

**To the Central Bank of Mongolia**  
**Golomt Bank Independent Director report for the 1<sup>st</sup> Quarter of 2024**

by Independent Director Robert W. van Zwieten

I, Robert W. van Zwieten, was appointed as an independent member of the Board of Directors (the “Board”) of Golomt Bank (“Golomt” or the “Bank”) on May 19, 2023, and was approved by the Central Bank of Mongolia on this same date. I was also appointed as member of the Nomination Committee, and later as member of the Audit Committee and Risk Management Committee.

I have attended virtually in the first quarter of 2024 all Board of Directors’ meetings and all of the Bank’s Committee meetings, where I am a member of.

My major contributions were:

- Monitoring of related party transactions, particularly watching conflicts of interest – none were detected.
- Following and monitoring the IA plan, the IA reports and the fulfillment of the plan.
- Assessments of the IA plan
- Scrutinizing the Credit applications.
- Contributions to the discussion of the Business Plan
- Working as a member of the Audit, Risk Management and Nomination Committees.

<b>Meeting Date</b>	<b>Meeting</b>	<b>Item of discussion</b>	<b>Resolution</b>	<b>Vote/opinion</b>
19.01.2024	Board /irregular/	Authorize engagement with HANSAINVEST-FINANCE I GMBH & CO. GESCHLOSSENE INVESTMENTKOMMANDITGESELLSCHAFT	Discussed and approved	Supported
02.02.2024	Board /irregular/	Grant right to increase budgeted expenditure	Discussed and approved	Supported
14.02.2024	Board /irregular/	Approval of general cooperation agreement	Discussed and approved	Supported
14.02.2024	Board /irregular/	Dividend allocation	Discussed and approved	Supported
05.03.2024	Board /irregular/	Call for annual general meeting of shareholders	Discussed and approved	Supported

19.03.2024	Board /irregular/	Approval of general cooperation agreement	Discussed and approved	Supported
19.03.2024	Board /irregular/	Authorize engagement with SAISON INVESTMENT MANAGEMENT PRIVATE LIMITED.	Discussed and approved	Supported
28.03.2024	Board /regular/	Independent Audit report on 2023 financial results	Discussed and approved	
		Macro-Economic Outlook	Discussed	
		2023 Year-End Financial and Operational report	Discussed	
		Financial result as of February 2024, 2024 Q1 projection	Discussed	
		Risk report: i. Management level Risk Management Committee report ii. Financial risks: - Market risk - Credit risk iii. Non-Financial risks: - Operational risk report - Compliance risk report AML report	Discussed	
		Credit Committee half yearly report	Discussed	
		Recovery plan for 2024 proposal	Supported to resubmit for approval	
		Audit Committee report	Approval of the audited financial	
		Update report on project Milestone	Discussed	
		Risk Management committee 2024 Q1 report	Discussed	Supported

		Nomination Committee 2024 Q1 report	Discussed	Supported
		Next Board meeting date	Discussed	Supported
28.03.2024	Board /regular/	Approval of general cooperation agreement	Discussed and approved	Supported

As a member of the Risk Management Committee:

The Risk Management Committee of the Board convened 6 times in the reporting Quarter on the following dates:

- 07.02.2024
- 16.02.2024
- 05.03.2024
- 19.03.2024
- 21.03.2024
- 28.03.2023

Approvals for financing are reviewed in detail and voted on virtually. Most of the issues were the review of the Credit Committee decisions for applications related to companies with MNT 20 billion or more one obligor basis credit exposure balance.

Conflict of Interest Transactions:

In the reporting period, the following transactions were done. After receiving all related information, I have voted in support:

- Mandal Daatgal JSC – General cooperation agreement;
- Buuruljuutiin Tal LLC – Credit decision;
- Mongolian Mortgage Corporation – Credit decision;
- Tsetsens Mining and Energy LLC – Credit decision;
- Easy Pay LLC – General cooperation agreement.

As a member of the Nomination Committee:

The Nomination Committee was convened twice on 7<sup>th</sup> of March and 28<sup>th</sup> of March in reporting quarter, and discussed in total of four matters.

