

APPROVED BY:



DAYANBILGUUN DANZAN
CHAIRMAN OF BOARD OF DIRECTORS

Appendix No. 1 of the Resolution No 23/02 dated 19th February of 2023 of Board of Directors of BDSEC JSC

RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS OF BDSEC JSC

ONE. General provisions

- 1.1 This rule regulates the operation procedures of the Board of Directors of BDSEC JSC (hereinafter referred to as the “Board”), and other relevant relations.

TWO. Board of Directors

- 2.1 The Board of Directors shall be the governing body of a company between shareholders meeting.
- 2.2 The Board of Directors shall consist of 9 members according to the Company charter. 1/3 of the Board members must be independent members according to the Article No. 75.4 of Company law.
- 2.3 A member of the Board of Directors may not be a shareholder of the company.

THREE. Authority of the Board of Directors

- 3.1 With the exception of matters specified in this Law or in a company's charter as being exclusively within shareholders meeting the Board of Directors shall exercise authority respect to the following matters:
- 3.1.1 Determination of the management and policies of the company;
 - 3.1.2 The holding regular and extraordinary shareholders meeting;
 - 3.1.3 Determination of the agenda for shareholders meetings, record date for determining shareholders having the right to participate in such meetings, and other matters with respect to the holding of such meetings;
 - 3.1.4 The issuance of shares within the limits of the company's authorized but unissued shares;
 - 3.1.5 The issuance of securities related to common shares and other securities as specified in the company charter;
 - 3.1.6 Determination of the market value of property and property rights in accordance with Article No. 55 of the Company law;
 - 3.1.7 Acquisition and redemption of its shares and other securities;
 - 3.1.8 Election and modification of the company's executive body and determining its authority;

- 3.1.9 Establishment of the terms of contracts to be concluded with members of the executive body, the amount of remuneration to be granted to such members, and their respective liabilities and obligations;
- 3.1.10 Selection of the company's auditor and establishment of the terms of the contract to be concluded with such auditor;
- 3.1.11 Conclusion of the company's annual report of business operations and financial statements;
- 3.1.12 Determination of the amount of dividends to be paid with respect to the company's shares and the procedures for payment of such dividends;
- 3.1.13 Approval of the rules of procedure to be followed by the company's Board of Directors and executive body;
- 3.1.14 Opening of branches and representative offices of the company;
- 3.1.15 Preparation of resolutions with respect to reorganization of the company for submission to shareholders meeting for approval and implementation of such reorganization;
- 3.1.16 approval of the conclusion of a major transaction in accordance with Chapter Eleven (11) of Company law;
- 3.1.17 Approval of the conclusion of a conflict-of-interest transaction in accordance with Chapter Twelve of Company law;
- 3.1.18 other matters specified in this Law and in the company's charter.
- 3.2 Independent members of the Board of Directors shall take part in considering and deciding the following matters /Independent member means the members specified in Article No. 79.1 of Company law/
 - 3.2.1 Determination of the market value of property and property rights in accordance with Article No. 55 of the Company law;
 - 3.2.2 Selection of the company's auditor and establishment of the terms of the contract to be concluded with such auditor;
 - 3.2.3 Approval of the conclusion of a conflict-of-interest transaction in accordance with Chapter Twelve of Company law;
- 3.3 Terms of Office of Board of Directors shall be valid until next regular meetings of shareholders.
- 3.4 Terms of Office of Board of Directors may be terminated prematurely at the extraordinary meetings of shareholders.

FOUR. Election, Powers and Termination of Members of the Board of Directors

- 4.1. Members of the Board of Directors shall be elected by shareholders meeting pursuant to the procedures established by this law and the company charter.
- 4.2. Unless otherwise provided in the company charter, the authority of members of the Board of Directors shall expire on the date of the next shareholders meeting of the next year and members of the Board of Directors may be reelected at any such meeting.
- 4.3. The shareholders at an extraordinary shareholders meeting may terminate the authority of a member of the Board of Directors before the expiration of his or her term and if the

members of the Board of Directors have been elected by cumulative voting, a shareholders meeting may terminate the authority of all members of such Board. Member of the Board of Directors must be individual persons.

