



CORPORATE GOVERNANCE CODE

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INTRODUCTION

Goal

The goal of this Corporate Governance Code (hereinafter "Code") is to protect the interests of investors and customers and promote long-term sustainable value by introducing internationally recognized governance principles and good practices to companies.

Corporate governance is a system for directing and controlling the company's activities. It is also a structural and organizational system for defining goals and objectives and setting and implementing an approach for monitoring performance. This concept also includes comprehensive correspondence between shareholders, boards of directors (BoD), executive management, and other stakeholders.

The main body responsible for the implementation of corporate governance is the BoD. Shareholders will monitor whether the company has a proper governance structure and organization through the BoD and external audits. By implementing good corporate governance practices, it is important for the increase of the company's valuation, the attraction of low-cost financing sources, and long-term sustainable development.

Scope

All provisions of principles outlined in this Code shall be adhered by securities issuers, insurers, and entities engaged in trust services and investment management activities in Mongolia. For companies that do not offer their shares publicly, it is recommended that they introduce and implement the principles outlined in this Code.

Method / Approach

The company is committed to fully implementing the governance principles outlined in this Code. However, it acknowledges that depending on the nature of its operations, structure, size, and stage of development, certain provisions may not be applicable or may require tailored organizational measures. The implementation of the Code will adhere to the internationally accepted principle of "comply or explain". This means that the company is obligated to provide explanations for its adherence to each principle outlined in this Code. If the company chooses not to comply with a specific principle, it must provide a detailed explanation for its decision, including the structural and organizational measures in lieu of compliance. Additionally, if targets has been set, the company must explain the implementation period in detail, as specified in Appendix 1 of this Code.

Please note that the compliance and explanations must be provided for each provision outlined in the Code.

The company is required to report its compliance with the governance principles outlined in this Code at least once annually. The governance report must be included in the company's annual report and prominently featured on the company's website. In the annual report, the governance report

should be presented in a separate chapter titled "Compliance of Corporate Governance Principles". , On the website, a direct link to the governance report should be placed in easily accessible categories such as "About Us" or "For Investors".

Recognizing that enhancing corporate governance is an ongoing process, the Board of Directors (BoD) shall regularly engage with investors, shareholders, and stakeholders to seek input on how to improve corporate governance and implement necessary measures. This consultation process should be conducted regularly, rather than solely relying on annual reporting.

If deemed necessary, the BoD shall approve internal policy documents, rules, and regulations tailored to the company's characteristics. The implementation of these documents should be monitored using the model template provided in Appendix 2, "Corporate Governance Code Compliance Program" of this Code.

CORPORATE GOVERNANCE PRINCIPLES AND EXPLANATION

NINE PRINCIPLES OF CORPORATE GOVERNANCE:

1. Structure and organization of the BoD

"The Board of Directors (BoD) shall be a creative and effective structure with a clear vision, providing diverse skills, knowledge, experience, and appropriate independence "

2. Committees under the BoD, and their functions

"The BoD shall conduct its activities through committees with specific functions, while retaining ultimate responsibility."

3. Reporting and information transparency

"The BoD shall ensure the accuracy, completeness, and balance of financial and operational reporting, promoting transparency in information dissemination.

4. Audit and monitoring system

"The BoD shall guarantee the independence and effectiveness of the audit and monitoring system."

5. Risk management

"The company shall establish an appropriate and independent risk management system, regularly monitoring its effectiveness.

6. Remuneration of authorized officials

"Salaries and bonuses of the BoD and executive management shall be fair, transparent in aligned with the company's vision and characteristics."

7. Stakeholder interests

" The company shall respect the interests of all stakeholders in its operations."

8. Company culture

II Members of the BoD shall uphold high standards of business ethics and responsibility within the company leading by example and promoting them throughout executive management and employee level.”

9. Rights of shareholders

"The company and the BoD shall respect the rights of shareholders, ensuring equal treatment, and providing them with full access to relevant information to exercise their rights."

