

**Attachment to resolution No.8
dated 10 May 2022 of the
Board of Directors of the
“Mongolian Stock Exchange”**

“Disclosure and Transparency Rules” of the “Mongolian Stock Exchange”

DISCLOSURE AND TRANSPARENCY RULES

SECTION 1. GENERAL PROVISIONS

Article 1. Purpose of the Rules

1.1 The purpose of these rules is to regulate the relations concerning disclosing information necessary for investors and shareholders to make informed investment decisions and other information that can affect the price of securities to the public within the specified period.

Article 2. Scope of the Rules

2.1 These Rules shall be adhered to by the issuers who have their shares listed on the Exchange, chairman, and members of their Board of Directors /hereinafter referred to as the Board/, authorized persons and the Board secretary In accordance with the regulations of the Financial Regulatory Commission /hereinafter referred to as the "Commission"/ and the Mongolian Stock Exchange /hereinafter referred to as the Exchange/.

2.2 Entities who have made dual or secondary listing in the foreign stock exchange must comply with these rules. However, the issuer may be exempted from certain requirements specified in the "Listing rules" of the Exchange.

Article 3. Definitions of terms

3.1 The terms included in these rules shall be understood in the context of the Civil Law of Mongolia, the Law on Company, the Law on the Securities Market, and the regulations of the Commission and the Exchange. General terms that are not defined in them shall be understood as follows.

Энэхүү журамд тусгагдсан нэр томъёог Монгол улсын Иргэний хууль, Компанийн тухай хууль, Үнэт цаасны зах зээлийн тухай хууль болон Хороо, Биржийн журамд заасан утгаар ойлгох ба тэдгээрт тайлбарлагдаагүй нэр томъёог дараах байдлаар ойлгоно.

3.1.1 "Listed Issuer" is any legal entity that has listed its securities on the Exchange.

3.1.2 "Formal communication" means the sending of official letters and notifications in a written or electronic form by the parties involved in the implementation of these rules.

3.1.3 "Sustainable development management" means the formation of the comprehensive management system /governance, policies, procedures, staff responsibility, training, and regulation/ necessary to align the company's business and internal operations with the principles of sustainable development, production, and services.

SECTION TWO. DISCLOSING INFORMATION TO THE PUBLIC

Article 4. Exchange and Issuer Relations

4.1 The official information submitted by the issuer shall be written and digitized in Mongolian, and if necessary, or on a voluntary basis, additional information may be provided in a foreign language.

4.2 Information and documents submitted by the company in electronic form shall be considered official documents of the company.

4.3 In the case of communication by telephone or e-mail, if deemed necessary, the Exchange may request documents to prove or confirm the communication from the issuer.

4.4 The Exchange shall issue the documents specified in Section 4.3 submitted by the issuer within the period stated in the rules and regulations and deliver them in both electronic and printed form.

4.5 The Exchange may respond by phone or schedule a meeting in person depending on the nature, importance, and scale of the request submitted by the issuer.

4.6 The Exchange may deliver any information, notices, demands, and warnings, to the relevant persons through its website and email, and it shall be deemed formal communication.

4.7 Adhere to the law in implementing the rules, and the information shall be publically disclosed, transparent, objective, accurate, complete, and free of ambiguity in accordance with the law, except for information concerning the company's trade secrets, and the disclosure of information to the public shall be carried out in a timely manner.

4.8 The Listing Division of the Exchange shall be responsible for reviewing the information submitted by the company in hard copy and electronic form, storing it in files, keeping records, processing, and disclosing it to the public.

4.9 The information technology division of the Exchange shall be responsible for the creation and storage of the database, as well as the security and reliability of the database and the operation of receiving and distributing information.

Article 5. Disclosure of information to the public

5.1 The Board secretary of an issuer /an employee appointed by the Board and executive management/ is obligated to post the issuer's information on its website and the website of the Exchange. Under Article 56, section 56.3 of the Law on Securities Market, the issuer shall be responsible for the validity of the information.

5.2 The decision on the appointment of the Board secretary and the appointee's resume shall be submitted to the Exchange within 3 business days from the date of the decision. The Board secretary is responsible for ensuring the fulfillment of the issuer's obligations.

5.3 The Board secretary of the company shall meet the following requirements:

5.3.1 Attended corporate governance training;

5.3.2 Able to take necessary measures without delay to comply with the rules and regulations of the stock market ;

5.3.3 Available to communicate during working hours,

5.4 The Exchange shall provide the Board Secretary with a username and password to access and post information on the Exchange's website.