- 4.4. The shareholders at an extraordinary shareholders meeting may terminate the authority of a member of the Board of Directors before the expiration of his or her term.
- 4.5. The member of Board of Directors shall be an individual person.
- 4.6. The votes for regular and independent members of the Board of Directors shall be counted separately. The procedure to use the cumulative voting methods shall be determined by the Financial Regulatory Committee pursuant to Article No. 77.4 of Company law.
- 4.7. Unless otherwise provided in a company' s charter, in the event of long-term incapacity or submission to be released from the post, or death of a member of the Board of Directors, the Board may appoint a person to hold this position until the election of a replacement member

FIVE. Chairperson of Board of Directors

- 5.1 The chairperson of a company's Board of Directors shall be elected form among the members of the Board by a majority vote of all the members.
- 5.2 The chairperson of the Board of Directors shall organize the activities of the Board, convene and preside at its meetings, and supervise the preparation and retention of minutes of such meeting.
- 5.3 In the absence of the chairperson of a company's Board of Directors, his or her powers shall be exercised by another member of the Board appointed by the chairperson or by the Board.
- 5.4 The Chairperson of the Board of Directors shall not be Chief Executive Officer of the Company.

SIX. Independent member of the Board of Directors

- 6.1 The nominating committee specified in article 81.2 of this law shall nominate a person fulfilling the following requirements for independent member of the Board of Directors.
 - 6.1.1 Does not own five percent or more of the common shares of the company, alone, or in conjunction with a relate party.
 - 6.1.2 Does not personally, or the related party does not hold an official position in the company, or in other members of the group of companies that the company is part of.
 - 6.1.3 Does not serve public office other than public service office.
 - 6.1.4 Is not related to the company business in any way.
- 6.2 An independent member of the Board of Directors shall have the following additional obligations in addition to the rights and obligations of the other members:
 - 6.2.1 To monitor whether the activities, policies and decision of the Board of Directors and of the executive body negatively affects the interests of the company, whether the activities are in compliance with the laws, rules and procedures, prevent from violations or conflicts, demand from the relevant person to eliminate any violations, if such demand is not complied with, to submit such matter for consideration by the Board of Directors and consequently, to submit the demand to convene a shareholders meeting

- 6.2.2 to guide the executive body in respect of maintaining the transparency and accessibility of the company's activities, monitor and make demands in respect thereof;
- 6.2.3 to take part in the shareholders meetings in person, and to inform of any different views taken in respect of the decision rendered by the Board of Directors, respond to questions by the shareholders and to make clarifications.

SEVEN. Meeting of Board of Directors

- 7.1 Board of Directors meeting shall be held once quarterly and, if deemed necessary, additional meetings may be held.
- 7.2 Decisions adopted at a meeting of the Board of Directors shall be deemed to be resolutions and shall be signed by the chairperson of the Board.
- 7.3 A meeting of a company's Board of Directors may be convened by the chairperson, any member of the Board, any member of the company's executive body, of any other persons specified in the company charter.
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- 7.5 An overwhelming majority of members of the Board of Directors shall constitute a quorum at meetings of the Board.
- 7.6 If any members of the Board of Directors are not eligible to vote on a particular matter, a decision with respect to such matter must be adopted by an overwhelming majority of the members of the Board of Directors who are eligible to vote on such matter.
- 7.7 If the number of elected members of the Board is reduced to less than half of the total number of members specified in the company charter, then the company shall convene an extraordinary shareholders meeting to elect new members within three (3) months.
- 7.8 Each member of the Board of Directors shall have one vote with respect to each matter considered at any meeting of the Board.
- 7.9 Executive management of the company is subject to present its report on the company's operation at the Board meeting within the first 20 working days and provide it to Board members.
- 7.10 The minutes of a meeting of a company's Board of Directors shall include the following:
 - 7.10.1 The place, date and time of the meeting
 - 7.10.2 The names of the members present at the meeting
 - 7.10.3 The agenda for the meeting;
 - 7.10.4 All matters submitted for consideration and the result of voting on any such matters;
 - 7.10.5 Ensuing decision
- 7.11 The minutes of a meeting of the Board of Directors shall be signed by the members of the Board of Directors present at such meeting and the chairperson shall be responsible for the accuracy of the minutes.
- 7.12 If any member of the Board of Directors refuses to sign the minutes of the Board of Directors meeting, such member shall issue a written clarification for such refusal.

