



## **“MONOS FOODS” JOINT-STOCK COMPANY**

### **“CORPORATE GOVERNANCE CODE” IMPLEMENTATION REPORT**

**Ulaanbaatar city  
31 December 2024**



## One. EVALUATION PURPOSE AND PERCENTAGE

1.1. In accordance with Resolution No. 145 dated 23 March 2022 of the Financial Regulatory Commission, the "Corporate Governance Code" was revised and approved. Open joint-stock companies, insurers, non-bank financial institutions, and investment management companies are advised to comply with this code. Following this, the methodology for evaluating the "Corporate Governance Code" was approved in accordance with the Chief Executive Officer's Order No. A/58 of the Mongolian Stock Exchange dated 9 June 2022. In line with this methodology, the Board of Directors (BoD) of "Monos Foods" JSC has conducted and submitted an evaluation of the implementation of the "Corporate Governance Code."

### 1.2. Evaluation questionnaire structure:

- 1 Principle 1. Structure and organization of the BoD
- 2 Principle 2. Committees under the BoD and their functions
- 3 Principle 3. Transparency and disclosure of information
- 4 Principle 4. Audit and control systems
- 5 Principle 5. Risk management
- 6 Principle 6. Remuneration of authorized officials
- 7 Principle 7. Stakeholder rights and interests
- 8 Principle 8. Company culture
- 9 Principle 9. Shareholder rights

### 1.3. Evaluation scoring and overall assessment:

Each question is scored using the following points and the score is calculated as the following percentage:

- fully implemented or justified with explanations: 2 points,
- partially implemented, with timelines, actions, and goals explained: 1 point,
- not evaluated: 0 points.

Based on the overall assessment, the implementation of the "Corporate Governance Code" is assessed as follows:

- 90% or above out of the maximum attainable score: good governance, risk-free;
- 70%–89%: moderate governance, potential risk, recommendations required;
- 50%–69%: insufficient governance, risk, on-site and remote audits required;
- Below 49%: poor governance, high risk, regulatory actions required.

## Two. OVERALL EVALUATION RESULTS

As of 31 December 2024:

No	Principle	Maximum attainable score	Company evaluation /2024-12-31/	Percentage
1	Structure and organization of the BoD	12	12	100%
2	Committees under the BoD and their functions	10	10	100%
3	Transparency and disclosure of information	6	6	100%
4	Audit and control systems	6	6	100%
5	Risk management	8	7	87.5 %
6	Remuneration of authorized officials	6	6	100%
7	Stakeholder rights and interests	8	8	100%
8	Company culture	6	6	100%
9	Shareholder rights	10	10	100%
	<b>TOTAL</b>	<b>72</b>	<b>71</b>	
		<b>100%</b>	<b>98.6%</b>	

Based on the above evaluation, "Monos Foods" JSC's implementation of the "Corporate Governance Code" as of 31 December 2024 is 98.6%, falling under the category of good governance.



### Three. DETAILED EVALUATION REPORT /“MONOS FOODS” JSC/

2024.12.31

Ulaanbaatar city

Corporate governance evaluation questionnaire					
The implementation of the code is reported under the principle of "Comply or Explain". For each article of the code, the company explains whether it has been implemented, and if not, provides reasons, alternative structural and organizational measures, or timelines for compliance.					
ONE. STRUCTURE AND ORGANIZATION OF THE BOD					
The BoD shall be a visionary, creative, and effective structure that appropriately provides diverse skills, knowledge, experience, and independence.					
No	Article	Implementation	Explanation	Score	Percentage
1	<b>1.1. The company shall regulate the duties and responsibilities of the BoD Chairman, members, and secretary in accordance with the Operational Procedure of the BoD.</b>	Fully implemented. The regulations are reflected in the "Operational Procedure of the BoD". The procedure was approved in 2019 and has been amended 3 times (2021-05-17, 2023-05-10, 2024-11-22) to align with our activities.	The company's charter was approved by Resolution No. 03 of the regular meeting of shareholders dated 20 April 2024. The Operational Procedure of the BoD, approved by the BoD's Resolution No. 12/08 dated 26 August 2019, was amended in accordance with Principle 1.1 of the Corporate Governance Code (CGC) by the annex to the BoD's Resolution No. 06/05 dated 17 May 2021, Resolution No. 05/05 dated 10 May 2023, and Resolution No. 24/21 dated 22 November 2024. The procedure details the roles and responsibilities of the composition of the BoD and its committees, as well as independent members. Additionally, Article 2.2.15 of the procedure provides that the BoD members have the right to seek external professional advice and training and commission external audits to improve the company's financial and operational performance and the effectiveness of the BoD's activities. In such cases, the company bears the associated costs. <b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Operational Procedure of the BoD /№24/21 dated 2024-11-22/	2	100%
2	<b>1.2. The company shall have a nomination procedure and succession policy document covering the selection and appointment of the BoD members.</b>	The company's Charter and "Operational Procedure of the BoD" include provisions for BoD member selection. A "Succession Policy" was approved by an annex to the BoD Resolution No. 17/08 dated 31 August 2023.	During the annual general meeting of shareholders held on 20 April 2024, amendments were made to Article 7.15 of the company's charter, restructuring the committees under the BoD into four committees: 1) Audit and Risk Committee, 2) Nomination Committee, 3) Strategy and Business Development Committee, and 4) Remuneration Committee. Detailed regulations regarding the appointment and election of the BoD members were incorporated into the "Operational Procedure of the BoD", an annex to the resolution	2	100%



