

**Attachment to Resolution No20 of the  
Board of Directors dated June 28, 2023**

**RULES OF PROCEDURES OF THE DISPUTE RESOLUTION BOARD UNDER THE  
EXCHANGE**

## **One. General Provisions**

- 1.1. The purpose of these rules is to regulate the composition, activities, filing and handling of complaints of the Dispute Resolution Board, which has the purpose of handling disputes regarding the trades, contracts, and settlements between participants of the trading of mining products exchange.
- 1.2. When reviewing the complaints (hereinafter referred to as "complaints") between participants in the trading of mining products, the Dispute Resolution Board shall comply with the Law on Mining Products Exchange, the Law on Companies, the Law on Securities Markets, the Civil Code, other relevant laws and regulations, these rules, regulations, and instructions approved by the authorized organization.
- 1.3. The Dispute Resolution Board shall be free of influence, free of conflict of interest, open, fair, and adhere to law and provide equal rights to participants.
- 1.4. Relations not regulated by these rules shall be governed by the relevant laws of Mongolia.

### **Two. Structure and operation of the Dispute Resolution Board**

- 2.1. The Dispute Resolution Board consists of 5 supernumerary members.
- 2.2. The Dispute Resolution Board consists of representatives of the state central administrative body in charge of geology and mining, the state central administrative body in charge of legal affairs, the state central administrative body in charge of finance and budget, the Financial Regulatory Commission (hereinafter referred to as the "Commission"), and representatives of professional non-governmental organizations.
- 2.3. A member of the Dispute Resolution Board shall have higher education in mining, law, finance, and economics, and have at least five years of experience in a related field.
- 2.4. The member of the Dispute Resolution Board shall be appointed by the Board of Directors (hereinafter referred to as the "Board") for a term of 3 years based on consultation with the organization's management and may be dismissed before the term in the following cases:
  - 2.4.1. the member applied for an exemption;
  - 2.4.2. unable to fulfill its obligations for an extended period;
  - 2.4.3. deceased.
- 2.5. In the event that a member of the Dispute Resolution Board is released on the grounds specified in Section 2.5 of these rules, the person nominated by the authorized organization shall be appointed until the term of office of the Dispute Resolution Board expires. If the authorized body does not nominate a member or refuses to nominate a member, a qualified exchange employee shall be appointed.
- 2.6. A member of the Dispute Resolution Board can be reappointed once. The Chairman of the Dispute Resolution Board shall be elected by a majority vote from among the members.
- 2.7. The secretary shall be an employee of the MSE Mining Products Trading & Registration department, or Surveillance department with proper legal knowledge.
- 2.8. The secretary shall be responsible for the internal operation of the council, receiving complaints, preparing meeting agendas, organizing meetings, keeping minutes of meetings, and delivering the decisions of the Dispute Resolution Council to participants.
- 2.9. The main operation of the Dispute Resolution Board shall be a meeting, and the decision of the meeting shall be in the form of a resolution.
- 2.10. The Council shall implement the following operation under the relevant laws, rules, and regulations:
  - 2.10.1. accepting, rejecting, returning, reviewing, or suspending complaints in accordance with jurisdiction;

- 2.10.2. collect documents, news, and research necessary for reviewing complaints from relevant parties and return it after handling complaints;
- 2.10.3. obtain explanations and evidence from the seller, buyer and their broker, and other related parties;
- 2.10.4. if necessary, to involve translators and experts.
- 2.11. The Dispute Resolution Board has no obligation to present the complaint to anyone other than the parties to the dispute.
- 2.12. The MSE shall bear the costs associated with the dispute resolution process.
- 2.13. The board of directors shall determine that the monthly salary of the chairman and member of the dispute resolution board shall be equal to twice the minimum wage.
- 2.14. The members shall be paid based on the attendance of the Dispute Resolution Board meetings in that month.