5.5 Misuse, transfer, intentional or unintentional provision of access to the Exchange's website to third parties is strictly prohibited, and the Board Secretary of the company bears full responsibility for any such actions.

5.6 The company is entitled to adopt and implement internal procedures governing the communication of the information specified in this regulation to the public.

5.7 Authorized persons of the issuer shall regularly monitor whether the Board secretary of the issuer discloses the information accurately and completely within the period specified in the relevant laws, rules, and regulations.

5.8 The Exchange may require the issuer to submit additional information and explanations regarding speculations spread through public media and websites and disclose to the public.

5.9 In case of changes made in any information submitted by the issuer, the reason and explanation for the change shall be clearly written and submitted formally.

Article 6. Website of the issuer

6.1 The issuer shall have an official website, and the website shall have a section for shareholders.

6.2 The website of the issuer shall be actively maintained.

6.3 An issuer shall disclose information specified in the applicable laws and regulations of the securities market simultaneously on its own and the Exchange's websites.

SECTION THREE. INFORMATION TRANSPARENCY

Article 7. Periodic information for public disclosure by the issuer

7.1 Periodic reporting of the issuer shall be in the form of annual and semi-annual operational reports. The issuer shall submit the annual operational report to the Exchange by April 1st of the preceding year, and the semi-annual report by the 20th of the preceding month.

7.2 The issuer shall accurately prepare the annual financial statements in accordance with International Financial Reporting Standards /IFRS/ by February 10th of the preceding year, and submit the semi-annual financial statements to the Exchange by the 20th of the preceding month.

7.3 The issuer shall publish the audited financial statement verified by an audit company approved by the Commission on the website of the Exchange before April 1st after the end of the reporting period.

7.4 The issuer shall submit information concerning its financial and operational reports in accordance with Form 1 and Form 2 from Appendix 4 of the "Listing Rules" approved by Commission Resolution No. 225. In addition, the following information shall be included in the annual and semi-annual operational reports.

7.4.1 Information on the structure of the issuer /parent, subsidiary, affiliated companies, shareholdings/, and financial transactions of the related parties.

7.4.2 The issuer /bank, insurance company, non-banking financial institution, and brokerage firms/ shall submit a report on solvency and balance sheet along with the financial statement.

7.4.3 The issuer shall prevent the occurrence of the instance specified in Article 31, clause 31.3, Article 61, clause 61.1.3, and 61.1.4 of the Law on Company, and the measures to be taken in the event of such an instance.

7.4.4 Information on the amount of treasury shares repurchased during the reporting period, the implementation of stock ownership programs for employees, and the stock incentives shall be reported.

7.5 The issuer shall follow the corporate governance code approved by the Commission in its operations, approve the policies and procedures specified in the code, and report on its implementation

7.5.1 The issuer shall report on the implementation of the code at least once a year in the form of a corporate governance report, and the report shall be incorporated into the company's annual report and the company's website, and shall be updated whenever changes occur.

7.5.2 When reporting on the implementation of corporate governance code, the issuer is obliged to explain whether the principles mentioned in the code have been implemented, if not, an explanation, its substitute, and the implementation period must be attached in

accordance with Form 1 from the Appendix of the Code. Each shall be elucidated separately.

7.5.3 The issuer shall submit an evaluation of the corporate governance code implementation report.

7.6 The issuer may submit information on the measures and activities taken during the reporting period in the field of environment, society, and governance (hereinafter referred to as ESG) on a voluntary basis in accordance with the attached Form 1 and submit it once a year together with the annual report. The ESG report shall include the following:

7.6.1 The sustainable development management system performance pertains to sustainable development policy, management structure, reporting, and membership;

7.6.2 Environmental indicators includes issues such as energy, greenhouse gasses, carbon dioxide, water, waste, and biodiversity;

7.6.3 Social indicators include issues such as labor relations, labor safety, gender equality, accessibility, public relations, and procurement policies.

7.6.4 Governance indicators include issues such as corruption, bribery, corporate governance, compliance, and stakeholder cooperation.

7.6.5 Industry indicators include issues specific to issuers operating in the banking, finance, agriculture, manufacturing, construction, and mining sectors;

7.7 If the issuer is unable to submit or present any information specified on the ESG report, the issuer shall submit an explanation of measures taken to further disclose the information.