		<p>approved during the BoD meeting dated 29 November 2024, and its implementation is organized by an independent Nomination Committee under the BoD. Additionally, the selection and appointment of both independent and regular BoD members are conducted in compliance with the Company Law, the company's charter, and relevant rules and regulations in connection with the increase in the number of independent BoD members in the company's charter, making the total number of the BoD members 11. During the extraordinary BoD meeting held on 31 August 2023, the "Succession Policy" was discussed, approved, and is being implemented. This policy includes provisions for the succession of authorized officials.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№24/21 dated 2024-11-22/</li> <li>3. Succession Policy /№17/08 dated 2023-08-31/</li> </ol>			
3	<p><b>1.3. Information on each BoD member's experience, tenure, independence, shareholding, and meeting attendance shall be disclosed in the annual operational report and on the company's website.</b></p>	<p>Fully implemented. Detailed information on the BoD members is available to shareholders, investors, and other customers on the company's website.</p>	<p>Information on the BoD members' shareholdings, work experience, education, and independence is publicly available on the company's official website and the Mongolian Stock Exchange (MSE) website. Also, information on the BoD members is included in the company's quarterly report. Brief information on the BoD meetings and issues discussed at the meetings is openly reported on the company's website. At the end of the year, an independent report is obtained from each BoD member.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. BoD year-end meeting report-/<a href="https://monosfoods.mn/news/monos-h-nshuvcaat-kompanijn-t-l-l-n-udirdah-z-vl-lijn-celzhit-hural-bolloo/">https://monosfoods.mn/news/monos-h-nshuvcaat-kompanijn-t-l-l-n-udirdah-z-vl-lijn-celzhit-hural-bolloo/</a>,</li> <li>2. <a href="https://monosfoods.mn/investor#zuwlul">https://monosfoods.mn/investor#zuwlul</a></li> <li>3. <a href="https://mse.mn/mn/company/551">https://mse.mn/mn/company/551</a></li> <li>4. BoD and committee reports for 2024</li> <li>5. BoD members' report</li> </ol>	2	100%
4	<p><b>1.4. The company shall have a policy on the composition of the BoD and its committees, including requirements for education, expertise, experience, and gender balance.</b></p>	<p>Fully implemented. The company's charter and the Operational Procedure of the BoD outline the structure of committees, the ratio of members, and the requirements for the BoD members. The selection of the BoD members is</p>	<p>To protect the rights and interests of shareholders, amendments to the company's charter were discussed and approved during the annual general meeting of shareholders held on 20 April 2024. These amendments increased the number of independent BoD members to 5 and restructured the committees under the BoD into 4. The amendments were reviewed by the Financial Regulatory Commission (FRC) and registered with the Legal Entity Registration Office of the General Authority for State Registration, making them effective. To</p>	2	100%



