

Instruction for organizing trade of the "Mongolian Stock Exchange"

One. General Provisions

1. The purpose of these instructions is to organize the trading of securities and derivative financial instruments on the Mongolian Stock Exchange /hereinafter referred to as MSE/ within the framework of relevant laws and regulations, and to establish and follow the trading system.
2. Securities trading shall be organized by the Trading Department.
3. The "Trading Day" of the securities consists of the following stages and is carried out according to the following schedule.:
 - 3.1.1. Pre-trading period: 09:25-09:40
 - 3.1.2. Open call trading: 09:40 -10:00
 - 3.1.3. Regular trading: 10:00-13:00
 - 3.1.4. Trade closing period: 13:00 -13:05
 - 3.1.5. Post-closing period: 13:05 -14:00
4. The terms used in these instructions shall have the following meanings.
 - 4.1.1. "Market operator"- Specialist of the Trading Department responsible for organizing securities trading,
 - 4.1.2. "Trading floor supervisor" - an officer with the role of supervising securities trading,
 - 4.1.3. "Trading software supervisor" - Information technology department specialist responsible for ensuring the normal operation of software and hardware during securities trading,
 - 4.1.4. "Securities trading participant" - An employee of a member securities company with a certificate to participate in the securities trading of MSE,
 - 4.1.5. "Remote trading" - An employee of a member securities company with a certificate of the right to participate in securities trading of MSE, who participates in trading from their workplace using trading software,
5. The trading participant shall participate in trading by contacting the trading system of MSE only during the trading day from 09:40 to 14:00.
6. In case the remote trader is unable to participate in trading from their workplace, they may participate in trading from the trading room on the basis of prior notification to the MSE.

Two. Preparation of securities trading

7. Before the start of securities trading, the market operator shall prepare the following:

- 7.1. If necessary, the orders entered in the system on the previous trading day may be changed or canceled by the decision of the Financial Regulatory Commission, the Board of Directors, and the Executive Director.
- 7.2. Changes shall be made based on the decisions of authorized organizations and individuals, such as stopping or resuming trading of certain securities, closing, opening, or restricting access to the system of member organizations and trading participants.
- 7.3. Before the start of trading, the decision of the competent authority and other information that needs to be communicated to trading participants will be announced using the Send announcement command of the Service Desk program.
- 7.4. In accordance with these instructions, the preparation for securities trading shall be fully provided.
8. Before the start of securities trading, the trading floor supervisor shall prepare the following:
 - 8.1. In the event that a trading participant uses the trading room of the MSE, at least 10 minutes before the start of regular trading, the employees of the member securities companies shall be checked for the right to participate in the securities trading of the MSE and shall be allowed to enter the trading room.
 - 8.2. Monitor whether the pre-trade preparations of the trader's securities are fulfilled.
 - 8.3. If trading preparations are not completed or violations are detected, the market operator and the directors of related departments/if necessary, the Chief Operating Officer/ shall be immediately notified, and appropriate measures shall be taken.
9. Before trading securities, the trading software supervisor shall provide the following:
 - 9.1 Monitor the readiness of the hardware and software of the commercial system.
 - 9.2 If any violations during the inspection are found, promptly organize and execute the necessary measures to eliminate and repair the issues.
 - 9.3 If violations or delays detected before the start of trading cannot be corrected, the Senior Specialist of the Information Technology Department /if necessary, the Chief Operating Officer/ shall be notified and other possible measures to eliminate the violations or delays shall be taken immediately.
 - 9.4 Remote trading participants shall be provided with advice and preparation at their request in case of any confusion related to the software.
10. Before starting securities trading, the trading participant shall complete the following:
 - 10.1. Traders may only access the software in accordance with the rights granted to them by accessing the software and participating in trades.
 - 10.2. If a malfunction is detected during hardware and software check, the remote trading participant shall eliminate the malfunction by the information technology department employee of their organization, if necessary, they may contact the software supervisor of the MSE for advice, and the trading participant from the

- trading room shall contact the trading floor supervisor and software supervisor and request necessary action.
- 10.3. Use the Announcements window in the Trader software to check whether the market operator has sent information to the traders.
 - 10.4. Commercial preparations shall be completed in accordance with the "Service Agreement" with the MSE.
 - 10.5. If participating from the trading room, the participant shall arrive at the trading room at least 10 minutes before the start of trading.
 - 10.6. Trade participants from the Chamber of Commerce shall dress in business attire and follow commercial rules and ethics.