- 7.13 The incorrect recording of the minutes of the Board of Directors meeting shall not constitute grounds to revoke the decision approved from such meeting.

EIGHT. Committee under the Board of Directors

- 8.1 If it deems necessary, the Board of Directors may establish a standing and temporary committee in charge of a particular matter.

- 8.2 The Board of Directors shall establish the following Committees:

- 8.2.1 Audit Committee
- 8.2.2 Remuneration Committee
- 8.2.3 Nomination Committee

- 8.3 No less than two-thirds (2/3) of these committees shall consist of independent members of the Board of Directors.

- 8.4 Operations of the Committees shall be regulated by the internal rule of Board of Directors.

NINE. Board members duties and responsibilities

- 9.1 Members of Board of Directors have the following responsibilities:

- 9.1.1 When making decisions, be reasonable and honest and work for the interests of the company and shareholders. Considering all available information, making a careful and well-thought decision in the immediate situation;
- 9.1.2 To attend at the meetings announced and participate in activities of the Committee under the Board of Directors;
- 9.1.3 To notice the reason why did not participate at the meeting if a member cannot attend at the Board meeting;

- 9.2 Board member shall work in accordance with the following conflict of interest rules and regulations:

- 9.2.1 If the Board member participates (directly or indirectly) in the company's operations, contracts, projects, etc., to participate in securities-related activities of the member company or its affiliates, immediately in writing to the chairman of the board of directors. Notify and report on securities-related activities;
- 9.2.2 The confidential, internal and other official information obtained while working as a member of the board of directors will not be disclosed to persons who are not supposed to use the said information during the period of work and after dismissal from the company for one (1) year, and it shall not be used for personal interests or the interests of third parties;
- 9.2.3 The Board member shall work pursuant to the internal rules to ensure security of confidential information of the company;
- 9.2.4 Independent members shall refrain from any activities that affect their independence. If the member is no longer independent due to a change in circumstances, the member shall notify the Board of Directors in written notice within 10 working days.

TEN. Secretary of Board of Directors

- 10.1 The secretary of the Board of Directors shall be appointed by the Board of Directors as proposed by the chairperson of the Board of Directors.
- 10.2 The secretary of the Board of Directors shall have the following obligations:
 - 10.2.1. To maintain the records and documentation of the Board of Directors, and notify shareholders;
 - 10.2.2. To ensure preparation of the shareholders and Board of Directors meeting, prepare and submit the notice of such meetings, information in respect of the items of the agenda, drafts of the resolutions to be adopted and other documents, in compliance with appropriate procedures;
 - 10.2.3. Keep the minutes of the meeting of the shareholders and Board of Directors, validate the decisions adopted according to the relevant procedures, and monitor the implementation thereof;
 - 10.2.4. Organize and ensure the coordination of the activities of the shareholders meeting, Board of Directors, Executive director and other stakeholders;
 - 10.2.5. Coordinate and facilitate the internal activities of the Board of Directors.
- 10.3 The chairperson of the Board of Directors shall appoint the person to replace the secretary of the Board of Directors in his/her absence.

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