	<p>conducted through an open announcement, setting requirements in accordance with these documents.</p>	<p>ensure the implementation of the charter, the Nomination Committee under the BoD convened to define the criteria for independent BoD members and publicly announced the selection for a one-month period. In response to the announcement, 28 individuals submitted their applications. Following this process, an open selection process was announced on 5 June 2024, for a period of one month. Out of the 28 applicants, the Nomination Committee shortlisted 13 candidates based on initial criteria, and during the extraordinary shareholders' meeting on 9 September 2024, five individuals were elected as independent BoD members. The Operational Procedure of the BoD includes provisions to ensure the independence of members and maintain gender balance, which are being adhered to. Currently, the BoD consists of 11 members, of whom 5 are male and 6 are female.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№24/21 dated 2024-11-22/</li> <li>3. Announcement for independent BoD members / <a href="https://monosfoods.mn/news/tuz-ijn-haraat-bus-gish-nij-songon-shalgaruulaltyn-zar/">https://monosfoods.mn/news/tuz-ijn-haraat-bus-gish-nij-songon-shalgaruulaltyn-zar/</a> /</li> <li>4. Minutes of the BoD meeting /№05 dated 2024-08-07/</li> <li>5. Minutes of the extraordinary meeting of shareholders /№04 dated 2024-09-09/</li> <li>6. Resolution of the BoD meeting /№15 dated 2024-09-18/</li> </ol>		
5	<p><b>1.5. New BoD members shall receive induction training and ongoing training shall be provided to enhance their skills, knowledge, and information necessary to perform their duties.</b></p>	<p>Fully implemented and operational.</p>	<p>The BoD of “Monos Foods” JSC has fully participated in corporate governance training and obtained certifications. The BoD is composed of members with extensive education and expertise in this field, many of whom also serve as the BoD chairs or members in other companies. The BoD is composed of knowledgeable members, including the regular BoD member Khurelbaatar L., who holds 70% of “Monos Foods” JSC's shares, is a Hero of Labor of Mongolia, holds a Ph.D. in science and a professor, a shareholder of Monos Group companies, and serves as the BoD Chairman, the independent BoD member Enkhjargal D., who chairs the Nomination Committee, has previously served as an independent BoD member for Bank of Mongolia and other joint-stock companies, the independent BoD member Zoljargal G., who chairs the Audit and Risk Committee, serves as a management in securities companies, the independent BoD member Ulaankhuu N.</p>	<p>2 100%</p>



		<p>serves as an independent member of the MSE and chairs the Audit Committee, the independent BoD member Sarandavaa M. provides consulting and training services to Mongolian joint-stock companies under EBRD-funded projects in the ESG field, and the regular BoD member Battogtokh Ch. is the director of the Bio-Medical Research Institute and an Associate Professor at the Mongolian National University of Medical Sciences.</p> <p>During the annual general meeting of shareholders held on 20 April 2024, Resolution No. 02 allocated MNT 2 million for training expenses in the 2024 BoD budget. The annual training plan for BoD members was approved, and collaboration with the Corporate Governance Development Center (CGDC) was planned to provide training for BoD members. However, due to changes in the BoD composition, the training schedule is being adjusted in coordination with training institutions.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li><a href="https://monosfoods.mn/investor#zuwlul">https://monosfoods.mn/investor#zuwlul</a></li> </ol> <p>Note: The company's website has a dedicated section for the BoD members, where detailed information is displayed upon clicking the "Details" button.</p> <ol style="list-style-type: none"> <li><a href="https://mse.mn/issuers/shiidber/551_2024-0420%2011:00hnh_togtool1550630716.pdf">https://mse.mn/issuers/shiidber/551_2024-0420%2011:00hnh_togtool1550630716.pdf</a></li> <li>Information on regular and independent BoD candidates.</li> </ol>			
6	<p><b>1.6. The secretary of the BoD shall be responsible for ensuring the BoD's effective operation through the Chairman of the BoD.</b></p>	<p>Fully implemented. Regulated by documents such as the company's charter, the BoD Operating Procedure, and the BoD meeting procedure.</p>	<p>Articles 7.20 to 7.23 of the company's charter and Article 13 of the Operational Procedure of the BoD include provisions on ethical standards to be adhered to.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>Company charter /№03 dated 2024-04-20/</li> <li>Operational Procedure of the BoD /№24/21 dated 2024-11-22/</li> <li>BoD meeting procedure /№05/07 dated 2019-07-20/</li> </ol>	2	100%
<b>SCORE</b>			12	100%	
<b>TWO. COMMITTEES UNDER THE BOD AND THEIR FUNCTIONS</b>					
<b>The BoD shall carry out its activities through its committees responsible for specific functions and shall bear ultimate responsibility.</b>					
7	<p><b>2.1. The majority of BoD members, including the Chairman, shall aim to be independent.</b></p>	<p>In accordance with the Company Law, one-third of the BoD members are independent, and two-thirds of the members of the committees under the BoD are</p>	<p>To comply with this criterion of the Corporate Governance Code, the BoD meeting on 16 February 2024, decided to include the issue of increasing the number of independent BoD members in the agenda of the annual general meeting of shareholders and to reflect this in the company's charter. This decision was formalized in Article 7.2 of the charter, approved as an annex to</p>	2	100%