Three. Organizing securities trading

11. Securities trading shall be organized by the market operator in accordance with the relevant laws and regulations.
 - 11.1 The bell shall be struck once at the opening and closing of the day's trading.
 - 11.2 Any software or other interruptions during trading shall be immediately reported to the trading floor supervisor and the trading software supervisor.
 - 11.3 If the market operator believes that any transaction made during the day's trading is in violation of laws and regulations, they may request the Surveillance Department to review the transaction. The Surveillance department shall inspect the transaction and include it in the suspicious transaction report of that day.
 - 11.4 During the trading, decisions of authorized organizations and other information that must be communicated to trading participants shall be announced using the Send announcement command of the Service Desk program.
12. The trading floor supervisor has the following duties during the trading process.
 - 12.1. Supervise the internal and normal operation of the Trading floor.
 - 12.2. Keep the attendance records of the participants.
 - 12.3. In the event that a participant in securities trading violates the relevant rules and regulations, the Senior Specialist of the Surveillance department/if necessary, the Chief Operating Officer/ shall take appropriate measures to eliminate the violation.
 - 12.4. Any technical or software delays during trading shall be recorded.
13. During securities trading, the trading software supervisor has the following duties.
 - 13.1. Monitor the normal operation of the technical and software of the Trading floor.
 - 13.2. If there is a technical or software delay during the trading process, take measures to remove and correct the delay.
 - 13.3. If it is not possible to eliminate or correct the delay, the senior specialists of the Surveillance and Information Technology Department / if necessary,

the Chief Operating Officer/ shall be notified immediately and other relevant measures shall be taken.

- 13.4. As soon as the delay or violation is removed, the trading floor supervisor shall be notified immediately and the delay shall be recorded.
14. During the trading, the trading participant shall participate in securities trading following these orders.
 - 14.1 No more than 2 participants shall participate in one trading seat.
 - 14.2 During trading, if there are any questions that need to be clarified, please contact the trading manager and the order supervisor.
 - 14.3 Comply with the requirements set by the market operator and trading floor supervisor.
 - 14.4 Use the Announcements window in the Trader software to check whether the market operator has sent information to the traders.
 - 14.5 Carefully check the terms of the order given by the customer and enter it into the system. If a transaction is made based on an order entered into the order pool with incorrect terms due to the carelessness of the trading participant, the transaction cannot be reversed.
 - 14.6 In the event of a technical or software failure, the remote trading participant shall immediately remove the failure by the software staff of their organization, and if necessary, they may contact the trading software supervisor of the MSE for advice. However, from the trading room, the trading participant shall notify the trading floor supervisor and the trading software supervisor and take necessary measures.
 - 14.7 Complaints due to failure to notify the trading floor supervisor of technical or software failure in a timely manner shall not be accepted.
 - 14.8 Remote Participants shall participate in trading from the trading room of the MSE based on prior notice in case of technical, software, or electrical failures that cannot be repaired in a short time during trading.
 - 14.9 In case of temporary or permanent exit from the trading room, the participant shall notify the trading floor supervisor.

Four. Post-Trade operations

15. After the end of the trade, the trader from the trading room shall collect the order of the dealer to the floor supervisor.
16. A remote participant shall submit the dealer's order to the Surveillance department of MSE electronically at surveillance@mse.mn at 3:00 p.m. of the day.
17. The trader shall prepare the trading report before 16:00 on that day and present it to the Chief Operating Officer, the Deputy Director, and the Executive Director.
18. In the case of trading tender offers, the trading report of the day shall be submitted before the next day's trading and shall be presented to the officials specified in section 4.3.
19. The trade floor supervisor shall issue a report of attendance and suspicious transactions before 4:00 p.m. of the same day, review it with a senior specialist

of the Surveillance department, and present it to the Chief Operations Officer, Deputy Director, and Executive Director.

Five. Primary market trading

20. The primary market trading shall be conducted according to the schedule established by the decision of the Executive Director of the MSE.
21. Primary market trading shall take place only on the trading floor of the MSE.
22. During the preparation, organization and post-trade operations of the primary market trading, the market operator, floor supervisor, and software supervisor shall perform the same duties as described in these instructions.
23. A participant in primary market trading shall be a person authorized to participate in securities trading by the MSE.
24. The primary market trading report shall be submitted to the Financial Regulatory Commission and the issuer within three working days after the completion of the supply of the securities to the primary market.

Six. Prohibition activities

25. Prohibited activities of the market operator:
 - 25.1 Abandoning the workplace during the trade,
 - 25.2 Allow unauthorized access to your workplace, except for the organization's executives and visitors during official events.
26. Prohibited activities of the trading floor supervisor and trading software supervisor:
 - 26.1. Allow unauthorized persons to access the trading room during trading,
 - 26.2. Interfere, interrupt, or view traders' screens during trading for other purposes.
27. Prohibited activities of the trading participants:
 - 27.1 Entering the trading room after the trading is commenced,
 - 27.2 Objecting to demands made by a market operator or trading floor supervisor,
 - 27.3 Disturb others during the trading, disrupt the normal operation of trading, deal inappropriately with others, look at the screen of other trading participants, leave the workplace without notifying the trading floor supervisor,
 - 27.4 Using the hardware and software of the trading floor for purposes other than trading,
 - 27.5 Transfer the right to access the trading program to a person who has no right to participate in the trading program,
 - 27.6 Access to the exchange outside trading hours without the permission of the relevant person.

Seven. Liability

28. In case of violation of these instructions, the guilty party shall be held responsible based on the relevant provisions of the "Internal Labor Rules", "Surveillance Rules", "Membership Rules" and "Ethical Code of Employees of the MSE Members".