

REGULATION ON DELIVERING THE NOTIFICATIONS ON SHAREHOLDERS MEETING

ONE. General provisions

1.1. The purpose of this regulation is to regulate the relations that may arise out of delivering the notifications of regular or special shareholders meeting of the Shareholding company (hereinafter referred to “Company”) to shareholders, Financial Regulatory Commission (hereinafter referred to “Commission”) and Mongolian stock exchange joint stock company, and exercising the rights of announcing the shareholders meeting.

TWO. Right to announce the shareholders meeting

2.1. A shareholder’s meeting (hereinafter referred to ‘Meeting’) is the highest governing authority of a Company and the meeting shall either be regular or special.

2.2. A regular shareholders meeting shall be called within 4 months following the end of each fiscal year or by May 1st. If a regular shareholders meeting is not called and held within such period the authority of the Board of Directors shall be terminated and the power to call the shareholders meeting shall be assigned to the Supervisory board. The Supervisory board must call a shareholders meeting within 15 business days following the transfer of such power. If the Supervisory board fails to call such meeting within this period, any shareholder may appeal to a court of competent jurisdiction for an order calling the meeting, or such shareholder may call and hold the shareholders meeting itself. In such case, any expense incurred by such shareholder in connection with calling and holding of the meeting shall be compensated by the company.

2.3. The Board of directors or persons (hereinafter referred to ‘Shareholding meeting announcing body’) specified in Articles 60.3 and 62.7 of the Company law shall call a shareholders meeting by adopting a resolution to this effect.

2.4. Such resolution shall specify:

- 2.4.1. the place, date and time of the meeting;
- 2.4.2. the agenda of the meeting;
- 2.4.3. Registration date for compilation of list of eligible participants;
- 2.4.4. a list of documents that will be made available to the shareholders during preparation of the meeting. Place and time to be available for such purposes;
- 2.4.5. contents of voting ballots;
- 2.4.6. deadline for receipt of voting ballots;
- 2.4.7. the date and procedures to be followed for delivering notice of the meeting to the shareholders.

2.5. No changes to a meeting date is allowed after resolution is issued to have such meeting.

2.6. The record date for compiling list of shareholders having the right to attend the meeting shall be the 4th day after shareholders meeting announcement is made.

2.7. The meeting announcing body shall submit to the Commission and Mongolian stock exchange joint stock company (hereinafter referred to "Stock Exchange") the notification on shareholders meeting as per appendix 1 within 5 days of resolution issued. Such submission date shall be prior to public announcement date of the meeting and notification shall have the following appendices:

2.7.1. Resolution issued by the meeting announcing body to have a shareholders meeting;

2.7.2. Draft public announcement to be made using public media;

2.7.3. a copy of proposed agenda submitted by a shareholder holding more than 5 percent of common shares with voting rights in accordance with Articles 67.1 and 67.2 of the Company law;

2.7.4. list of information related to agenda of the meeting and timeline for submission such information.

2.8. The shareholders included in the list compiled by the Security holding agency on record date shall become eligible to attend the meeting.

2.9. Changes to the list of shareholders having the right to attend a meeting may be made by the Board of Directors upon receipt of written approval sent by the Security holding agency.

2.10. The right to participate in a shareholders meeting may be exercised by a shareholder's representative, who shall act on the basis of a written power of attorney issued in accordance with Civil Code. The representative shall notify the Board of Directors during registration.

2.11. Any shareholder that has transferred its shares after the record date may grant a power of attorney to the transferee of such shares authorizing such holder to participate in the meeting or the transferor may vote in accordance with the transferee's instructions.

2.12. A company must submit to the Commission the copies of the materials and resolutions issued by the shareholders regular meeting by June 1st and by the special meeting within 20 days of the meeting respectively. If there is any dispute arisen in connection with shareholders meeting, the copies of statement, meeting materials and resolution submitted to the Commission shall be used as original.

2.13. If a company's Board of directors did not call the meeting within the timeline set forth in Article 60.3 of the Company law and provision 2.2 of this regulation, then Commission shall terminate the authority of Board of Directors. Any resolution made by the Board of directors, whose authority was terminated, or the executive manager appointed by such Board shall not have legal consequence.

THREE. Delivering the notifications on meeting announcement to shareholders

3.1. The meeting announcing body shall deliver the notifications on meeting announcement to shareholders upon notification on meeting announcement and appended materials are delivered to Commission and Stock exchange in accordance with provision 2.4 of this regulation.

3.2. The meeting announcing body shall make public announcement, not less than 30 days prior to a meeting date, using not less than 2 daily newspapers, which are published in the largest

number of copies and distributed in local communities, and the national broadcasting radio and TV. The public announcement shall also be made in the identical manner within 15 days of first announcement made in accordance with aforementioned requirements.

