving the "Regulations on the Management Board of the Bank";
- 11) Preparing recommendations on the amount of dividends on shares and the procedure for their payment;
- 12) Deciding on the establishment and/or closure of the Bank's branches and representative offices;
- 13) Recommending to the General Meeting of Shareholders the amount, conditions, and procedure for increasing or decreasing the number of circulating shares;
- 14) Preparing materials for consideration at the General Meeting of Shareholders;
- 15) Monitoring the implementation of decisions of the General Meetings of Shareholders;
- 16) Electing the corporate secretary;
- 17) Organizing the Bank's internal control system;
- 18) Approving the heads and composition of the internal audit, risk management, and compliance control units of the Bank based on recommendations from the Appointments and Remuneration Committee, as well as their remuneration terms and conditions, and approving the regulations of these units;
- 19) Approving candidates for key positions in the Bank as determined by the Board of Directors;
- 20) Approving the organizational structure of the Bank;
- 21) Approving an internal regulation on remuneration for members of the Management Board, employees of the internal audit, risk management, and compliance control units, and other key employees of the Bank;
- 22) Conducting inspections of the activities of the Bank's executive bodies and officials and taking measures based on the inspection results;

- 23) Deciding on transactions amounting to 5 to 20 percent of the book value of the Bank's assets as of the decision date, as well as transactions and operations with affiliated and related parties, the procedure and amount of which are carried out in accordance with the requirements of the banking legislation of the Kyrgyz Republic and the Bank's internal regulations;
- 24) Reviewing the results and taking measures based on inspections by the National Bank of the Kyrgyz Republic, external and internal auditors, the Chamber of Accounts, and other state supervisory bodies in accordance with the legislation of the Kyrgyz Republic;
- 25) Deciding on the Bank's participation in other organizations in the prescribed manner, as well as its participation in holding companies, financial-industrial groups, and other associations of commercial and non-commercial organizations;
- 26) Approving the "Regulations on Budgeting of OJSC 'Aiyl Bank'" and any amendments or supplements thereto.

**13.4.** Matters within the exclusive competence of the Bank's Board of Directors may not be delegated to the Bank's executive bodies. Decisions of the Board of Directors, regardless of the voting format, are adopted by a simple majority of votes from the members of the Board of Directors participating in the vote.

**13.5.** The Board of Directors also decides on matters not listed in clause 13.3 of this Charter but assigned to its competence by the legislation of the Kyrgyz Republic, this Charter, or other internal regulations.

**13.6.** The Board of Directors approves internal regulations governing the procedure for conducting and approving operations/transactions (including the approval of operations/transactions based on their type and size, monitoring compliance with the procedure for conducting operations/transactions, and responsibility for the consequences of completed operations/transactions), and ensures oversight of their implementation.

**13.7. The Board establishes the following committees:**

- Audit Committee;
- Risk Management Committee;
- Appointments and Remuneration Committee.

**13.8.** The Board of Directors may establish advisory councils and committees to support the Bank's business policies, the legal status of which is determined by regulations approved by the Board of Directors.

**13.9.** The Board of Directors consists of no fewer than five members, in an odd number.

**13.10.** Members of the Board of Directors are elected at the General Meeting of Shareholders for a term of four years.

**13.11.** Only individuals with full legal capacity and meeting the requirements established by the National Bank of the Kyrgyz Republic may be members of the Board of Directors.

**13.12.** At least one member of the Board of Directors must be a citizen of the Kyrgyz Republic proficient in the state and/or official language.

**13.13.** At least one-third of the Board of Directors must consist of independent members.

**13.14.** The following individuals may not be members of the Board of Directors:

- 1) Persons who are members of the Bank's Management Board or hold other positions within the Bank;
- 2) Persons who are officials or significant shareholders of another bank or non-bank financial institution supervised by the National Bank of the Kyrgyz Republic;
- 3) Persons who do not meet the requirements set by the National Bank of the Kyrgyz Republic or who are prohibited by law or court decision from holding such positions.