PRINCIPLE 1. STRUCTURE AND ORGANIZATION OF THE BOARD OF DIRECTORS

1.1. A company must detail the duties and responsibilities of the chairman, members, and secretary of the Board of Directors (BoD) within the operational procedures of the BoD.

Commentary 1. In the activities of some companies, the duties of the BoD and executive management are unclear, and information exchange, cooperation, and coordination are poor. Therefore, it is required to have an operating procedure for the BoD, which regulates the above matters in detail. The executive management shall implement the company's strategic goal and objectives within the framework of the company's values, code of ethics, budget, and risk limits approved by the BoD. The roles and responsibilities of executive management shall differ from those of the BoD.

Commentary 2. The rights and responsibilities of BoD's chairman and members shall be detailed in the operating procedure of the BoD. . The chairman of the BoD is tasked with managing and organizing the activities of the board, facilitating the performance of duties by members, and fostering open communication and trust between the BoD and executive management.. The chairman of the BoD is also responsible for approving the meeting agenda and ensuring that each issue is thoroughly discussed, allowing sufficient opportunity and time for decision-making.

Commentary 3. The operating procedure of the BoD shall clearly outline the issues and methods through which members may seek recommendations from external professionals, at the expense of the company. Providing such opportunities, especially to independent members of the BoD, is beneficial for enabling them to fulfill their duties properly and effectively.

1.2. The company has a nomination procedure and succession policy document outlining the selection and appointment process for members of the BoD.

Commentary 1. When selecting candidates for the BoD, a comprehensive assessment shall be conducted, considering their ethics, morals, work experience, professional skills, education, and any legal matters such as criminal records or outstanding court-ordered loans.

Commentary 2. During shareholder meetings discussing the re-appointment of BoD members, information including the total tenure, a report on past term accommodation, and an evaluation of the member's performance shall be presented.

Commentary 3. Detailed presentation of how the nominee's independence as an independent BoD member is determined, along with disclosure of any roles as an authorized official in other companies, shall be provided at the shareholders' meeting.

Commentary 4. Nominees for BoD membership are required to submit a written application. Upon appointment, they must submit a written request affirming their commitment and ability to allocate sufficient time to fulfill their duties.

Commentary 5. Upon their appointment, each new BoD member shall be receive written notification regarding their salary, bonuses, liability insurance, procedures in case of loss of independence, handling of company information, and confidentiality obligations.

Commentary 6. BoD members are expected to adhere to the company's code of conduct, internal policy documents, and procedures, which include measures for preventing corruption and official crimes, as well as prohibitions against insider activities.

1.3. Information such as work experience, length of service, independence, share percentage, and meeting attendance of each member of the BoD shall be included in the annual report and made available on the company's website.

Commentary 1. A company shall conduct regular evaluations and reporting of the performance of the BoD, its committees, as well as the BoD's chairman, secretary and members at least once a year. These evaluations should encompass factors such as working skills, meeting attendance s, time dedicated to the company's activities and notable contributions, efforts, and outcomes of each BoD member.

Commentary 2. External parties may be engaged to conduct evaluations of the work performance of the BoD, its committees and individual members.

Commentary 3. An independent member shall be tasked with evaluating the performance of the BoD chairman, collecting input from other members to inform evaluation process.

1.4. A company shall establish a policy document outlining the structure and composition of the BoD and its committees. This document shall encompass requirements concerning members' education, qualifications, skills, experience, and gender balance.

Commentary 1. The company shall annually the performance of the targets outlined in the policy document regarding the structure and composition of the BoD. The evaluations shall be d included in the company's annual report and posted on its website.

Commentary 2. Companies strive to maintain gender balance within the BoD. International studies indicates that gender balance positively impacts a company's sustainable development. As such, many countries' corporate governance codes stipulate a 30 percent quota for the representation of each gender on the BoD.

Commentary 3. A company endeavors to achieve gender balance not only within the BoD but also at the level of executive management and among its employees. To oversee a committee under the BoD shall be tasked with defining and implementing the gender policy.

1.5. Orientation training shall be organized for the members of the BoD upon their first appointment, and the members of the BoD shall be involved in regular training to upgrade their skills, knowledge, and information necessary to perform their duties.

