



STAKEHOLDER ENGAGEMENT POLICY

Version	1.0
Approved date	June 21, 2024
Approved by	Board of Directors
Author / Developed by	CEO Office
Related documents	N/A
Scope	Throughout XacBank JSC
Additions, changes, revisions of this policy	Board of Directors

1. POLICY OVERVIEW

- 1.1. **Objectives of Policy.** XacBank JSC (the “**Bank**”) recognizes and appreciates that engagement with and active cooperation of its stakeholders is essential for the Bank’s strong business performance on a sustainable basis and for achieving and maintaining public trust and confidence in the Bank.

The objectives of the Stakeholder Engagement Policy (the “**Policy**”) are to establish the fundamental requirements for internal and external stakeholders to engage and communicate through our sustainable management activities and to ensure transparent disclosure of this Policy. In this way, we intend to provide clear direction and guidance for stakeholder communication both within and outside the Bank.

- 1.2. **Application Scope of Policy.** This Policy outlines the Bank’s overarching approach to and coordination of engagement with our stakeholders. It has been implemented to ensure stakeholder engagement is applied consistently across all Bank operations.
- 1.3. **Management Organization and Responsibilities.** Stakeholder-specific communication channels should be handled directly by the relevant authorized employees and relevant governing persons. The major achievements and outcomes under the Stakeholder Engagement Framework are reported to the Chief Executive Officer to ensure accountability at the Board of Directors’ level.

2. STAKEHOLDER ENGAGEMENT FRAMEWORK

- 2.1. **Definition of Stakeholders.** The Bank’s stakeholders are all individuals, organizations, and regulators that directly, indirectly, or potentially impact or are affected by our operations, products, and services.

- 2.2. **Major Stakeholders.** At the Bank, we have identified the following major stakeholders:

- (a) Employees;
- (b) Customers;
- (c) Shareholders / investors;
- (d) Funders / International Financial Institutions;
- (e) Government agencies;
- (f) Regulators;
- (g) Community and public at large;
- (h) Media; and
- (i) Environment.

- 2.3. **Principles.** In its relations with stakeholders, the Bank accepts and promotes the following basic principles:

- (a) Development of a responsible business model to be innovative, transparent, and committed to all its stakeholders;
- (b) Maintenance of a strategy of strong involvement in the communities in which we operate;
- (c) Allocating the necessary resources to the proactive, continued, and systematic establishment of effective channels for dialogue with stakeholders to establish balanced relationships between corporate values and social responsibility, taking into account their interests, concerns, and needs; and
- (d) The Bank’s commitment in connection with business ethics and corporate social responsibility and, in particular, the principles of integrity, fairness, and transparency as

drivers of credibility and mutual trust are the foundations on which the Bank builds its relations with stakeholders.

- 2.4. **Stakeholders Engagement Methods.** The Bank's engagement methods include various channels and means of communication reliant on each specific stakeholder group. The Stakeholder Matrix in Appendix 1 details these methods.

3. ACCOUNTABILITY & GRIEVANCE PROCEDURE

- 3.1. Stakeholder engagement is decentralized within the Bank, so no single team manages all relationships and queries or concerns from stakeholders. All the Bank employees are accountable for managing relationships and meeting the expectations of internal and external stakeholders within their areas of responsibility.
- 3.2. Should a stakeholder not be satisfied with the service or assistance they receive from their point of contact, there are a number of opportunities that allow for anonymity (if desired) and independence to ensure a voice for concerned stakeholders. These include our client call center, which is the first point of call for all clients' requests, investor relations communication channels, and the section "Contact us" on the Bank's corporate website.

4. REVIEW OF POLICY

- 4.1. The Board of Directors will review this Policy every so often and as required to ensure it remains consistent with the Bank's objectives and responsibilities.

