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**OPERATING PROCEDURES OF EXECUTIVE MANAGEMENT
OF GOBI JSC**

OPERATING PROCEDURES OF EXECUTIVE MANAGEMENT

I. GENERAL PROVISIONS

- 1.1. The operating procedures of the executive management of "Gobi" JSC (hereinafter referred to as the "Company") have been developed in accordance with the laws of Mongolia (hereinafter referred to as the "Company Law").
- 1.2. The executive management of the Company shall be carried out by an individual (hereinafter referred to as the "CEO"). The CEO of the Company shall manage the daily operations of the Company within the scope of authority specified in these procedures and the Contract Agreement.
- 1.3. These procedures define the authority of the CEO, as well as the procedures for their appointment, dismissal, responsibilities, and remuneration.
- 1.4. The CEO shall operate within the bounds of the law.
- 1.5. The CEO shall report to the Board of Directors (BOD), and the BOD has the right to terminate the CEO's authority at any time.
- 1.6. The CEO shall comply with all decisions made by the Annual General Meeting of Shareholders (AGM) and the BOD.

II. STATUS OF THE CEO

- 2.1 The CEO shall be a member of the Company's management.
- 2.2 If the executive management is implemented as a team, the CEO shall be the leader of the executive management team.
- 2.3 The CEO may serve as a member of the BOD or as an executive manager of another company or business entity but cannot be the Chair of the BOD.
- 2.4 The CEO shall not engage in any commercial activities other than managing and organizing the Company's daily operations.
- 2.5 The relationship between the CEO and the Company shall be governed by the contract between the BOD and the CEO.
- 2.6 The CEO shall avoid any activities that may create a conflict of interest with the Company. If such a conflict arises, the CEO must immediately inform the BOD and obtain approval from the BOD if necessary.

III. AUTHORITY OF THE CEO

- 3.1 The CEO shall manage and organize the Company's daily operations, except for those directly under the authority of the GMS and the BOD, and ensure the implementation of the decisions of the AGMS and the BOD.
- 3.2 Upon official appointment to the position, the CEO shall have the authority to sign documents, issue orders and instructions, execute contracts, and legally enter into agreements on behalf of the Company. The CEO may delegate some of their authority to

authorized officers depending on the workload, except for those powers that must be personally executed by law.

3.3 The CEO shall:

- 3.3.1 Represent the Company without the need for a special power of attorney and represent the Company's interests in contracts and other matters;
- 3.3.2 Open payment accounts in banks and credit institutions;
- 3.3.3 Manage the Company's assets in daily operations within the scope of authority established by the BOD in accordance with the Company's charter;
- 3.3.4 Provide direction and leadership to the Company's employees within their authority;
- 3.3.5 Issue powers of attorney to act on behalf of the Company;
- 3.3.6 Make decisions on filing complaints and claims against legal entities and individuals on behalf of the Company;
- 3.3.7 Independently approve the Company's structure and staffing within the budget approved by the BOD, hire employees, terminate employment contracts, and make decisions on rewards, incentives, and disciplinary actions;
- 3.3.8 Submit proposals to the BOD for the appointment of directors of subsidiaries, branches, and representative offices, sign contracts with them on behalf of the Company, and sign labor contracts;
- 3.3.9 Be responsible for the accuracy of the Company's operational and financial reports;
- 3.3.10 Ensure the timely preparation of financial reports and their submission to the relevant authorities, and organize the dissemination of Company information to shareholders, creditors, and the market;
- 3.3.11 Sign and certify the Company's financial reports;
- 3.3.12 Present a report on the executive management's work to the BOD every two months, including key performance indicators of the Company;
- 3.3.13 Prepare at least one annual report on the work of the executive management to the AGMS;
- 3.3.14 Prepare and submit annual and semi-annual reports, profit and loss data, and reports on factors that may affect the Company's operations and risks to the BOD;
- 3.3.15 Develop proposals on the Company's strategic outlook, policies, and operational directions, submit them to the BOD for approval, and organize the implementation of BOD decisions;
- 3.3.16 Ensure the implementation of the Company's strategic (business and financial) plans;
- 3.3.17 Approve and enforce the prices and tariffs for the Company's products in both domestic and foreign markets;
- 3.3.18 Prepare the necessary documents for the GMS and BOD meetings;
- 3.3.19 Make decisions on all management-related matters in the Company's daily operations;
- 3.3.20 Pre-approve any restructuring, merger, or consolidation of the Company;
- 3.3.21 Provide organizational, technical, and financial support to other units of the Company involving the GMS and BOD;

- 3.3.22 Nominate candidates for the CEO position, external audit, executive management team members, and BOD positions of the Company's subsidiaries;
- 3.3.23 Carry out other activities necessary to ensure the Company's normal operations as stipulated in the contract with the Company.

IV. APPOINTMENT AND TERMINATION OF THE CEO

- 4.1. The CEO can be appointed by the BOD in accordance with the law.
- 4.2. Candidates for the CEO position must meet the following requirements:
 - 4.2.1. Have a higher education and at least 5 years of experience in the field;
 - 4.2.2. Have business experience and knowledge in economics, politics, law, and social issues;
 - 4.2.3. Be capable of making sound decisions considering the interests of the Company's stakeholders;
 - 4.2.4. The CEO shall be appointed by a majority vote of the BOD members.
- 4.3. The terms and conditions of the CEO's contract shall be determined by the BOD in accordance with the law.
- 4.4. The BOD may terminate the CEO's authority at any time based on the grounds specified in the contract. If a proposal to terminate or has already terminated the contract with the CEO is made, the BOD shall appoint an interim CEO until a new one is selected.

V. DUTIES AND RESPONSIBILITIES

- 5.1. The CEO shall work with honesty and due diligence in the interest of the Company and its shareholders.
- 5.2. The CEO is prohibited from the following:
 - 5.2.1. Working for a company that conducts similar activities;
 - 5.2.2. Engaging in any activities that could create a conflict of interest between the Company and the BOD members;
 - 5.2.3. Using the Company's assets for personal purposes.
- 5.3. The CEO shall not use confidential information obtained in the course of their duties for personal interest or the interest of third parties and shall avoid disclosing any confidential or internal information to those who do not have access to it.
- 5.4. The CEO shall not use the Company's information or business opportunities for personal gain, such as for personal profit or income.
- 5.5. The CEO shall not accept valuable gifts or benefit directly or indirectly from interested parties in decision-making, except for symbolic or customary gifts given during official events or as a gesture of goodwill.
- 5.6. The CEO shall provide the BOD and shareholders with comprehensive, accurate, and timely information regarding the Company's operations, financial condition, and corporate governance.
- 5.7. The CEO shall not be held responsible for decisions that result in losses to the Company if they voted against or abstained from the decision.

VI. REMUNERATION

- 6.1 The salary of the CEO shall be determined by the BOD (Remuneration Committee).
- 6.2 The salary and incentives of the CEO shall depend on the length of service in the Company and shall consist of both fixed and variable components.

BOARD OF DIRECTORS