



**REPORT ON THE ASSESSMENT OF THE IMPLEMENTATION OF THE
“CORPORATE GOVERNANCE CODE”**

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ASSESSMENT METHODOLOGY

The assessment of the implementation of the “Corporate Governance Code” of “MIK Holding” JSC was conducted in accordance with the methodology for assessing the implementation of the “Corporate Governance Code” approved by the Order No. A/58 of 2022 of the Executive Director of the Mongolian Stock Exchange.

Assessment structure

The “Corporate Governance Code” assessment model is a report with a total of 36 questions and has the following structure:

1. Structure and organization of the board
2. Committees under the board and their functions
3. Reporting and information transparency
4. Audit and control system
5. Risk management
6. Salaries and compensations of executive officials
7. Stakeholder interests
8. Company culture
9. Shareholders' rights

Assessment score

For each query:

- 2 if fully implemented or a reasoned explanation is provided;
- 1 if partially implemented or time-bound implementation measures and objectives are explained;
- If no evaluation is submitted, it will be evaluated with a score of 0, and the implementation and explanation will be included separately, which will be converted into percentages and the evaluation will be calculated from 0-100 percent.

Based on the overall assessment results, the company's implementation of the "Corporate Governance Code" will be assessed as follows:

- If the score is 90 percent or higher of the total score, governance is normal or risk-free;
- If it is 70-89 percent, it is considered moderate governance or may pose a risk in the future, so recommendations should be made;
- If it is 50-69 percent, there is insufficient governance or risk, so conditions are in place for remote and on-site inspections;
- 49% or less indicates poor governance or high risk activities, requiring regulatory action.

ASSESSMENT SCORE

№	Зарчим	Maximum score	Assessed score	Monitoring score	Percentage
1	Structure and organization of the board	12	12		100
2	Committees under the board and their functions	10	10		100
3	Reporting and information transparency	6	6		100
4	Audit and control system	6	6		100
5	Risk management	8	8		100
6	Salaries and compensations of executive officials	6	6		100
7	Stakeholder interests	8	8		100
8	Company culture	6	6		100
9	Shareholders' rights	10	10		100
Total score		72	72		100.0

According to the overall results, the overall governance assessment of “MIK Holding” JSC is 100 percent, meaning that governance is assessed as being at a normal risk-free level.

DETAILED REPORT OF EVALUATION

The implementation of the Code shall be reported according to the principle of “Comply or Explain” and shall include in the explanation section whether each article of the Code has been implemented, if not, why not, and whether structural and organizational measures have been taken or are being taken to replace it, and if so, with a timeframe.

ONE. STRUCTURE AND ORGANIZATION OF THE BOARD					
The Board of Directors shall be a visionary, creative, and effective structure that appropriately balances diverse skills, knowledge, experience, and independence.					
№	Item	Progress	Description	Score	%
1	The Company shall regulate in detail the duties and responsibilities of the Chairman, members, and Secretary of the Board of Directors in the Board of Directors' operating procedures.	Fully implemented	It is reflected in the Board of Directors' operating procedures.	2	100
2	The company shall have a nomination procedure and succession policy document that covers the selection and appointment of board members.	Fully implemented	The selection and appointment of board members is governed by the Board's operating procedures and the "Succession Policy".	2	100
3	The work experience, length of service, independence, shareholding percentage, and meeting attendance of each board member will be detailed in the annual operational report and posted on the company's website.	Fully implemented	It is reflected in the annual operations report. The 2025 annual operations report is posted on the website.	2	100
4	The company must have policies defining the composition of the BoD and its committees, including requirements for education, qualifications, skills, experience, and gender balance.	Fully implemented	Covered in the BoD's operational procedures and committee regulations. "MIK Holding" JSC applies the principles of sustainable development across all levels of decision-making, ensuring non-discrimination based on gender, respecting stakeholder rights, promoting collaboration, and maintaining inclusive relationships. These principles are outlined in the BoD's resolution dated April 24, 2024, approving the "Sustainable Development Policy."	2	100
5	Board members will be provided with orientation training upon their initial appointment, and will be provided with the skills, knowledge, and information necessary to perform their duties, and will be regularly updated with training.	Fully implemented	<p>The Board of Directors shall prepare and deliver a handbook to newly appointed Board members in accordance with the content and format specified in the "Procedure for Introducing Board Members" approved by the Board of Directors, and provide orientation training.</p> <p>The Board of Directors shall also annually approve the content of training and seminars in the Board of Directors' action plan, and the implementation of the training plan shall be reflected in the Board of Directors' report. The Board of Directors' action plan for 2026 has been approved.</p>	2	100
6	The Secretary of the Board of Directors shall be responsible, through the Chairman of the Board, for the proper conduct of the Board's activities.	Fully implemented	The functions of the Secretary of the Board of Directors are carried out by the Board of Directors' Office, which consists of 1 Board of Directors' Secretary and 1 lawyer. The office staff is also selected in accordance	2	100