**13.15.** In the event of a vacancy(ies) in the Board of Directors that does not affect the quorum, the missing members are elected at the next General Meeting of Shareholders.

**13.16.** In the event of a vacancy(ies) among independent members of the Board of Directors that does not affect the quorum but results in the Bank failing to meet the requirement of having one-third independent members, the Board of Directors must, within 10 (ten) business days from the date of the vacancy(ies), decide to convene an extraordinary General Meeting of Shareholders to elect the required number of independent members.

**13.17.** If the early termination of the powers of members of the Board of Directors reduces its composition below the required quorum, the Management Board must, within five days from the date of termination, decide to convene an extraordinary General Meeting of Shareholders to elect a new Board of Directors.

**13.18.** By decision of the General Meeting of Shareholders or at the request of the National Bank of the Kyrgyz Republic, the powers of any member (or all members) of the Board of

Directors may be terminated early on grounds provided by the legislation of the Kyrgyz Republic.

**13.19.** A member of the Board of Directors may voluntarily resign at any time by submitting a written statement to the Chairperson of the Board of Directors.

**13.20.** A member of the Board of Directors may not participate in discussions or voting on matters in which they have a conflict of interest.

**13.21.** Members of the Board of Directors:

- Must act loyally toward the Bank in performing their duties, making every effort to protect the Bank's interests and promote sound and prudent banking practices;
- May not serve as members of the management board or hold executive positions in another competing financial institution;
- May not be civil servants;
- Must remain objective when making decisions on the Bank's activities, guided by the Bank's interests rather than their own interests or those of individual participants (founders, shareholders) or Bank officials.

**13.22.** The Board of Directors operates in the manner and under conditions determined solely by the legislation of the Kyrgyz Republic, this Charter, the "Regulations on the Board of Directors of the Bank" approved by the General Meeting of Shareholders, and the Bank's Corporate Governance Code. The procedure for holding meetings, adopting decisions, electing or terminating the powers of any member of the Board of Directors, regulations, and other procedural matters are governed by the Regulations on the Board of Directors and the legislation of the Kyrgyz Republic.

**13.23.** The Board of Directors is chaired by the Chairperson of the Board of Directors, elected by the members of the Board from among themselves by a majority vote of the total number of Board members.

**13.24.** The Chairperson of the Board of Directors:

- 1) Organizes the work of the Board of Directors;
- 2) Represents the Bank's interests in all international organizations, state authorities, and administrative bodies of the Kyrgyz Republic, the National Bank of the Kyrgyz Republic, and other institutions and organizations in the Kyrgyz Republic;
- 3) Oversees the strategic planning of the Bank's activities;

- 4) Performs oversight functions over the Bank's key performance indicators;
- 5) Convenes meetings of the Board of Directors and, if necessary, organizes absentee voting, with decisions adopted in this manner confirmed at the next regular meeting of the Board of Directors;
- 6) Ensures the keeping of minutes at meetings;
- 7) Concludes (or renews) contracts with members of the Management Board;
- 8) Concludes (or renews) contracts with the heads and employees of the internal audit, risk management, and compliance control units, as well as the corporate secretary;
- 9) Signs decisions, resolutions, minutes, and orders related to the activities of the Board of Directors;
- 10) Performs other functions as provided by the legislation of the Kyrgyz Republic, this Charter, and other internal regulations of the "Bank."

**13.25.** Upon resigning, the Chairperson of the Board of Directors must notify all other members of the Board of Directors in writing.

**13.26.** Meetings of the Board of Directors are held as necessary, but at least once a month. A quorum for holding a meeting and adopting decisions is the participation of at least two-thirds of the Board members. Each member has one vote when deciding matters. In the case of a tie, the Chairperson's vote is decisive. The transfer of a vote from one member to another is not permitted.

**13.27.** Minutes of Board of Directors meetings are kept in accordance with established procedures. Minutes must be signed by the Chairperson of the Board of Directors and the corporate secretary, who are responsible for the accuracy of the information recorded and the proper preparation of the minutes, or by their substitutes at the meeting.