### **Three. Parties to the dispute, their rights and obligations**

- 3.1. The complainant and the parties responsible for the complaint shall participate in the complaint processing, and they shall be called the parties to the dispute.
- 3.2. The parties involved in the dispute shall participate in the dispute resolution process with the following rights and obligations:
  - 3.2.1. attend the session in person or have a proxy or lawyer participate;
  - 3.2.2. explanations and evidence shall be submitted to the Dispute Resolution Board, and parties shall be responsible for the consequences of translation discrepancies;
  - 3.2.3. In case of seeking legal assistance from a lawyer, acquire it before the meeting of the Dispute Resolution Board;
  - 3.2.4. review the opposing party's explanations, complaints, and evidence;
  - 3.2.5. review the decision of the dispute resolution council and, if deemed invalid, resolve the complaint by a legal court;
- 3.3. The dispute resolution council shall include the heirs of the person who is a party to the dispute in case of death and the successor in the case of reorganization of the legal entity. In this case, the person shall have the rights and obligations specified in Section 3.2 of these rules.
- 3.4. The dispute resolution process shall be temporarily suspended until the heir and successor specified in section 3.3 of these rules are determined in accordance with the relevant regulations.

### **Four. Filing, accepting, or rejecting a complaint**

- 4.1. The Dispute Resolution Board shall review the disputes specified in Article 23, Section 23.1 of the Law on Mining Products Exchange.
- 4.2. The authorized person to file a complaint with the Dispute Resolution Board shall be the trading participant of the exchange specified in Article 4, Section 4.1.2 of the Law on Mining Products Exchange.
- 4.3. The participant shall submit a complaint related to the trade to the Dispute Resolution Board in writing within 30 days of the trade being completed.
- 4.4. The complaint shall meet the requirements of Article 10 of the Law on Resolving Petitions and Complaints from Citizens to State Authorities and Public Officials, and include the following information:
  - 4.4.1. Complainant's name and residential address, if a legal entity, name and office address;
  - 4.4.2. the name and address of the respondent;
  - 4.4.3. complaint claims and grounds;
  - 4.4.4. list of attached documents;
  - 4.4.5. contact phone number, fax number, and email address.

- 4.5. Attach the following supporting documents to the complaint:
  - 4.5.1. Documents and authorizing proxy in the event of a complaint by the proxy;
  - 4.5.2. complaint claims and supporting evidence by paper or e-mail;
  - 4.5.3. a copy of the applicant's ID card and state registration certificate.
- 4.6. The Secretary of the Dispute Resolution Board shall carry out the following operations in connection with the receipt of complaints:
  - 4.6.1. receive the complaint, record the date, time, minute, and number of pages of the attached documents;
  - 4.6.2. examine complaints, requests, and other relevant documents and present them to the Chairman of the Dispute Resolution Board.
- 4.7. The Chairman of the Dispute Resolution Board shall refuse to accept the complaint in the following cases:
  - 4.7.1. It does not apply to the adjudicative functions of the Dispute Resolution Board under the Mining Exchange Products Act;
  - 4.7.2. There is a valid judge's order or court order that resolves the complaint;
  - 4.7.3. previously there was a resolution of the Dispute Resolution Board that resolved the matter;
  - 4.7.4. the period specified in Section 4.3 of these rules has been exceeded;
  - 4.7.5. the complaint does not meet the requirements specified in section 4.4 of these rules.
- 4.8. In case of refusal to accept the complaint, the response shall be sent to the complainant in writing.

#### **Five. Preparation for complaint handling**

- 5.1. In the event that there is no reason to refuse the complaint in accordance with Section 4.7 of these rules, the secretary shall present the complaint to the related party or the respondent within 5 working days of receiving the complaint.
- 5.2. The respondent and related parties are obliged to submit explanations and evidence to the Dispute Resolution Board within 10 working days. If the relevant evidence and explanations are not submitted within this period, a resolution shall be issued based on the evidence submitted by the complainant.
- 5.3. If necessary, explanations and evidence can be obtained from third parties.
- 5.4. the secretary shall deliver the meeting date, plan and issues to be discussed to the chairman and members of the dispute resolution board at least 5 days in advance.
- 5.5. The secretary shall notify the parties of the dispute by telephone or e-mail at least 2 working days in advance of the date of the meeting and shall make a record of it.