			with the company's internal regulations and appointed by the Board of Directors upon the proposal of the Chairman of the Board of Directors. The direct management of the office staff is the Chairman of the Board of Directors, and their activities and relations are regulated by the Board of Directors' Office Regulations. -The report of the Board of Directors' Office was submitted as an appendix to the 2025 operational report.		
SCORE				12	100
TWO. COMMITTEES UNDER THE BOARD AND THEIR FUNCTIONS					
The Board of Directors carries out its activities through its committees responsible for specific functions and assumes ultimate responsibility.					
7	The Chairman of the Board of Directors and the majority of the Board members shall be independent members.	Fully implemented	According to the charter of MIK Holding JSC, the company's board of directors shall consist of 9 members, 3 of whom shall be independent.	2	100
8	The Audit Committee under the Board of Directors shall have a procedure and audit policy document. The Chairman of the Audit Committee shall not be the Chairman of the Board of Directors. The Company's executive management and employees shall attend Audit Committee meetings only at the request of the Committee.	Fully implemented	The "Board Committee Regulations" regulate the composition, functions, and activities of the Finance and Audit Committee. The Board Committee Reports are attached to the Board Committees' 2025 Activity Report.	2	100
9	The Nomination and Remuneration Committee under the Board of Directors (BoD) shall have an operational procedure for remuneration, as well as a remuneration policy document. The Chairperson of the Nomination and Remuneration Committee shall not be the Chairman of the BoD and must be an independent director. The executive management may attend the meetings of the Remuneration Committee only upon the committee's request.	Fully implemented	The composition, functions, and operations of the Nomination and Remuneration Committee are regulated by the "Charter of the Committees under the Board of Directors." A majority of the members of this committee are independent directors. Additionally, there is a methodology in place for calculating and paying the remuneration of BoD members, and information regarding BoD members' remuneration is disclosed in the company's annual operational report.	2	100
10	The Nomination Committee under the Board of Directors (BoD) shall have an operational procedure and a succession planning policy document. The Chairperson of the Nomination Committee shall not be the Chairman of the BoD and must be an independent director.	Fully implemented	The Board of Directors (BoD) has approved the "Succession Planning Policy," and the Nomination and Remuneration Committee under the BoD is responsible for overseeing the implementation of this policy.	2	100
11	The Board of Directors (BoD) may establish other permanent or temporary committees with various functions as needed. All committees under the BoD shall have operational procedures or guidelines and be composed of members with the necessary knowledge, skills, and professional experience to carry out their functions.	Fully implemented	Governed by the Charter of the Committees under the Board of Directors.	2	100

SCORE				10	100
THREE. REPORTING AND INFORMATION TRANSPARENCY					
The Board of Directors (BoD) shall ensure the accuracy, completeness, and balance of both financial and non-financial reporting and information transparency.					
12	The Board of Directors (BoD) shall approve the company's information disclosure and reporting procedures and oversee their implementation.	Fully implemented	On March 19, 2021, the Board of Directors approved the "Information Transparency Policy."	2	100
13	The Board of Directors shall make the governance documents, charters, procedures, and guidelines specified in this code available to the public through its official website.	Fully implemented	The governance documents have been uploaded as files in the "Shareholders" section of the company's website.	2	100
14	Financial and non-financial reporting shall be balanced, clear, and accurate. Non-financial reports shall include information assessing factors and risks that may impact the company's sustainable operations within the environmental, social, and economic spheres, as well as an evaluation of whether the company has achieved its operational goals and objectives.	Fully implemented	Detailed information on risk management related to potential operational risks and the activities undertaken in this regard can be found in the Risk Management System section of the Annual Operational Report. <ul style="list-style-type: none"> • Annual Operational Report Environmental, Social, and Governance (ESG) Report	2	100
SCORE				6	100
FOUR. AUDIT AND CONTROL SYSTEM					
The board of directors shall ensure the independence and effectiveness of the audit and control system.					
15	The Board of Directors shall incorporate into the Audit Committee's operating procedures provisions governing its engagement with the external auditor, including safeguards to ensure that the auditor can perform its legally prescribed duties without interference, and shall oversee the implementation of such provisions.	Fully implemented	Governed by the Charter of the Committees under the Board of Directors.	2	100
16	The external auditor attends the annual shareholders' meeting and provides shareholders with information on audit-related matters.	Fully implemented	The company's external financial audit firm regularly attends the Annual General Meeting of Shareholders and provides shareholders with information on audit-related matters.	2	100
17	Information on the internal audit system—including its structure, organization, functions, and any changes thereto—is disclosed to the public on a timely basis through the company's operational reports and website.	Fully implemented	This information is disclosed to the public through inclusion in the annual operational report.	2	100
SCORE				6	100
FIVE. RISK MANAGEMENT					
The Board of Directors shall ensure that risk management and compliance oversight are organized in an appropriate and independent manner, and shall regularly monitor their effectiveness.					
18	The company shall have a risk management policy and structure in place, and the Board of Directors shall oversee the effectiveness and independence of risk management activities.	Fully implemented	The Risk Management Department operates under the Chief Executive Officer. In line with recommendations from the International Finance Corporation (IFC) on governance improvement and the Corporate Governance Code, the Board of Directors revised and approved the company's Risk Management Policy	2	100