If a member of the Board of Directors was absent from a meeting, they must review the minutes and decisions of the Board under signature. Each member bears personal responsibility for decisions made at Board meetings. If a member believes that a decision poses a threat to the Bank's financial stability, the rights and legitimate interests of depositors, or other creditors, they must inform the National Bank of the Kyrgyz Republic.

**13.28.** The minutes must include:

- The location and date of the meeting;
- The persons present at the meeting;
- The meeting agenda;
- The decisions adopted.

## **14. SHARIA COUNCIL**

**14.1.** The Sharia Council is a collegial body responsible for ensuring that the Bank's policies, standard contracts, transactions, and product terms comply with Sharia standards when conducting operations in accordance with Islamic principles of banking and finance.

**14.2.** The Sharia Council consists of 3 (three) members. Members of the Sharia Council are officials of the Bank and must meet the requirements established by the current legislation of the Kyrgyz Republic.

**14.3.** The Sharia Council is elected by the General Meeting of Shareholders of the Bank for a term of five years and reports to the shareholders at each annual General Meeting of Shareholders.

**14.4.** Only individuals with full legal capacity and meeting the requirements set by the National Bank of the Kyrgyz Republic may be members of the Sharia Council.

**14.5.** At least one member of the Sharia Council must be a citizen of the Kyrgyz Republic proficient in the state and/or official language.

**14.6.** At least one-third of the Sharia Council's composition must consist of independent members.

**14.7.** The Sharia Council operates in accordance with the Regulations on the Sharia Council, approved by the Bank's Board of Directors. If the share of the Bank's assets related to activities conducted under Islamic principles of banking and finance exceeds 50% of the balance sheet total, the Regulations on the Sharia Council must be approved by the General Meeting of Shareholders.

**14.8.** The competence of the Sharia Council includes approving:

**14.8.1.** Financing, operational, accounting, and other core policies of the Bank to establish conditions for identifying, measuring, controlling, and monitoring potential risks to which the Bank is exposed as a result of conducting banking operations in accordance with Islamic principles of banking and finance;

**14.8.2.** The terms of all products related to banking operations conducted under Islamic principles of banking and finance, as well as the corresponding standard contracts of the Bank.

**14.9.** The status, objectives, tasks, functions, powers, and responsibilities of the Sharia Council are established by the Regulations on the Sharia Council.

## **15. MANAGEMENT BOARD OF THE BANK**

**15.1.** The Management Board of the Bank oversees its day-to-day operations. Its competence includes all matters not falling under the exclusive competence of the General Meeting of Shareholders or the Board of Directors of the Bank, including:

- 1) Organizing and managing the operational activities of the Bank;
- 2) Organizing and ensuring the implementation of decisions of the General Meetings of Shareholders and the Board of Directors, provided they do not contradict the legislation of the Kyrgyz Republic;
- 3) Submitting (at least annually) to the Board of Directors a detailed assessment of the adequacy of the Bank's internal control system and recommendations for its improvement;
- 4) Addressing issues related to the management of the Bank's assets and liabilities, organizing and conducting settlements, performing banking operations, ensuring internal accounting and control, safeguarding the Bank's property, and other matters of current operations;
- 5) Resolving issues related to the general management of the activities of branches, representative offices, and other structural units of the Bank;
- 6) Determining the conditions and approving the remuneration system based on quantitative and qualitative performance indicators;
- 7) Approving internal regulations (except those within the competence of other management bodies) and standard contract forms;
- 8) Providing recommendations to the General Meeting of Shareholders and the Board of Directors regarding decisions within their competence;
- 9) Deciding to convene an extraordinary General Meeting of Shareholders in the case specified in clause 13.17 of this Charter;
- 10) Initiating meetings of the Board of Directors on matters requiring urgent consideration;
- 11) Opening savings/mobile cash offices of the Bank;
- 12) Appointing key employees of the Bank in coordination with the Board of Directors;
- 13) Developing and agreeing with the Board of Directors, by December 15, the draft annual budget for the upcoming financial year, and managing operations based on the agreed draft budget until the annual General Meeting of Shareholders approves the Bank's budget for the upcoming year;
- 14) Addressing other matters in accordance with the legislation of the Kyrgyz Republic, this Charter, the Regulations on the Management Board, and other internal regulations of the Bank.