Commentary 1. Companies are obligated to allocate adequate resources to continuously enhance the knowledge and skills of BoD members, providing them with up-to-date information as per the training program.

1.6. The secretary of the BoD shall be responsible for ensuring the proper functioning of the BoD, acting through the chairman of the BoD.

Commentary 1. Appointment and dismissal of the secretary of the BoD are subject to the powers of the BoD, as the secretary of the BoD has an important role in the effective operation of the BoD and its committees.

Commentary 2. Roles and responsibilities of the secretary of the BoD include providing recommendations and information on governance issues to the BoD and its committees, monitoring the implementation of policy documents and internal procedures, managing documents and minutes of meetings of the BoD, and organizing meetings and training for members regularly.

PRINCIPLE 2. COMMITTEES UNDER THE BOARD OF DIRECTORS, AND THEIR FUNCTIONS

The BoD shall carry out its activities through its committees with specific functions and is subject to its ultimate responsibility.

2.1. The Chairman of the BoD along with the majority of its most members, endeavors to maintain independence.

Commentary 1. Having an independent member serve as the chairman of the BoD is more likely to foster openness and support pluralism in its activities. . The BoD should operate independently from executive management, guided and controlled by an independent chairman.

Commentary 2.

Having the majority of BoD members serve as independent members is crucial for ensuring that the BoD's decisions are independent from the influence of executive management and ordinary members, thereby respecting the interests of shareholders. Independent BoD members should have the opportunity enabled to meet and consult together without the participation of ordinary members and executive management.

2.2. The audit committee under the BoD shall establish operational procedure and audit policy documents. The chairman of the audit committee shall not the also serve as the chairman of the BoD. Participation of the company's executive management and employees in audit committee meetings shall occur only at the committee's request.

Commentary 1. The audit committee is tasked with developing its operating procedures, which must be approved by the BoD. The committee is responsible for organizing audit activities effectively and ensuring the quality of financial statements.

Commentary 2. The chairman and members of the audit committee shall possess appropriate knowledge and experience in financial statements. Details regarding the audit policy, committee procedure, composition, meeting frequency, and attendance shall be publicly disclosed in the company's annual report and on its website.

Commentary 3. The chairman of the audit committee must not have any affiliation with the company's external auditor and should not have been employed by this external audit firm within the last three years.

Commentary 4. A company has the option to segregate the risk management function from the audit committee and create a risk committee under the BoD .

Commentary 5. To safeguard the independence of the audit committee's activities, the attendance of the company's executive management and employees at committee meetings shall be permitted only upon the committee's invitation .

2.3. The remuneration committee under the BoD shall establish salary and bonus procedures and policy documents. The chairman of the remuneration committee shall not concurrently serve as the chairman of the BoD and must be an independent member. Attendance of executive management at remuneration committee meetings shall occur only at the committee's request.

Commentary 1. The remuneration committee shall formulate a remuneration policy for the company's authorized officials, subject to approval by the BoD. Details regarding the remuneration policy, committee procedures, composition, meeting frequency and attendance company's annual report and on the website.

2.4. The nomination committee under the BoD shall establish operational procedures and succession policy documents. The chairman of the nomination committee shall not concurrently serve as the chairman of the BoD and must be an independent member.

Commentary 1. The nomination committee shall formulate a succession policy, committee procedures, subject to approval by the BoD. Details regarding the remuneration policy, and the frequency and attendance of meetings shall be publicly disclosed in the company's annual report and on its website.

Commentary 2. The nomination committee shall evaluate whether the knowledge, skills, and work experience of the authorized official meet the requirements of their position, assess for any conflict of interest, and ensure the independence of independent members of the BoD. Additionally, the nomination committee shall oversee training and qualifications.

2.5. The BoD is authorized to establish both standing and non-standing committees with various functions. All committees under the BoD's purview must have operational procedures and instructions in place and be composed of members possessing the necessary knowledge, skills, and work experience to fulfill their duties.