			<p>in 2021 and the Risk Appetite Statement in 2022.</p> <p>Within this framework, related procedures and regulations have been approved by the Chief Executive Officer.</p> <p>Risk management reports are reviewed by the Risk Management Committee under the Board of Directors, which issues conclusions based on its discussions. In addition, the annual activity report includes a section on risk management activities.</p> <p>Relevant documents include:</p> <ul style="list-style-type: none"> • Risk Management Policy • Regulations of Board Committees • Group organizational structure 		
19	<p>The Board of Directors aims to establish a Risk Management Committee under its structure. This committee shall consist of no fewer than three members, with the chair and a majority of its members being independent directors.</p> <p>The committee's operating procedures, structure, and composition are disclosed to the public through the company's annual activity report and website. In addition, regular reporting is provided on the committee's meeting attendance, frequency, and matters discussed.</p>	Fully implemented	<p>A Risk Management Committee operates under the Board of Directors, consisting of four members. This information is disclosed in the annual activity report and published on the company's website.</p> <ul style="list-style-type: none"> • Regulations of Board Committees 	2	100
20	<p>The company assesses whether there are environmental, social responsibility, health, and safety risks in its operations, discloses this information publicly, and explains how such risks are managed.</p>	Fully implement	<p>Since 2022, the company has been preparing Environmental, Social, and Governance (ESG) reports and conducting materiality assessments. In addition, a "Sustainable Development" section has been established on the company's website to provide regular updates and disclosures.</p> <p>A permanently operating Sustainable Development Committee has also been established under the Board of Directors.</p> <p>Relevant documents and disclosures include:</p> <ul style="list-style-type: none"> • ESG Report 2025 • Materiality Assessment • Greenhouse Gas Emissions Report • Sustainable Development section (website) <p>The ESG report for 2025 will be disclosed by April 30, 2026.</p>	2	100
21	<p>The company shall have a compliance</p>	Fully	<p>The Compliance Department operates</p>	2	100

	monitoring policy and structure in place, and the Board of Directors shall oversee the implementation effectiveness and independence of compliance monitoring.	implemented	<p>under the Chief Executive Officer. The Board of Directors initially approved the Compliance Policy in 2018, and it has since been updated and re-approved based on recommendations from the International Finance Corporation (IFC) on governance improvement and the Corporate Governance Code.</p> <p>Compliance activity reports are reviewed semi-annually by the Risk Management Committee under the Board of Directors, which issues conclusions based on its discussions. In addition, the annual activity report includes a section on compliance activities.</p> <ul style="list-style-type: none"> • Relevant documents include: • Compliance Policy • Compliance Activity Report • Regulations of Board Committees • Group organizational structure 		
SCORE				8	100
SIX. SALARIES AND COMPENSATIONS OF EXECUTIVE OFFICIALS					
The remuneration and incentives of authorized officials shall be fair, transparent, and aligned with the company's vision and specific characteristics.					
22	The amount, form, and frequency of remuneration for Board members shall be transparently discussed and approved at the shareholders' meeting.	Fully implemented	At the Annual General Meeting of Shareholders of "MIK Holding" JSC, the budget for the remuneration of Board members was approved.	2	100
23	The company shall include in its remuneration policy document the components of job responsibilities that form the basis for determining salary and incentive levels, as well as the performance evaluation criteria used to assess work execution.	Fully implemented	<p>By order of the Chief Executive Officer, the Salary and Wage Regulation was revised and approved on January 14, 2025, and is currently being implemented. This regulation governs the calculation and payment of employees' salaries and wages in accordance with applicable laws and regulations, as well as job grading and corresponding remuneration structures. In addition, a Performance Management Regulation has been approved, which sets out procedures for evaluating employee performance.</p> <ul style="list-style-type: none"> • Regulations of Board Committees 	2	100
24	The company's annual activity report shall include the performance criteria for determining the base salary, bonuses, and other incentives of executive management.	Fully implementation	<p>The "Regulations of Board Committees" define the responsibilities and agenda items of the Nomination and Remuneration Committee.</p> <p>By order of the Chief Executive Officer, the "Salary and Wage</p>	2	100