**15.2.** For operational purposes, the Management Board may establish targeted committees and/or commissions, define their functions and powers, determine their composition, and

appoint their members.

**15.3.** The Management Board develops internal regulations governing the procedure for conducting and approving operations/transactions based on their type and size, as well as the responsibility for their execution, and ensures their implementation.

**15.4.** The Management Board operates based on the legislation, this Charter, and in the manner and under conditions exclusively defined by the Regulations on the Management Board and the Bank's Corporate Governance Code.

**15.5.** The Management Board is responsible for:

- Implementing business plans (strategies) and policies approved by the Board of Directors;
- Developing and timely introducing banking processes that identify, measure, monitor, and control risks to which the Bank is exposed;
- Ensuring an adequate management system that clearly defines the responsibilities, powers, and relationships between the Bank's bodies, structural units, officials, and employees;
- Implementing an adequate internal control policy and monitoring the adequacy and effectiveness of the internal control system.

**15.6.** Members of the Management Board are elected/appointed by the Board of Directors for a term not exceeding three years, based on recommendations from the Bank's Appointments and Remuneration Committee. Members must be professionals with extensive experience in banking, financial, economic, or legal matters and meet the requirements set by the National Bank of the Kyrgyz Republic. Members may include Bank employees or other invited individuals with sufficient and positive experience in senior positions at financial institutions. Members of the Board of Directors cannot be members of the Management Board. Elected members may be re-elected an unlimited number of times.

**15.7.** The size of the Management Board is determined by the Board of Directors, with a minimum of five members.

**15.8.** The Management Board is headed by the Chairperson of the Management Board, elected/appointed by the Board of Directors and responsible for managing the Bank's day-to-day operations, employees, and officials.

**15.9.** Deputy Chairpersons of the Management Board are ex officio members of the Management Board. Other members are elected/appointed by the Board of Directors upon the Chairperson's nomination.

**15.10.** The Chairperson of the Management Board acts without a power of attorney on behalf of the Bank in accordance with this Charter and:

- 1) Manages the Bank's operational activities;
- 2) Holds the right of first signature on the Bank's financial and administrative documents;
- 3) Represents the Bank's interests both within and outside the Kyrgyz Republic, before state authorities, the National Bank of the Kyrgyz Republic, and other institutions and

organizations regardless of ownership type, in line with this Charter and the Regulations on the Management Board;

4) Determines salaries and concludes employment contracts with Bank employees (except Management Board members and other officials appointed by the Board of Directors), and applies incentives or imposes penalties on employees;

**15.5) Leads the Management Board and chairs its meetings;**

6) Issues powers of attorney on behalf of the Bank;

7) Enters into transactions on behalf of the Bank;

8) Manages the Bank's property within the limits set by this Charter, other internal regulations, and the legislation of the Kyrgyz Republic;

9) Approves the staffing structure, issues orders, directives, and instructions that do not contradict the legislation of the Kyrgyz Republic and are binding on all Bank employees, except for matters within the competence of the Management Board under the legislation and this Charter;

10) Performs other functions necessary to achieve the Bank's objectives and ensure its effective operation, in accordance with the legislation of the Kyrgyz Republic, this Charter, and the Regulations on the Management Board.

**15.11.** Certain powers of the Chairperson listed in clause 15.10 may be delegated to the Deputy Chairperson(s) or other persons in accordance with the Regulations on the Management Board and/or the legislation of the Kyrgyz Republic.