		<p>independent, and the chairs of these committees are also appointed from among the independent members, ensuring that the active participation and opinions of independent members are prioritized in decision-making. This approach helps protect the rights and interests of minority shareholders. During the annual general meeting of shareholders held on 20 April 2024, amendments were made to the company's charter, increasing the number of independent BoD members by 2, bringing the total to 5.</p>	<p>Resolution No. 03 of the annual general meeting of shareholders held on 20 April 2024. The article stipulates that the BoD will consist of 11 members, including 5 independent members. To implement this provision, an extraordinary shareholders' meeting was convened on 9 September 2024, where the BoD members were re-elected using the cumulative voting method. The company publicly announced the independent BoD members and selected them through discussions at the shareholders' meeting. One regular member represents minority shareholders, and four members are non-conflicted independent members. To ensure that decisions are guided by the opinions and decisions of independent members, issues are first discussed by the committees under the BoD, which are predominantly composed of independent members. The chairs of these committees are also selected from among the independent members. For example, the Audit and Risk Committee is chaired by independent member Zoljargal G. (the committee has 5 members, 3 of whom are independent), the Nomination Committee is chaired by independent member Enkhjargal D. (the committee has 3 members, 2 of whom are independent), and the Strategy and Business Development Committee is chaired by independent member Gerelt-Od D. (the committee has 5 members, 3 of whom are independent).</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Resolution of the BoD meeting /№15 dated 2024-09-18/</li> </ol>		
8	<p><b>2.2. The audit committee under the BoD shall have an operational procedure and audit policy documents. The chairman of the audit committee shall not be the Chairman of the BoD. The company's executive management and employees shall attend the audit committee meetings only at the request of the committee.</b></p>	<p>Fully implemented. The committee's activities are regulated in the Operational Procedure of the BoD, and the newly approved company charter includes additional responsibilities related to risk management for the Audit Committee, which has been renamed the Audit and Risk Committee (ARC). The number of committee members has</p>	<p>The Audit and Risk Committee under the BoD employs an internal auditor to provide independent oversight of the executive management's activities. The committee operates under the "Internal Audit Charter" and approves an annual internal audit plan. Zoljargal G, an independent member of the BoD, was elected as the chairman of the committee. In 2023, the committee held 9 meetings, and in 2024, it held 5 meetings, overseeing the executive management and the company's daily operations. When the committee meetings are held with a broader composition, the relevant authorized officials of the company and officials are invited to participate.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№24/21 dated 2024-11-22/</li> </ol>	2	100%