Commentary 1. Depending on the nature of the company's operations, standing and non-standing committees such as health, security, and environment committees may be established under the BoD. .

Commentary 2. In the and on the website,' Policies, procedures, committee compositions, meeting frequency, and attendance details of other committees shall be publicly disclosed in the company's annual report and on its website. Additionally, committees are required to report their activities to the BoD at least quarterly.

Commentary 3. In the event that other parties express interest in purchasing the entire share or controlling stake in the company, a non-standing committee shall be established under the BoD to oversee this matter. This committee will operate independently and present the report prepared by external consultants and experts to the shareholders.

PRINCIPLE 3. REPORTING AND INFORMATION TRANSPARENCY

The BoD shall implement measures to ensure the accuracy, completeness, and balance of financial and operational reporting, as well as transparency of information.

3.1. The BoD shall be responsible for approving the company's information transparency and reporting procedures and ensuring their implementation.

Commentary 1. The company shall insure that information, including factual, positive, and negative aspects, is communicated to shareholders and the public in a timely balanced manner.

Commentary 2. The company shall regularly post its information and reporting procedures on its website. .

Commentary 3. The procedures for information transparency and reporting encompass the responsibilities of the company's authorized officials and employees, transparency in information processing and disclosure, reporting, communication with investors and the public, and protocols for addressing errors or discrepancies in securities trading and registration.

3.2. The BoD shall publish the governance documents, rules, regulations, and instructions specified in this Code to the public through its website.

Commentary 1. Recognizing the importance of making operational information and governance policy documents, internal rules, regulations, and instructions readily accessible to investors and stakeholders this information shall be presented in a comprehensive and user-friendly format on the company's website. Additionally, regular updates shall be made to ensure the information remains current.

3.3. Financial and non-financial reporting shall be balanced, clear, and factual. The non-financial report shall include an assessment of factors and risks that may impact the company's sustainability within the environmental, social, and economic frameworks, as well as information regarding the attainment of the company's goals and objectives.

Commentary 1. In addition to environmental, social, and governance factors, non-financial reports shall include information on the progress towards achieving the company's strategic objectives.

Commentary 2. Financial statements shall be presented in accordance with legal requirements regarding timing, content, and format with sufficient explanations provided. Investors require balanced and accurate information on the business model, performance, and strategic objectives, including any changes in reporting methods, and the ability to compare with previous report.

PRINCIPLE 4. AUDIT AND MONITORING SYSTEM

The BoD shall be responsible for ensuring the independence and effectiveness of the audit and monitoring system.

4.1. The BoD shall include provisions in the operating procedures of the audit committee outlining, the procedures for engaging with external auditors, specifying the terms and conditions required by law for them to fulfill their duties, and monitoring the implementation of these procedures.

Commentary 1. The procedures of the audit committee shall include criteria for the selection of external auditors, identification of potential risks to audit independence, and strategies for managing them.

Commentary 2. The procedures of the audit committee shall encompass the methods, structure, and organization for exchanging information among the audit committee, executive management, and external auditor.

Commentary 3. The audit committee is responsible for approving and overseeing services, other than those mandated by law to be provided by an external auditor to the company.

4.2. An external auditor shall attend shareholders' regular meetings and provide related information to shareholders.

Commentary 1. Shareholders should be provided with conditions and opportunities to ask questions and receive answers from an external auditor.

4.3. Information regarding the internal audit system, its structure, organization, and functions shall be made available to the public through the company's report and website. Any changes to these aspects shall be regularly communicated.

Commentary 1. The internal audit system shall play a significant role in the company's long-term sustainable growth and development by overseeing risk management and internal monitoring activities, and regularly enhancing outcomes.

Commentary 2. The management of the internal audit unit shall possess appropriate knowledge, skills and experience, and shall directly communicate and report directly to the BoD or its relevant committee.

PRINCIPLE 5. RISK MANAGEMENT

The BoD shall oversee the organization of risk management and compliance monitoring in an appropriate and independent manner, and shall regularly monitor their effectiveness.

5.1. The company shall establish risk management guidelines and structure, with the BoD responsible for monitoring the results and independence of risk management activities.