Meeting Date	Item of Discussion	Vote/Opinion
07.03.2024	Selection of an Independent member of the Board of Directors	Supported
28.03.2023	Nomination of Mr. Hans Holzacker, Austrian citizen for additional Independent Director for election at the AGM	Supported

	Nomination of current nominee directors to be nominated for re-election at the AGM	Supported
	Nomination of current independent directors to be nominated for re-election at the AGM	Supported

As a member of the Audit Committee:

The Audit Committee was convened on 25th January, 29th February, 29th March and discussed in total 13 matters.

Meeting Date	Item of discussion	Vote/Opinion
25.01.2024	Financial performance (as of December 31, 2023)	Discussed
	Related party quarterly report	Discussed
	Bond preparation report	Discussed
	Audit report on marketing and digital banking expenses	Discussed
29.02.2024	Financial results (as of January 31, 2024)	Discussed
	Implementation of BoM duties	Discussed
29.03.2024	Independent Audit report on 2023 Financial results	Discussed
	Macro-economic outlook	Discussed
	2023 Year End Financial and operational report	Discussed
	Financial results (as of February 29, 2024), 2024 Q1 projection	Discussed
	Queries and complaints from minority shareholders and other parties	Discussed
	IT Remote Audit Report	Discussed
	Culture Audit Report	Discussed

Following points were made as Independent Director:

- Discussed related parties transactions, specifically taking into account the BOM decisions.
- Read and reviewed the audit reports presented by the Internal Audit Division (IAD) in detail.
- Review of Internal Audit Function (IAF) report, budget performance, 2023 4th quarter work plan and approved 2023 quarter plan.

- Reviewed 2024 Operational plan for Internal Audit Function (Preliminary presentation), and data analytics vision was asked and answered.
- Reviewed and approved Internal Audit Function (IAF) 2024-2026 Midterm strategic goals, 2024 operational plan, budget plan, 2024 audit and work plan.

Furthermore, as an Independent Director, I would like to highlight the following:

- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.
- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.
- The Bank's organizational structure has continued to be improved and is operating quite efficiently, in particular the Internal Audit.
- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are for the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.
- The Board gave guidelines for complicated issues.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- The bank's management is fulfilling the operational plans for the time being. I have received sufficient information to make my decisions.

Signed:

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Robert W. van Zwieten

**To the Central Bank of Mongolia**  
**Golomt Bank Independent Director report for the 1<sup>st</sup> Quarter of 2024**

by Independent Director Alexander Picker

I, Alexander Picker, was elected as an independent member of the Board of Directors (the “Board”) of Golomt Bank (“Golomt” or the “Bank”) on December 23<sup>rd</sup>, 2021.

I have attended virtually in the first quarter of 2024 all Board of Directors’ meetings and all of the Bank’s Committee meetings, where I am a member of.

My major contributions were:

- Monitoring of related party transactions, particularly watching conflicts of interest – none were detected.
- Following and monitoring the IA plan, the IA reports and the fulfillment of the plan.
- Assessments of the IA plan
- Scrutinizing the Credit applications.
- Contributions to the discussion of the Business Plan
- Working as the Chairman of the Risk Management and Nomination Committees.

<b>Meeting Date</b>	<b>Meeting</b>	<b>Item of discussion</b>	<b>Resolution</b>	<b>Vote/opinion</b>
19.01.2024	Board <i>/irregular/</i>	Authorize engagement with HANSAINVEST-FINANCE I GMBH & CO. GESCHLOSSENE INVESTMENTKOMMANDITGESELLSCHAFT	Discussed and approved	Supported
02.02.2024	Board <i>/irregular/</i>	Grant right to increase budgeted expenditure	Discussed and approved	Supported
14.02.2024	Board <i>/irregular/</i>	Approval of general cooperation agreement	Discussed and approved	Supported
14.02.2024	Board <i>/irregular/</i>	Dividend allocation	Discussed and approved	Supported
05.03.2024	Board <i>/irregular/</i>	Call for annual general meeting of shareholders	Discussed and approved	Supported

