



DemirBank
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Approved by Board of Directors of the CJSC
«Demir Kyrgyz International Bank»
Protocol # 4.6/12/2018
Dtd 21/12/2018

**BOARD NOMINATION AND REMUNERATION COMMITTEE REGULATION OF
CJSC “DEMIR KYRGYZ INTERNATIONAL BANK”**

(with changes dd 30/08/2019 and 20/06/2023)

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1. GENERAL PROVISIONS

1.1. The Board Nomination and Remuneration Committee is to assist the Board of Directors in selecting and nominating of qualified personnel, listed in this policy, to determining the level of the their remuneration paid by the Bank, which should be sufficient to attract, motivate and retain persons having the competence and qualifications necessary for the bank, while the level of remuneration paid should not cause a loss for Bank.

1.2. The activity of the Committee is aimed to strengthen control over the appointments and remuneration of key employees of the Bank .

2. BASIC TERMS AND CONCEPTS

2.1. **Bank** – "Demir Kyrgyz International Bank" CJSC.

2.2. **BoD** – the Board of Directors of "Demir Kyrgyz International Bank" CJSC.

2.3. **Committee**– the Board Nomination and Remuneration Committee.

2.4. **Key employees** - Bank management members and employees of control functions (internal audit, risk management and compliance control departments).

3. RESPONSIBILITIES

3.1 The Committee has the following responsibilities and authorities:

3.1.1 Provides recommendations to BoD on appointment and remuneration of candidatures for key employees positions.

3.1.2 Considers candidatures for the position of the Corporate Secretary, evaluate the candidates with the established requirements and submit recommendations to BoD;

3.1.3 Interacts with the Bank Management, Human Resource Department and others Bank's divisions if it is necessity in order to implement the internal regulatory document on remuneration.

3.2 Each Committee member is responsible for signed and taken decisions.

3.3 The Committee should report to BoD about its activity as required, but not less than once a year. The Report should include overall description of Committee's activity during the reporting period so that BoD could evaluate results of its activity and content of main recommendations, information on their fulfillment.

4. COMPOSITION

4.1 The composition of the Committee is determined by BoD and consists of three members of the BoD. One of Committee members should be independent members of BoD.

4.2 All Committee members have voting right, invited persons do not.

4.3 Chairperson and members of the Committee should be appointed by BoD for the same term as the term of their BoD membership. Committee members can be appointed indefinite number of times.

5. MEETINGS

5.1. The Committee meetings shall be held when necessary to consider issues, which are subject of Committee authorities. Meeting can be initiated by BoD member or General Manager of the Bank.

5.2. All committee members are expected to attend each meeting in person or via TV or video-conference.

5.3. Each committee member involved in the decision should:

- be aware of the essence of the issue under consideration and independent in judgment (capable of acting independently, regardless of anyone's influence on the results of his conclusions, conclusions and in conditions that exclude any extraneous influence on the expression of opinion)
- to realize the influence of the decisions made by him on the bank's activities;
- assess the possibility of risks and the consequences of the decisions made by them.

5.4. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials.

5.5. To provide the effectiveness of bank's activity, Committee meetings can be attended by the General Manager of the Bank, and other invited persons, who are not entitled to vote at the Committee meetings. The circle of meeting participants should be limited to those invitees, who is familiar with the agenda issues or is responsible for that issue.

5.6. The Committee meeting can be held via correspondence or with other committees of the Bank jointly. Joint meetings are held by committees' chairpersons in coordination between each other.

5.7. The minutes of the Committee meeting, including issues considered, voting results and decisions made by the Committee, shall be drawn up in written form. Opinion of Committee member who has any objection and/or proposal on arisen issue during the process of voting should be reflected in the minutes.

5.8. The Minutes of the meeting must be signed by all Committee members who attended the meeting and by the Secretary of the Committee. Committee members who did not attend the Committee meeting should review the minutes and all decisions made during the meeting and confirm familiarization by putting signature. The minutes of the meetings should be kept by the Secretary, appointed by the members of Committee.

6. AUTHORITIES

6.1. The Committee has the following authorities:

6.1.1. To involve in the work any experts including Bank's employees according to decision made by Chairperson of the Committee;

6.1.2. To get professional services from external entities or to involve third party as experts/consultants who have special knowledge of the Committee's terms of reference as agreed by BoD.

6.2. Committee members can get additional compensation per decision of Shareholders Meeting.

7. COORDINATION WITH BoD, BANK MANAGEMENT and DEPARTMENTS of the BANK

7.1. The Committee for the execution of their tasks and functions under present Regulation:

- monitors and coordinates activity on the remuneration of the Bank Management members, of departments accountable to the BoD and of the key employees. Therefore, can take decisions which are obligatory for the Bank;
- inquires any information, documents and reports from the Bank management, structural units of the Bank;
- can require any employee of the Bank to attend the Committee meeting to get response to questions of the Committee members/ to fulfill the requirements of the Committee.

8. FINAL PROVISION

8.1. This Regulation should be reviewed by the BoD on a regular basis and/or updated in connection with the changes related to functions and authority of Committee and/or changes in the Kyrgyz Republic legislation.