**15.12.** Management Board meetings are held as needed, but at least once a month. The Management Board is competent to address matters if at least two-thirds of its members participate. Decisions are made by a simple majority of votes. Each member has one vote, and vote delegation is not allowed. In case of a tie, the Chairperson's vote is decisive. Members dissenting from a decision may express a special opinion. If a member has a conflict of interest, they may not participate in discussions or voting.

**15.13.** Management Board meetings are conducted in accordance with the approved Management Board Work Regulations, at least once a month. Minutes are kept by the Management Board secretary in line with established procedures.

**15.14.** By December 15 each year, the Management Board develops and agrees with the Board of Directors and shareholders the draft annual budget for the upcoming financial year, managing operations based on the agreed draft until the annual General Meeting of Shareholders approves the Bank's budget.

**15.15.** If the state owns more than 50 percent of the Bank's shares, Management Board members cannot be re-elected if there is a significant deterioration in the Bank's financial performance leading to losses during their tenure and/or a persistent negative trend in profitability (negative return).

## **16. AUDIT COMMITTEE**

**16.1.** The Audit Committee of the Bank consists of three members of the Board of Directors, appointed by the Board of Directors for a term of one year, with the possibility of extending their mandate. Two of the three members of the Audit Committee must be independent members.

**16.2.** The Chairperson of the Audit Committee must be one of the independent members of the Bank's Board of Directors and may not simultaneously chair the Risk Management Committee. The Chairperson must possess knowledge of international accounting and financial reporting standards, as well as auditing standards accepted in international practice, and hold certificates confirming training in these areas.

**16.3.** The Audit Committee must be convened by the Board of Directors or by two of its members at least once per quarter. The Regulations on the Audit Committee are approved by the Board of Directors, taking into account the mandatory minimum requirements of the National Bank of the Kyrgyz Republic.

**16.4.** The primary functions of the Audit Committee are:

1. Establishing appropriate accounting procedures as prescribed by the National Bank of the Kyrgyz Republic and overseeing their implementation;
2. Developing recommendations for the General Meeting of Shareholders on the appointment of external auditors and, if necessary, initiating special audits of the Bank and engaging experts to assist the Audit Committee at the Bank's expense;
3. Overseeing compliance with legislation, including regulatory acts of the National Bank of the Kyrgyz Republic, and submitting a report on this matter to the Board of Directors.

**16.5.** To fulfill its duties, the Audit Committee has the right to:

1. Recommend candidates for the Bank's internal auditor to the Board of Directors;
2. Obtain any required information and reports related to the Bank's activities;
3. Request, with the approval of the Board of Directors, the conduct of any investigation;
4. Receive, as needed, reports on the Bank's performance, recommendations from the internal auditor, and the Management Board's plans for implementing these recommendations;
5. Request from the external auditor the work plan, conclusions, and recommendations based on the audit conducted;
6. Regularly report on its activities to the Board of Directors of the Bank.

## **17. RISK MANAGEMENT COMMITTEE**

**17.1.** The Risk Management Committee of the Bank consists of three members of the Board of Directors. Members of the Risk Management Committee are appointed by the Board of Directors for a term of three years.

**17.2.** Two members of the Risk Management Committee must be elected from among the independent members of the Board of Directors, one of whom serves as the Chairperson of the Risk Management Committee and does not chair the Audit Committee.

**17.3.** The primary functions of the Risk Management Committee are:

1. Assessing the effectiveness of the existing risk management system by analyzing the Bank's internal documents governing the risk management process, the adequacy of managerial risk reporting, and the sufficiency of informational support for risk management;
2. Approving the work plan of the risk manager (risk management unit) and overseeing its implementation;
3. Comparing the Bank's risk management practices with the best and/or acceptable international standards;
4. Reviewing regular reports on all types of risks, the status of banking limits, and the results of gap and stress testing provided by the executive body and/or the structural unit responsible for these risks;
5. Interacting with the risk manager, compliance controller, internal and external auditors on risk management issues within the Bank, and, if necessary, with other structural units of the Bank;
6. Developing/preparing recommendations for the Board of Directors;
7. Advising the Board of Directors on risk appetite, overseeing the implementation of the risk statement, and monitoring the reporting on the state of the risk culture;
8. Informing the Board of Directors about all significant banking risks affecting the Bank;
9. Submitting a report on its activities to the Board of Directors as needed, but at least once a year.