19.03.2024	Board /irregular/	Approval of general cooperation agreement	Discussed and approved	Supported
19.03.2024	Board /irregular/	Authorize engagement with SAISON INVESTMENT MANAGEMENT PRIVATE LIMITED.	Discussed and approved	Supported
28.03.2024	Board /regular/	Independent Audit report on 2023 financial results	Discussed and approved	
		Macro-Economic Outlook	Discussed	
		2023 Year-End Financial and Operational report	Discussed	
		Financial result as of February 2024, 2024 Q1 projection	Discussed	
		Risk report: i. Management level Risk Management Committee report ii. Financial risks: - Market risk - Credit risk iii. Non-Financial risks: - Operational risk report - Compliance risk report AML report	Discussed	
		Credit Committee half yearly report	Discussed	
		Recovery plan for 2024 proposal	Supported to resubmit for approval	
		Audit Committee report	Approval of the audited financial	
		Update report on project Milestone	Discussed	
		Risk Management committee 2024 Q1 report	Discussed	Supported

		Nomination Committee 2024 Q1 report	Discussed	Supported
		Next Board meeting date	Discussed	Supported
28.03.2024	Board /regular/	Approval of general cooperation agreement	Discussed and approved	Supported

As the Chairman of the Risk Management Committee:

I have been appointed as the Chairman of the Risk Management Committee since the 26<sup>th</sup> October, 2023, by the Resolution No. 30 of the Board of Directors.

The Risk Management Committee of the Board convened 6 times in the reporting Quarter on the following dates:

- 07.02.2024
- 16.02.2024
- 05.03.2024
- 19.03.2024
- 21.03.2024
- 28.03.2023

Approvals for financing are reviewed in detail and voted on virtually. Most of the issues were the review of the Credit Committee decisions for applications related to companies with MNT 20 billion or more one obligor basis credit exposure balance.

Conflict of Interest Transactions:

In the reporting period, the following transactions were done. After receiving all related information, I have voted in support:

- Mandal Daatgal JSC – General cooperation agreement;
- Buuruljuutiin Tal LLC – Credit decision;
- Mongolian Mortgage Corporation – Credit decision;
- Tsetsens Mining and Energy LLC – Credit decision;
- Easy Pay LLC – General cooperation agreement.

As the Chairman of the Nomination Committee:

The Nomination Committee was convened twice on 7<sup>th</sup> of March and 28<sup>th</sup> of March in reporting quarter, and discussed in total of four matters.

Meeting Date	Item of Discussion	Vote/Opinion
07.03.2024	Selection of an Independent member of the Board of Directors	Supported



28.03.2023	Nomination of Mr. Hans Holzhaecker, Austrian citizen for additional Independent Director for election at the AGM	Supported
	Nomination of current nominee directors to be nominated for re-election at the AGM	Supported
	Nomination of current independent directors to be nominated for re-election at the AGM	Supported

As a member of the Audit Committee:

The Audit Committee was convened on 25th January, 29th February, 29th March and discussed in total 13 matters.

Meeting Date	Item of discussion	Vote/Opinion
25.01.2024	Financial performance (as of December 31, 2023)	Discussed
	Related party quarterly report	Discussed
	Bond preparation report	Discussed
	Audit report on marketing and digital banking expenses	Discussed
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	Implementation of BoM duties	Discussed
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	Financial results (as of February 29, 2024), 2024 Q1 projection	Discussed
	Queries and complaints from minority shareholders and other parties	Discussed
	IT Remote Audit Report	Discussed
	Culture Audit Report	Discussed

Following points were made as Independent Director:

- Reviewed Golomt Bank's financial results for Oct 2023, and reason for the decrease of market share of consumer loan was asked and answered.

- Read and reviewed the audit reports presented by the Internal Audit Division (IAD) in detail.
- Review of Internal Audit Function (IAF) report, budget performance, 2023 4th quarter work plan and approved 2023 quarter plan.
- Reviewed 2024 Operational plan for Internal Audit Function (Preliminary presentation), and data analytics vision was asked and answered.
- Reviewed and approved Internal Audit Function (IAF) 2024-2026 Midterm strategic goals, 2024 operational plan, budget plan, 2024 audit and work plan.