Commentary 1. The BoD is required to possess a genuine and comprehensive understanding of evaluating and managing potential risks to the company.

5.2. The BoD endeavors to establish a risk management committee consisting of at least three members, with the chairman and majority of members being independent. The procedure, structure, and composition of the risk committee shall be disclosed to the public through the company's annual report and website, and the information on the attendance, agenda, and frequency of the committee's meetings shall be reported regularly.

Commentary 1. Potential risks vary based on the company's operations, size and business characteristics. Therefore the BoD plays a crucial roles in identifying the type, volume, and limitations of potential risks alignment with the company's goals and vision.

Commentary 2. The risk committee is responsible for regularly reviewing the company's risk management activities, assessing the outcomes of the internal monitoring activities related to risk control and detection, and providing relevant recommendations to the BoD.

Commentary 3. Establishing communication channels that enable executive management to provide comprehensive information on risks and their management, and to receive instructions and guidelines from the risk committee, is essential.

Commentary 4. The risk committee functions are assigned to the audit committee, detailed explanations of the risk management system, procedures, and implementation shall be provided in the annual report and on the website.

5.3. Environmental and social responsibilities, along with health and safety risks in the company's operations shall be assessed and disclosed to the public, and how those are managed shall be explained.

Commentary 1. Environmental and social responsibilities, along with health and safety risks profoundly influence the company's long-term sustainability. Therefore, it is crucial for shareholders and investors to fully understand and evaluate these risks.

Commentary 2. While not mandatory, companies may fulfill the requirements of this Code by referencing information from a sustainability report prepared according to internationally recognized standards, if available.

5.4. A company shall establish compliance monitoring guidelines and structure, with the BoD responsible for monitoring the effectiveness and independence of compliance monitoring implementation.

Commentary 1. The BoD is responsible for approving the compliance monitoring guidelines allocating the annual budget and directly managing human resources associated with compliance monitoring .

Commentary 2. Both the he BoD and the executive management are obligated to provide the necessary assistance and support to the individual conducting compliance monitoring, ensuring their independence.

PRINCIPLE 6. REMUNERATION OF AUTHORIZED OFFICIAL

Salaries and bonuses of the BoD and executive management shall be fair and transparent aligned with the company's vision and characteristics.

6.1. The amount, frequency, type of payment, and bonuses of BoD members shall be openly discussed and approved at the shareholders' meeting.

Commentary 1. When discussing and approving the salary and bonus of a member of the BoD at the shareholders' meeting, the amount shall be clearly stated, and the rationale shall be explained. Salaries and bonuses shall be individually itemized in the materials of the shareholders' meeting, reflecting the compensation for each member rather than a total salary pool. If salaries and bonuses are allocated for work performed separately as a member of any committee under the BoD, it shall be clearly specified.

Commentary 2. The actual amounts of salary and bonuses paid to BoD members shall be transparently presented in the annual report. In addition to the official salary of BoD members, the detailed breakdown of compensation for work performed as a member of any committee under the BoD or under other agreements with the company shall be included.

6.2. A company shall incorporate the components of duties and the criteria for evaluating performance, which serve as the basis for calculating the amount of salary and bonus, in the remuneration policy documents.

Commentary 1. The remuneration policy aims to establish fair, reasonable, and competitive levels of salary and bonus in the market, tailored to the company's operation, size, and characteristics.

Commentary 2. The method of determining the amount of salary and bonuses should be transparent. The BoD may seek a recommendations from a qualified, independent consultant when determining the salary and bonuses of the company's authorized officials. An independent consultant refers to an individual who is impartial from any authorized official of the company or any party whose interests may be influenced by the consulting service's outcomes

Commentary 3. It is prudent to differentiate the salary and bonus structures for the company's authorized officials differently. Basic principles for determining the salary and bonus of the executive management should be established, and the provision of dual salary and bonus regulation in the case of paying BoD's salary shall be. specific regulations governing dual salary and bonus provision in the case of BoD remuneration should be stipulated. Additionally, the salary and bonus of executive management members should be tied to the company's profitability and their individual performance. **6.3. Performance criteria for providing base salaries, rewards, and other incentives to the executive management shall be disclosed in the company's annual report.**

Commentary 1. The actual amounts of salary and bonuses paid to the executive management shall be transparent to the shareholders. The components of executive management's salary and bonuses (including base salary, short-term and long-term rewards, and incentives) shall be outlined in the remuneration policy.