#### **Six. Complaint handling**

- 6.1. The Dispute Resolution Board shall review the complaint within 30 days of receiving it in accordance with Section 23.3 of the Law on Mining Products Exchange.
- 6.2. The parties to the dispute and the Chairman, members, and secretary of the Dispute Resolution Board shall participate in the meeting of the Dispute Resolution Board. The meeting shall be deemed valid upon the attendance of not less than two-thirds of members from the Dispute Resolution Board.
- 6.3. The Dispute Resolution Board shall be chaired by its Chairman during meetings. In the event of their absence, a member of the Council shall assume the role of Chairman, exercising the same powers and responsibilities.
- 6.4. If a tie occurs in the voting among the members of the dispute resolution board, the chairman of the meeting shall have the authority to cast the deciding vote.

- 6.5. Notification of the Dispute Resolution Board meeting date has been provided to the involved parties. However, should they be absent without valid reason, the discussion and resolution of the complaint will proceed as scheduled.
- 6.6. The Dispute Resolution Board shall consider the complaint in a meeting, listen to the complaints and explanations of the parties, and examine the evidence.
- 6.7. Upon hearing the complaint of the parties and the defendant's explanation, the parties are then escorted out of the chamber, and a vote is conducted to determine the resolution of the dispute.
- 6.8. The Dispute Resolution Board shall resolve the dispute by a majority vote of the members present at the meeting.
- 6.9. Minutes of the meeting shall be signed by the Chairman of the Dispute Resolution Board, the members who attended the meeting, and the Secretary.

### **Seven. Decision of the Dispute Resolution Board**

- 7.1. The Dispute Resolution Board shall review the complaint and make one of the following decisions:
  - 7.1.1. satisfy the requirements of the complaint;
  - 7.1.2. dismiss the claim of the complaint;
  - 7.1.3. modify the commercial decision in the context of the complaint.
- 7.2. The decision of the dispute resolution board shall be in the form of a resolution and shall be signed by the chairman and members of the board.
- 7.3. The resolution provided for in Section 7.2 of these rules consists of defining, grounds, and resolution:
  - 7.3.1. Definition consists of name, location, date, chairman of the meeting, participating members, Secretary, names of parties involved in the dispute, contents, and comments of the parties involved in the dispute;
  - 7.3.2. Grounds consists of the decision on how the complaint was handled;
  - 7.3.3. In the resolution section, the name, article, section, and provisions of the law followed in the handling of the complaint, and the manner in which the complaint was resolved shall be indicated.
- 7.4. At the meeting of the dispute resolution board, the content of the decision will be read to the participants and the right to appeal to the court will be explained if they do not agree with the decision.
- 7.5. The resolution specified in Section 7.2 of these rules shall be issued in writing within 10 days after the date of the meeting and delivered in accordance with Section 7.6 of these rules.
- 7.6. The Secretary of the Dispute Resolution Board shall personally deliver the resolution to the parties involved in the dispute or send it by mail and shall record it.
- 7.7. The parties to the dispute are obliged to comply with the valid decision of the Dispute Resolution Board.

### **Eight. Conflict of Interest**

- 8.1. Article 11 of the Law on Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service shall be followed in handling complaints.
- 8.2. The members of the Dispute Resolution Board shall issue a declaration of no conflict of interest prior to hearing the complaint in accordance with Article 8, Section 8.1 of the Law on Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service.

- 8.3. Before processing the complaint, in the event that a conflict of interest has arisen or may arise, the provisions of Article 8, Sections 8.2, 8.3, 8.4, 8.5, 8.6, 8.7, and 8.8 of the Law on Regulation of Public and Private Interests and Prevention of Conflict of Interest in Public Service.
- 8.4. The Chairman, Secretary, and members of the Dispute Resolution Board shall not participate in the complaint handling process in the following cases and shall withdraw themselves:
- 8.4.1. family or relatives of the parties involved in the dispute;
  - 8.4.2. shareholder or holds a full-time or part-time position in the party that is related to the dispute.

#### **Nine. Liability**

- 9.1. The person who violates these rules shall be held accountable in accordance with the relevant laws and regulations.

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