Furthermore, as an Independent Director, I would like to highlight the following:

- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.
- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.
- The Bank's organizational structure has continued to be improved and is operating quite efficiently, in particular the Internal Audit.
- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are for the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.
- The Board gave guidelines for complicated issues.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- The bank's management is fulfilling the operational plans for the time being.
- I have received sufficient information to make my decisions.

Signed:

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Alexander Picker

**To the Central Bank of Mongolia**  
**Golomt Bank Independent Director report for the 1<sup>st</sup> Quarter of 2024**

by Independent Director James B. Dwyer III

I, James B. Dwyer III, was elected as an independent member of the Board of Directors (the“Board”) of Golomt Bank (“Golomt” or the “Bank”) in March 2018.

I have attended, in person, from March 2018 to January 2021 all Board of Directors’ meetings and all but a couple of the Bank’s Committee meetings. Since February 2021 my attendance has been virtual. I also attended the July 2023 meeting in person and will do so again in July 2024.

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- Buuruljuutiin Tal LLC – Credit decision;
- Mongolian Mortgage Corporation – Credit decision;
- Tsetsens Mining and Energy LLC – Credit decision;
- Easy Pay LLC – General cooperation agreement.

As a Director, I would like to highlight the following:

- To the best of my knowledge, I confirm that the decisions of the Board and the Executive Management are in the best interest of the Bank and made without ill faith.
- The operations of the Board are according to the laws and regulations set forth by the policy makers.
- In cases where the Board found issues which could be improved upon, we initiated discussions at the Board level, provided guidelines to improve the operations and gave a deadline for reporting back. The Management follows through with such requests and has taken necessary actions in a timely manner.
- In the reporting period, as an Independent Director of the Bank, I have not found any wrongdoing that could adversely affect the Bank. Therefore, I did not make demands for an extraordinary meeting for any specific issue.
- The Board as well as the Management are transparent about decisions made and the rationale behind the same, and transparently report in a timely manner.
- I hereby confirm that all the Board's decisions taken during the reporting period were well questioned and supported by me, in the voting thereof.
- If and when I had questions or needed further clarifications, I have received adequate information and cooperation from both the Board and Management levels executives.
- After its successful IPO in November 2022, the Bank's management has successfully continued to build Operating Profit for calendar 2022 with a dramatic improvement in calendar 2023. This trend continued in Q1 2024. The Bank is situated to continue to report increasing Operating Profits at record levels. Access to foreign equity has continued to be successfully obtained. A \$300 million international bond offering is planned for April 2024.
- Public relations were markedly emphasized in connection with the 2022 IPO and continue to be enhanced. Golomt Bank's selection as the "Best Bank in Mongolia" in 2023 by "The Banker" magazine was also indicative of these PR efforts. The Bank's motto "Financing the Good", support for Environmental, Social and Governance (ESG) activities, and focus on products and services in the digital era were rewarded.
- The Bank's business planning and budgeting have been exemplary. Frequent changes have been made as necessary. Variances from plan are reviewed and revisions to strategy implemented. Comparisons with the other 4 major banks are regularly noted in determining sound strategies.
- Board and Committee meetings are attended jointly by management as well as the Directors. Discussions are open. Board members can freely question management policies and results. Healthy critique as necessary is possible.
- The Secretary of the Board oversees the preparation of detailed information for Board members in advance of the Board and Committee meetings. The Directors are very well informed and can contribute effectively to the meetings.
- The Bank's organizational structure has continued to be improved and is operating quite efficiently.
- The Bank will receive an unqualified opinion on its financial statements for 2023 from KPMG who also provided internal control reviews for the year. Golomt was

required to replace PricewaterhouseCoopers (PwC) as auditor because the maximum number of years permitted by the Bank of Mongolia for an independent auditor to serve was reached.

Sincerely yours,

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James B. Dwyer III  
Independent Director