Commentary 2. Comprehensive information on long-term rewards and incentives (including shares and options convertible into shares) and their implementation conditions should be publicly disclosed.

Commentary 3. In the annual report, the salary and bonus information of the company's authorized officials should be presented in a manner comparable to the previous year. Additionally, the performance of long-term rewards and incentives such as shares and options convertible into shares and the basis for granting them shall be reported annually.

Commentary 4. When disclosing the salary and bonuses of the executive management, it is advisable to obtain their consent or specify this in the employment contract.

PRINCIPLE 7. STAKEHOLDER INTERESTS

The interests of the parties involved in the company's activities shall be respected.

7.1. A company shall establish a policy document for communication and cooperation with other stakeholders approved by the BoD. The BoD and executive management shall foster an organizational culture that respects stakeholders' interests and engages in cooperation with them.

Commentary 1. It is imperative to acknowledge the contributions of various stakeholders (company employees, creditors, customers, suppliers, and local citizens where the company operates) to the sustainable growth and long-term value of the company.

Commentary 2. As the guiding structure responsible for the company's development strategy, the BoD should accurately identify and appropriately balance the interests and needs of stakeholders.

7.2. Information on the primary focus area and strategies pursued when cooperating with stakeholders shall be included in the company's annual report.

Commentary 1. To establish effective correspondence with stakeholders, it is essential to adopt best international practices and ensure transparency in non-financial information related to stakeholders

7.3. The company's website shall be effectively operated. with the objective of cooperating and exchanging information with the stakeholders,

7.4. The company shall implement an internal procedure for receiving feedback, requests, and complaints from employees along with an internal procedure and work plan for addressing social issues and facilitating professional development.

PRINCIPLE 8. COMPANY CULTURE

Members of the BoD shall establish high standards of business ethics and responsibilities within the company, leading by example and ensuring adherence to these standards at all levels of executive management and employee engagement.

8.1. The BoD shall approve the code of ethics, disclose it to the public, and monitor its implementation, to properly define the company's values and vision and conduct its activities legally, ethically and responsibly.

Commentary 1. To enhance and maintain its long-term value, the company shall adhere to established norms of legal, ethical, and professional responsibility in its operations, taking measures to strengthen and protect its business reputation among stakeholders.

Commentary 2. The BoD shall approve the company's values and code of ethics, with the executive management responsible for implementing them in the organization. Regular internal training shall be conducted to promote adherence to these principles.

Commentary 3. The BoD shall regularly review the implementation of the Code of Ethics, identify any ethical violations, and ensure appropriate measures are taken to address them.

8.2. A "whistleblowers" framework shall be established to report any illegal activities or ethical violations to the BoD or its relevant committees.

Commentary 1. Ethical norms for the company's authorized officials and employees shall be outlined in the code of conduct, accompanied by a system for reporting violations and assigning accountability.

Commentary 2. The BoD shall create an environment to deliver information (related to disrespectful actions to the company's values and unethical, irresponsible, or illegal actions) to the BoD and its relevant committee and impose sanctions. Regulations for ensuring the confidentiality of the person who provided the information or "whistleblower" and protecting his/her reputation, salary and bonuses and workplace shall be introduced.

Commentary 3. The BoD shall organize training regularly for the company's authorized officials and employees on the "whistleblowing" system and how to provide, receive, and resolve information according to it.

8.3. The Code of Ethics shall cover regulations on anti-corruption and avoiding official crimes, supporting /or not supporting/ political activities, and donations.