**17.4.** All members of the Risk Management Committee have voting rights, while invited participants do not.

**17.5.** Meetings of the Risk Management Committee are held as necessary, but at least once a month. Meetings must be documented with minutes that detail all matters discussed and positions expressed.

**17.6. To fulfill its duties, the Risk Management Committee is entitled to:**

1. Request and receive information necessary for its activities from the Bank's structural units;
2. Require the presence of specific Bank employees at its meetings to address questions and engage on any reasonable request from the Committee;

3. Engage any experts, including Bank employees, in its work by decision of the Chairperson of the Risk Management Committee;
4. Obtain professional services from external organizations or engage third-party experts (consultants) with specialized knowledge on matters within the Committee's competence, subject to approval by the Board of Directors.

## **18. APPOINTMENTS AND REMUNERATION COMMITTEE**

**18.1.** The Appointments and Remuneration Committee is established within the Bank to enhance the effectiveness of the Board of Directors. Its activities aim to strengthen oversight of the appointments and remuneration of members of the Management Board, heads and employees of the internal audit, risk management, and compliance control units, the corporate secretary, and key employees as determined by the Board of Directors.

**18.2.** The activities of the Appointments and Remuneration Committee are governed by the legislation of the Kyrgyz Republic and the internal Regulations on the Committee, approved by the Board of Directors.

**18.3.** The Appointments and Remuneration Committee determines the level of remuneration paid by the Bank, which must be sufficient to attract, motivate, and retain individuals with the competencies and qualifications required by the Bank.

**18.4.** The Appointments and Remuneration Committee consists of three members of the Board of Directors, appointed by the Board of Directors for a term of three years, one of whom must be independent.

**18.5.** The Appointments and Remuneration Committee provides recommendations to the Board of Directors on:

- Candidates for inclusion in the Management Board, heads and employees of the internal audit, risk management, and compliance control units, key employees as determined by the Board of Directors, and the corporate secretary position, in accordance with requirements set by the National Bank of the Kyrgyz Republic;
- The payment of remuneration to members of the Board of Directors, the Management Board, heads and employees of the internal audit, risk management, and compliance control units, and key employees, in line with the Bank's internal remuneration regulation.

**18.6.** The Appointments and Remuneration Committee develops an internal regulation on remuneration and submits it to the Board of Directors for consideration.

**18.7.** In addition to the powers outlined in clauses 18.5 and 18.6 of this Charter, the Appointments and Remuneration Committee exercises other powers in accordance with banking legislation and the Bank's internal regulations.

## **19. CORPORATE SECRETARY OF THE BANK**

- 19.1.** The Corporate Secretary is an official of the Bank elected by the Board of Directors. The concurrent performance of the independent role of Corporate Secretary with other duties within the Bank is permitted only with the consent of the Board of Directors.
- 19.2.** The Corporate Secretary maintains the minutes of the General Meeting of Shareholders and the Board of Directors, oversees the implementation of their decisions, facilitates proper corporate interaction between the Bank's management bodies, and performs other duties as determined by the National Bank of the Kyrgyz Republic.
- 19.3.** The Corporate Secretary conducts their activities in accordance with the legislation of the Kyrgyz Republic, the Bank's Charter, internal regulations of the Bank, and decisions of the General Meeting of Shareholders and the Board of Directors.
- 19.4.** The functional responsibilities of the Corporate Secretary are developed independently by the Bank in compliance with the legislation of the Kyrgyz Republic and the Bank's internal regulations.
- 19.5.** The Corporate Secretary is obliged to act in good faith and reasonably in the best interests of the Bank, which entails adhering to fiduciary duties as established by the National Bank of the Kyrgyz Republic and the legislation of the Kyrgyz Republic.
- 19.6.** The Corporate Secretary must maintain a stenographic record (a detailed written transcript of participants' statements) of the Board of Directors' meetings and prepare minutes based on the outcomes, including voting conducted through written polls or communication tools.
- 19.7.** The Corporate Secretary is required to ensure that all members of the Board of Directors are familiarized with the signed minutes, including through the use of communication tools.