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APPENDIX 1: STAKEHOLDER ENGAGEMENT MATRIX

STAKEHOLDERS	EXPECTATIONS / PURPOSE OF ENGAGEMENT	ENGAGEMENT CHANNELS / METHODS FOR INTERACTIONS	RESPONSIBLE PERSON
Employees	<ul style="list-style-type: none"> Competitive wages and benefits Job satisfaction and recognition Career development Trust and respect Conducive work environment Workplace well-being 	<ul style="list-style-type: none"> Town hall meetings Retreats Satisfaction surveys Brand value and corporate culture awareness Training, career development, and talent review Awards and recognition programs Competitive compensation and benefits Employee well-being programs Workplace (Collaboration Tool) 	<ul style="list-style-type: none"> Senior and mid-level management Human Resources Division Board of Directors (the “Board”) / Governance and Compensation Committee <i>/This section was amended by Board Resolution No. R-2025-21 dated 30 April 2025/</i>
Customers/ Partnerships	<ul style="list-style-type: none"> Good products and services transparent terms & conditions Prompt service and financial advice Secure transactions Protection of data and privacy Convenient access to products and services Respect and resolution of complaints 	<ul style="list-style-type: none"> Branches, digital channels, call center, and social media Relationship managers for corporate, leasing, and VIP customers Brand, customer satisfaction surveys Public Relations (“PR”), marketing and advertising Focus groups and market research Corporate social responsibility (“CSR”) projects, events, and forum sponsorships Partnership with other strong brands 	<ul style="list-style-type: none"> Chief Executive Officer (the “CEO”) Business lines executives Marketing
Shareholders/ Investors	<ul style="list-style-type: none"> Long-term sustainable, profitable growth Increase in shareholder value Strong corporate governance and internal control Exercise of shareholders rights Timely disclosures 	<ul style="list-style-type: none"> Annual General Meeting / Extraordinary General Meeting Periodic financial and operational public disclosures and reports Investor Relations (“IR”) / PR events Board meetings Investor events Roadshow One-on-one meetings Financial media 	<ul style="list-style-type: none"> Chairman, Board Executives IR department Corporate Secretariat Financial management and reporting

Funders / International Financial Institutions	<ul style="list-style-type: none"> Financial stability Sound asset quality and strong capital position Responsible lending Sound corporate governance practice and transparency Timely disclosures 	<ul style="list-style-type: none"> Dedicated contact person (year around) Debt covenant reporting and International Financial Reporting Standards audited statements Due diligence, monitoring meetings Attendance at major international conferences 	<ul style="list-style-type: none"> CEO Chief Financial Officer (“CFO”) Other executives Financial management division
Government agencies	<ul style="list-style-type: none"> Participation in government programs Support of the development of local economies and industry Job creation Taxes 	<ul style="list-style-type: none"> Dedicated contact person for key government institutions Partnership with government initiatives and CSR projects Attendance at major government events and forums 	<ul style="list-style-type: none"> All Senior Executives
Regulators	<ul style="list-style-type: none"> To maintain open, honest and transparent relationships Highest standards of Corporate governance and ethical behavior Compliance with laws and regulations Prevention of financial fraud, money-laundering and terrorism financing Responsible lending and investment Protection of minority shareholders 	<ul style="list-style-type: none"> Attendance at major Bank of Mongolia and Financial Regulatory Commission’s events Courtesy update meetings with the regulators Provide recommendations on the legal environment to develop the financial sector 	<ul style="list-style-type: none"> Chairman Independent Non-Executive Directors CEO CFO Corporate Secretary / General Counsel
Community/ Public at large	<ul style="list-style-type: none"> Good corporate citizenship Corporate social responsibility Ethical conduct Timely and transparent information disclosure 	<ul style="list-style-type: none"> Active involvement with industry associations and non-governmental organizations Sponsorship of CSR projects, events and forums Financial literacy and awareness-raising initiatives 	<ul style="list-style-type: none"> CEO & Senior executives Marketing/ PR department
Media	<ul style="list-style-type: none"> To leverage the reach and influence of media channels to share our business and citizenship story with stakeholders To build brand awareness 	<ul style="list-style-type: none"> Briefings with business and financial media TV & online interviews, panelist/ presenter at key industry forums Social media content 	<ul style="list-style-type: none"> CEO & Senior executives Marketing/ PR department
Environment	<ul style="list-style-type: none"> Commitment to influencing positive environmental change Support green finance initiatives and reduction of carbon dioxide (CO2) 	<ul style="list-style-type: none"> Monitoring of the United Nations’ Sustainable Development Goals Environmental, social, and governance reporting Offering environmentally friendly products Paris Agreement alignment 	<ul style="list-style-type: none"> Board / Board Risk Management Committee Senior Executives Business lines

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