		<p>increased to 5 members, 3 of whom are independent, and the committee chair is an independent member.</p>	<p>3. Internal Audit Charter /№04/05 dated 2021-05-17/                  4. <a href="https://monosfoods.mn/news/dotood-audityn-jlchilgee-z-leh-sanal-avah-tender/">https://monosfoods.mn/news/dotood-audityn-jlchilgee-z-leh-sanal-avah-tender/</a>,                  5. Moore Audit LLC's contracted internal audit report on 2022 procurement activities                  6. Monos Group LLC's internal audit department's report</p>		
<p>9</p>	<p><b>2.3. The remuneration committee under the BoD shall have remuneration procedure and policy documents. The chairman of the remuneration committee shall not be the Chairman of the BoD and shall be an independent member. The company's executive management shall attend the remuneration committee meetings only at the request of the committee.</b></p>	<p>The changes to the committee structure were incorporated into the company's charter and approved during the first meeting of the newly composed BoD on 18 September 2024. During this meeting, the chairs and members of the committees under the BoD were selected and approved. The activities of the committees are regulated by the Operational Procedure of the BoD and the committees' independent procedures.</p>	<p>In line with recommendations from the FRC on the previous company's evaluation and compliance with the Company Law, the Remuneration Committee was separated from the Nomination Committee, and such change was reflected in the amendments to the company's charter. During the BoD meeting on 18 September 2024 (the first meeting of the new composition), four committees were established, the Remuneration Committee and Nomination Committee were separated into independent committees, and the chairs and members of these committees were selected. Anand Kh. was elected as the chairman of the committee along with two independent members. The committee is responsible for approving policies related to the remuneration of the authorized officials, monitoring their implementation, evaluating the CEO's performance monthly, defining the objectives of the company's incentive system, assessing outcomes, and setting the upper limits for the remuneration of the authorized officials.</p> <p><b>Supporting documents:</b></p> <p>1. Company charter /№03 dated 2024-04-20/                  2. Operational Procedure of the BoD /№21 dated 2024-11-22/                  3. Resolution of the BoD meeting /№15 dated 2024-09-18/</p>	<p>2</p>	<p>100%</p>
<p>10</p>	<p><b>2.4. The nomination committee under the BoD shall have an operational procedure and succession policy documents. The chairman of the nomination committee shall not be the Chairman of the BoD and shall be an independent member.</b></p>	<p>The changes to the committee structure were incorporated into the company's charter and approved. The committee's activities are regulated in the Operational Procedure of the BoD, and the committee consists of 3 members, 2 of whom are independent. The committee is chaired by independent</p>	<p>In line with recommendations from the FRC on the previous company's evaluation and compliance with the Company Law, the Remuneration Committee was separated from the Nomination Committee, and such change was reflected in the amendments to the company's charter. During the extraordinary shareholders' meeting on 9 September 2024, the selection of BoD members was discussed, and a total of 11 members were elected, including 6 regular and 5 independent members. The 6 regular members were re-elected, while 5 new independent members were selected. The Nomination Committee under the BoD is responsible for overseeing the selection, evaluation, rotation, and termination of BoD members. The committee, chaired by</p>	<p>2</p>	<p>100%</p>





		member Enkhjargal D.	independent member Enkhjargal D., has developed and approved a work plan for 2024–2027, which includes tasks such as enhancing the capabilities of BoD members, ensuring independence in remuneration, increasing active participation, and conducting evaluations. <b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Operational Procedure of the BoD /№21 dated 2024-11-22/ 3. Succession Policy /dated 2023-08-31/ 4. Resolution of the BoD meeting /№15 dated 2024-09-18/		
11	<b>2.5. The BoD may establish other standing or ad-hoc committees as needed. All committees under the BoD shall have operational procedures, instructions, and members with the necessary knowledge, skills, and experience to perform their duties.</b>	Fully implemented and operational. The roles and responsibilities of the Strategy and Business Development Committee are outlined in the company's charter and the Operational Procedure of the BoD. The committee is responsible for providing recommendations and decisions on strategic planning, equity-related policies, and projects.	Under the BoD, the Strategy and Business Development Committee consists of 5 members, chaired by independent BoD member Gerelt-Od D. This committee reviews and approves the company's long-term and short-term strategies, financial budgets for upcoming years, business plans, and operational plans. The roles and responsibilities of all committees are defined in the company's charter and Operational Procedure of the BoD. The majority of committee members (3 out of 5) are independent. <b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Operational Procedure of the BoD /№21 dated 2024-11-22/ 3. Resolution of the BoD meeting /№15 dated 2024-09-18/	2	100%
<b>SCORE</b>				10	100%
<b>THREE. REPORTING AND TRANSPARENCY OF INFORMATION</b>					
<b>The BoD shall ensure the accuracy, completeness, and balance of financial and non-financial reporting and information disclosure.</b>					
12	<b>3.1. The BoD shall approve and monitor the implementation of the company's information transparency and reporting procedures.</b>	Fully implemented. The "Information Operations Procedure" was incorporated into the company's corporate governance program and approved during the regular meeting of the third quarter of 2023.	In accordance with the Company Law, the Securities Market Law, and regulations issued by relevant authorities, the company regularly and transparently reports governance, operational, and financial information within the specified timelines. Financial reports, operational reports, and environmental, social, and governance reports are consistently published on the MSE and company's websites. Physical copies of reports are also submitted to regulatory authorities for review within the reporting period. Additionally, the company adheres to the "Procedure for Information Disclosure from Securities Issuers to the Public" approved by the BoD of the MSE on	2	100%