			Regulation” was approved on May 30, 2022, and is currently being implemented. This regulation governs the calculation and payment of employees’ salaries and wages in accordance with applicable laws and regulations, as well as job grading and corresponding remuneration structures.		
SCORE				6	100
SEVEN. STAKEHOLDER INTEREST					
The company shall respect the interests of its stakeholders in its operations.					
25	The company shall have a policy document approved by the Board of Directors regarding engagement and cooperation with other stakeholders. The Board of Directors and executive management shall foster an organizational culture that respects stakeholders’ interests and promotes collaboration with them.	Fully implemented	The company places emphasis on ensuring and safeguarding the interests of its stakeholders. This is reflected in the Code of Ethics approved by the Board of Directors.	2	100
26	The company’s annual activity report shall include the key areas of focus in its cooperation with stakeholders, as well as the strategies adopted and how they have been implemented.	Fully implemented	<ul style="list-style-type: none"> • Information Transparency Policy • 2025 Annual Activity Report 	2	100
27	The company shall effectively operate its website to facilitate engagement, communication, and information exchange with stakeholders.	Fully implemented	The company effectively utilizes its website to expand engagement, information exchange, and communication with stakeholders. In addition, the website is regularly maintained and updated to ensure that shareholders and other stakeholders are provided with necessary information in a timely manner.	2	100
28	The company has internal procedures for receiving and resolving employees’ feedback, suggestions, and complaints, as well as internal regulations and work plans for addressing social issues and supporting professional development.	Fully implemented	This is addressed in the “Code of Ethics” and the “Internal Labor Regulations.”	2	100
SCORE				8	100
EIGHT. COMPANY CULTURE					
The members of the Board of Directors shall establish high standards of business ethics within the company and lead by example, ensuring that executive management and employees adhere to these standards.					
29	The Board of Directors shall define the company’s values and vision appropriately and, to ensure lawful, ethical, and responsible operations, approve a Code of Ethics, disclose it to the public, and oversee its implementation.	Fully implemented	The Code of Ethics has been approved by the Board of Directors.	2	100
30	The company shall have a whistleblowing mechanism for reporting any unlawful actions or ethical violations to the Board of Directors or its relevant committee.	Fully implemented	In accordance with the Code of Ethics approved by the Board of Directors, ethical violations of executive officials are subject to review by the relevant committee under the Board of Directors.	2	100
31	The Code of Ethics regulates matters such as maintaining integrity free from corruption and abuse of office, as well as	Fully implemented	The “Code of Ethics” approved by the Board of Directors includes a specific principle on maintaining integrity and	2	100

	the company's stance on supporting political activities and making or refraining from making political donations.		being free from corruption and bribery.		
SCORE				6	100
NINE. SHAREHOLDERS' RIGHTS					
The company and the Board of Directors shall respect shareholders' rights, treat them equally, and fully ensure their access to information and ability to exercise their rights.					
32	The company shall provide stakeholders with timely information on its operations, financial condition, governance structure and organization, and performance results through its website.	Fully implemented	The company ensures compliance with the "Information Transparency Policy" approved by the Board of Directors and discloses periodic and ad hoc information to stakeholders through the Mongolian Stock Exchange (MSE) and the company's website.	2	100
33	The company shall have an investor relations program and develop digital channels for communication and information exchange with investors.	Fully implemented	The company's website includes a dedicated section for investors, which also serves as a channel for receiving feedback and suggestions.	2	100
34	The company shall provide shareholders with the opportunity and conditions to exercise their legal rights, including participating in the shareholders' meeting, making proposals, voting, and accessing information.	Fully implemented	The Annual General Meeting of Shareholders is organized every year in accordance with the requirements set out in the Company Law and relevant rules and regulations. Meeting materials are distributed annually to shareholders through their securities companies in both printed and electronic formats. In addition, shareholders are provided with the opportunity to attend and vote in person at the company's premises, and are supplied with the necessary information.	2	100
35	The company shall pay particular attention to enabling shareholders to exercise their voting rights on matters related to the company's business direction and ownership structure.	Fully implemented	The Board of Directors has approved the "Policy Framework on Related Parties and Conflict of Interest Transactions." Information on conflict-of-interest transactions entered into by the company is disclosed in the semi-annual and annual activity reports and is also published on the Mongolian Stock Exchange (MSE) website, thereby ensuring transparency to shareholders and the public.	2	100
36	The company shall have procedures for related-party (conflict of interest) transactions to prevent conflicts between the interests of the company and its shareholders, and shall disclose their implementation to the public.	Fully implemented			
SCORE				10	100
TOTAL SCORE				72	100.0