Commentary 1. Giving improper rewards, bonuses, or bribes to government officials by the company's authorized officials and employees is a criminal offense and poses significant harm to the company's reputation and integrity. Therefore, the Board of Directors shall ensure that all relevant employees receive regular and comprehensive training on anti-corruption measures to prevent such misconduct and uphold ethical standards in all business dealings

Commentary 2. The BoD shall incorporate certain principles and limitations regarding donations and support to political parties, movements, organizations, and individuals engaged in political activities in its instructions and procedures, and monitor their implementation.

A company and the BoD shall respect the rights of shareholders, treat them equally, and fully provide them with the opportunity to obtain relevant information and exercise their rights.

9.1. A company shall provide investors and other stakeholders with information on its operations, financial status, governance organization, and performance results through its website regularly.

Commentary 1. The company shall ensure that general information about its activities is readily accessible to investors and other interested parties through platforms such as its website. Additionally, the company shall regularly engage with stakeholders and provide reports on environmental, social, and governance matters to foster transparency and accountability

Commentary 2. The company's website shall provide essential information, including contact details, brief biographies of the chairman of the BoD, members, and executive management, the company charter, financial statements, and annual reports for the last five years. Additionally, it shall include important decisions, notices submitted to and received from securities traders and regulatory bodies, as well as shareholders' meeting announcements and decisions

Commentary 3. The company's website shall include information on its structure, history, business operations, major events such as shareholders' meetings and dividend distributions, types of securities issued, relevant rights, historical trading prices, dividends policy, allocation of dividends, press releases, contact details for media organizations, and the name and contact information of the person responsible for securities registration

9.2. A company shall have a program to cooperate with investors and develop an electronic channel for communicating and exchanging information with investors.

Commentary 1. A company should establish a program aimed at facilitating investor participation, gathering their feedback, and fostering information exchange

Commentary 2. It is essential for a company to disseminate information regarding its business operations, governance practices, and financial performance indicators and prospects to investors and stakeholders

Commentary 3. Companies should leverage electronic channels to effectively deliver information to investors and engage with them in a clear and accessible manner

9.3. A company shall create opportunities and conditions for shareholders to exercise their legal rights, such as participating in shareholders' meetings, making proposals, voting, and obtaining information.

Commentary 1. A company shall approve and pursue a specific procedure that regulates matters such as deciding to conduct a shareholders meeting, approving the agenda, delivering a meeting announcement, preparing for the meeting, enabling shareholders to review the relevant facts and information in advance, ensuring the participation of the shareholders, holding a poll to lead the meeting, documenting and keeping the meeting decisions, writing meeting minutes, and enabling shareholders to view the meeting decisions and minutes.

Commentary 2. The shareholders' meeting shall be held at a time and location convenient for shareholders, the meeting notice shall be delivered in advance, and the executive management shall be present at the meeting.

Commentary 3. A company shall enable attendees to participate and vote in shareholders' meetings electronically using remote technology.

Commentary 4. Particular attention shall be paid to ensuring the right of foreign and small shareholders to be represented at the BoD, receive information, submit proposals and vote at shareholders' meetings, and file complaints to court.

9.4. Particular attention shall be paid to shareholders exercising their right to vote on matters related to the company's operations and ownership structure.

Commentary 1. The BoD strives not to reduce the current shareholdings of shareholders when seeking new capital-raising opportunities. In addition, in case of issuing additional shares, shareholders shall be enabled to purchase shares in proportion to their share ownership.

Commentary 2. If the decision is made not to allow current shareholders to purchase the new securities in proportion to their share ownership, a report must be submitted to the relevant authority, and an explanation should be provided on the company's website.

9.5. To prevent violations of the common interests of the company and shareholders, procedures for addressing conflicts of interest must be established, with their implementation disclosed to the public

Commentary 1. Transactions involving conflicts of interest must be documented in writing, with prior approval obtained, conducted at fair market prices. Comprehensive information

on completed transactions shall be published on the company's website and included in the annual report.

Commentary 2. The company must take measures to prevent scenarios such as the monopolization of the supply chain by related parties, embezzlement or unauthorized transfer of company assets, and the issuance of warranties or guarantees to shareholders and their associates on behalf of the company.

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