3.3. The meeting announcing body shall not only make public announcement to shareholders in accordance with provision 3.2 of this regulation, but also using other means of communication i.e telephone, facsimile and e-mail.

3.4. The public announcement shall include:

3.4.1. name and location of a company;

3.4.2. venue, date and time;

3.4.3. registration date;

3.4.4. the agenda of the meeting;

3.4.5. procedures, place and time for reviewing the proposed draft resolution and related documents;

3.4.6. Contact numbers and emails, working hours for the head and members of the meeting preparation committee.

3.5. In the absence of a quorum as provided in the Company law and charter, the notes and minutes shall be taken, a date for a new shareholders meeting shall be set and sign-ins of arrived shareholders are recorded and postponement of the meeting will be announced. The notification on postponed meeting and related materials shall be submitted to the Commission within 4 business days.

3.6. A postponed meeting shall be held within 20 business days and a notice of the place, date and time of the postponed meeting shall be made and announced in accordance with provision 3.2 of this regulation. The record date for a postponed meeting shall not be changed.

3.7. The meeting shall not discuss any matters that were not included in the agenda and when required the Company charter may specify procedures for submitting matters to be included in the agenda in cases, other than those described in Article 67 of the Company law. If the issue that has not been included in the agenda was discussed at the meeting and resolution is issued to this extent shall not survive.

3.8. If the meeting was held while breaching the provisions 3.2 and 3.4 of this regulation, then the meeting shall be deemed to be ineffective.

3.9. In case the votes are going to be taken using ballots, then this activity shall be done under the contract bound by professional agency specialized in security market and the meeting documentations and ballots shall be delivered to this agency 7 days prior to public announcement date.

3.10. A broker and dealer companies shall be given the notice on the meeting agenda, draft resolution and related documents 3 days prior to public announcement date and ballots issued, according to list of shareholders that had been compiled on the record date, 15 days prior to the meeting date.

3.11. When public announcement is made, the agenda, draft resolution and related documentations, ballots shall be made available. The meeting announcing body shall make them available to shareholders.

3.12. When a regular shareholders meeting is announced, the following documents shall be presented to the shareholders:

3.12.1. The company's annual financial statements;

3.12.2. Auditors opinions on annual financial statements;

3.12.3. agreements on conflicts of interest and large transactions concluded during previous fiscal year and auditors opinion on whether those transactions were made in accordance with requirements set forth in the Company law;

3.12.4. Information on a candidate for member of Board of Directors;

3.12.5. Names of affiliated persons, number and types of shares hold by them;

3.12.6. Management cost and remuneration of Board of Directors and Executive director;

3.12.7. Company's business operations report;

3.12.8. Company's monitoring committee's report; and

3.12.9. In case the matters on issuance of new and additional shares are in the agenda, then the information on type, number of securities, nominal value, financial coordination and other matters that require immediate acknowledgment of shareholders

3.13. When a special shareholders meeting is announced, the following documents shall be presented to the shareholders:

3.13.1. resolution and rationale issued by authorized body with respect to announcement of special meeting;

3.13.2. rationale for resolutions to be issued with respect to each of the matters included in the agenda, related data, estimation, surveys and information; and

3.13.3. draft resolution.

3.14. The venue shall be sufficient to all shareholders that have the right to attend and try to schedule a meeting on a non-business day.

3.15. In case the venue is other than the company's administration premise, then try to arrange a meeting in a place, where there is large accumulation of shareholders and where they are less likely incur costs to attend the meeting.

FOUR. Liabilities

4.1. When required, the measures provided in Article 37.2.3 of the law on security market shall be taken for the period until the liabilities are met under the law.

4.2. In case the meeting was held while breaching the provisions 3.2 and 3.4 of this regulation and resolution is issued while violating the provision 3.7 of this regulation, the Head of Security agency and senior inspectors shall annul those based on conclusion drawn by the State inspector in charge of security transactions.

4.3. Anybody who violates the related provision of this regulation shall be made liable for administrative sanctions in accordance with Article 38.1.1 of the law on Security market.

FINANCIAL REGULATORY COMMISSION

APPENDIX TO REGULATION ON DELIVERING
NOTIFICATION ON SHAREHOLDERS MEETING

NOTIFICATION ON SHAREHOLDERS MEETING

Company name
Address and contact telephone
Date, time and venue of the meeting.....
.....
Date of resolution issued to announce the meeting.....
Date for public announcement to be made.....
Record date
Date for delivery of information materials to broker and dealer under the contract
Date of delivery
Number of pages of meeting documentations Units, pages

HEAD OF MEETING PREPARATION COMMITTEE /...../

.....year.... monthday

Acknowledged by:

REGISTRAR /...../

.....year.... monthday

The above mentioned materials and appendices shall be made in 2 copies and delivered to Financial regulatory commission and Mongolian stock exchange joint stock company respectively.