7.8 The ESG report specified in clause 7.6 of this regulation can be reviewed and confirmed by an external professional organization.

Article 8. Public disclosure of information on the issuer

8.1 The Board and executive management of the issuer are responsible for and shall submit the company's business operations, financial status, economic performance, property, and organizational structure to the Exchange and disclose to the public within 1 business day from the date of the amendments made into the information.

8.2 The issuer shall promptly submit the required information in accordance with Form 3 of Appendix 4 of the "Listing Rules" approved by the Commission's Resolution No. 225.

8.3 The following information shall be submitted to the Exchange in addition to the above-mentioned information to be made available to the public by the issuer:

8.3.1 Decisions made by the Issuer's Executive Management and the Board affecting the price of securities and the company's operations;

8.3.2 Information shall be reported if there is more than a fifteen percent change in the total number of employees due to layoffs, transfers, or new hires;

8.3.3 Changes in influential shareholders of the issuer, their related parties, and their shares' ownership;

8.3.4 Information on changes in the shares held by influential shareholders of the issuer and their holdings in other companies;

8.3.5 Holders of internal information specified in Article 77 of the Law on Securities Market and changes therein;

8.3.6 Information about the issuer's position in its field and changes in it;

8.3.7 Information about the acquisition of any special license related to the activities of subsidiaries and affiliates of the issuer, or its cancellation, pledge, or transfer to others in any form;

8.3.8 Information on the cancellation or termination of any special license related to operations that affect 20 percent or more of the issuer's sales revenue, or the contract with a supplier or buyer;

8.3.9 The issuer shall submit a decision on repurchasing its securities, transferring the purchased shares to others, and putting them into circulation. The decision shall reflect the purpose of buying/selling securities, the number of shares to be acquired/put into circulation, the share of price in total shares, and the payment period;

8.3.10 The issuer submits information on large-scale transactions and conflict of interest transactions;

8.3.11 Information about next year's operational goals, plans and budget;

8.3.12 Other information specified in relevant laws and regulations of the Commission

8.4 The issuer of securities shall inform the public of the information specified in Sections 8.3.1, 8.3.3-8.3.6, 8.3.9-8.3.11, and 8.3.12 of this regulation, respectively, through the Exchange and its website.

Article 9. Required information to be submitted by companies that have issued new or additional securities

9.1 Until the project which funded by the proceeds from a public offering is fully implemented, a report on the expenditure of the proceeds and project performance shall be reported quarterly and submitted to the Exchange by the 16th of the following month.

9.2 If issued debt instrument, the information specified in Clause 8 of the Committee's "Listing agreement for debt securities" shall be submitted to the Exchange.

9.3 On-site inspections and other inspections may be conducted in accordance with the guidelines of the Executive Director for issuers who have issued new or additional securities.

SECTION FOUR. SUPERVISION AND RESPONSIBILITY

Article 10. Measures of accountability

10.1 The issuer shall assume the following responsibilities/disciplinary actions in case of violation of these regulations and the Listing Agreement or failure to implement them.

10.1.1 a warning;

10.1.2 imposition of contractual liability;

10.1.3 downgrade of securities listings;

10.1.4 limit the right to list additional securities;

10.1.5 submission of a proposal to stop the trade of securities to the Committee;

10.1.6 delisting of securities;

10.2 The securities issuer who received a warning for the violation specified in Clause 10.1.1 of the Regulation must submit a plan to eliminate the violation and a report on the elimination of the violation within the specified time.

10.3 Violation notices may be delivered on paper or electronically.

10.4 In the event that the reports, explanations, and measures taken by the issuer are deemed insufficient, the Exchange may request additional explanations and clarifications.

10.5 The Exchange will inform the public about the liability measures imposed on the issuer, its reasons, and implementation through its website.

10.6 Taking into account the violations committed by the issuer, the above forms of liability may not necessarily be imposed sequentially.

10.7 If deemed necessary by the Exchange, an on-site inspection may be conducted at the issuer's workplace.

SECTION FIVE. DISPUTE RESOLUTION

Article 11. Dispute resolution

11.1 The issuer may file a complaint with the relevant authorized personnel within 10 work days of receiving the notice from the Exchange or the Commission for obtaining a special securities license, or the issuance of this license. If the specified complaint is not made, the decision shall be treated as accepted.