## **20. ACCOUNTING AND REPORTING**

- 20.1.** The Bank is obliged to maintain accounting records and submit financial statements, the nature, scope, list of forms, and submission procedures of which are established by the legislation of the Kyrgyz Republic.
- 20.2.** The Chairperson of the Management Board of the Bank is responsible for the accuracy, completeness, and retention of financial statements, accounting documents, and other information in accordance with the banking legislation of the Kyrgyz Republic. The Chief Accountant of the Bank is responsible for the accurate reflection of accounting transactions

and events in the financial statements, as well as the proper storage of accounting registers and financial reports.

**20.3.** The accounting policy and organization of document flow within the Bank, its branches, and representative offices are established in accordance with the legislation of the Kyrgyz Republic and this Charter.

**20.4.** The financial year of the Bank runs from January 1 to December 31 inclusive.

**20.5.** The Bank's annual report must be verified by the Bank's external auditor prior to the date of notifying shareholders about the holding of the annual General Meeting of Shareholders.

**20.6.** The Bank is obliged to publish in the mass media information that, under the legislation of the Kyrgyz Republic, is subject to mandatory disclosure.

## **21. AUDIT OF THE BANK**

**21.1.** The audit of the Bank is conducted by the Internal Audit Unit and an independent external auditor in accordance with this Charter, the Regulations on the Internal Audit Unit, and the legislation of the Kyrgyz Republic.

**21.2.** The competence of the Internal Audit Unit includes:

1. Reviewing and assessing the adequacy and effectiveness of the Bank's internal control system;
2. Determining the extent of compliance within the Bank with the legislation of the Kyrgyz Republic and internal regulations;
3. Evaluating the adequacy of the Bank's accounting practices;
4. Addressing other matters assigned to its competence by the legislation of the Kyrgyz Republic, this Charter, and the Regulations on the Internal Audit Unit.

**21.3.** The size and personal composition of the Internal Audit Unit are determined by the Board of Directors of the Bank in the manner established by the Regulations on the Internal Audit Unit and this Charter.

**21.4.** To verify and confirm the accuracy of its financial statements, the Bank annually engages a professional independent auditor (external auditor) who has no property-related interests with the Bank, its shareholders, or officials. The audit of the Bank must meet the minimum criteria for bank audits as established by the legislation of the Kyrgyz Republic.

**21.5.** The external auditor is approved by the General Meeting of Shareholders of the Bank.

**21.6.** The external auditor performs activities to confirm the reliability of the Bank's financial statements in compliance with the legislation of the Kyrgyz Republic and under the

terms of a contract concluded with them, signed by the Chairperson of the Management Board based on the decision of the General Meeting of Shareholders approving the external auditor. The auditing firm is responsible for diligently fulfilling its duties in accordance with its approved charter, the legislation of the Kyrgyz Republic, and the contract with the Bank.

**21.7.** Upon completion of the external audit of the Bank, the external auditor prepares a report in accordance with the requirements established by the legislation of the Kyrgyz Republic.

## **22. REORGANIZATION OF THE BANK**

**22.1.** The reorganization of the Bank is carried out in accordance with the banking legislation of the Kyrgyz Republic.

## **23. PROCEDURE FOR LIQUIDATION OF THE BANK**

**23.1.** The liquidation of the Bank may be carried out voluntarily or compulsorily in accordance with the banking legislation of the Kyrgyz Republic.

**Chairperson of the Management Board**

**T.B. Alimdzhанov**