		<p>4 October 2024, ensuring timely disclosure of periodic and public information. The "Information Operations Procedure" approved by annex to BoD Resolution No. 17/08 on 31 August 2023, is being revised to align with the MSE's regulations, and the amendments are being prepared for discussion.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li><a href="https://mse.mn/mn/company/551/">https://mse.mn/mn/company/551/</a></li> <li><a href="https://monosfoods.mn/investor#sanhuugijn-medeelel/">https://monosfoods.mn/investor#sanhuugijn-medeelel/</a></li> <li><a href="https://monosfoods.mn/investor#tailan/">https://monosfoods.mn/investor#tailan/</a></li> <li>Information Operations Procedure /№08 dated 2023-08-31/</li> </ol>			
13	<p><b>3.2. The BoD shall disclose governance documents, rules, regulations, and instructions specified in this code to the public through its website.</b></p>	<p>Fully implemented. The company disseminates governance documents, charter and procedures to the public through its official website.</p>	<p>The company's quarterly reports have been regularly published in the "News and Information" section of its website. Additionally, a new section titled "For Shareholders" has been created to provide shareholders and investors with access to operational reports, financial reports, governance documents, the implementation report of the Corporate Governance Code, charter and procedures, major and conflict-of-interest transactions, BoD resolutions, and announcements. This section is regularly updated with the latest information. Furthermore, to ensure timely communication of BoD decisions and discussed matters to shareholders and investors, the BoD meeting minutes are published on the same day the meeting is held, establishing a consistent practice.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li><a href="https://monosfoods.mn/investor#tailan">https://monosfoods.mn/investor#tailan</a></li> <li><a href="https://monosfoods.mn/investor#sanhuugijn-medeelel">https://monosfoods.mn/investor#sanhuugijn-medeelel</a></li> <li><a href="https://monosfoods.mn/news/monos-h-nshk-ijn-2025-ony-biznes-t-l-vl-g-g-tuz-ijn-eelzhit-hurlaar-helele-len-batallaa">https://monosfoods.mn/news/monos-h-nshk-ijn-2025-ony-biznes-t-l-vl-g-g-tuz-ijn-eelzhit-hurlaar-helele-len-batallaa</a></li> <li><a href="https://monosfoods.mn/investor-blog">https://monosfoods.mn/investor-blog</a></li> </ol>	2	100%
14	<p><b>3.3. Financial and non-financial reports shall be balanced, clear, and accurate. Non-financial reports shall include information assessing the factors and risks that may impact the company's sustainable operations in the environmental, social, and</b></p>	<p>The company's quarterly operational, financial, environmental, social, and governance reports are regularly published on the MSE website, the company's official website, and other information channels, establishing a consistent practice of</p>	<p>Financial reports are regularly disclosed to shareholders and investors in a clear and legally compliant format. Annual and quarterly plans, along with their execution and both positive and negative outcomes, are discussed and approved by the BoD before being regularly disclosed to the public within the specified timelines.</p> <p>"Monos Foods" JSC conducted a detailed baseline assessment of its environmental, social, and governance (ESG) performance, evaluating a total of 225 criteria. Of these, 153 criteria were fully met, 24 were partially met, and 48 were not met, resulting in an overall ESG performance score of 68%. A summary of this assessment has been</p>	2	100%



	<p><i>economic context, and whether the company's operational goals and objectives have been achieved.</i>  <a href="https://monosfoods.mn/investor-blog">https://monosfoods.mn/investor-blog</a></p>	<p>disseminating updates and information.</p>	<p>published on the company's website. Additionally, reports on operational activities and social responsibility initiatives are regularly shared on the company's website, pages, and Facebook group.  <b>Supporting documents:</b>                  1. Financial report / <a href="https://monosfoods.mn/investor#sanhuugiin-medeelel/">https://monosfoods.mn/investor#sanhuugiin-medeelel/</a>                  2. ESG report / <a href="https://monosfoods.mn/investor#tailan/">https://monosfoods.mn/investor#tailan/</a>                  3. Operational report <a href="https://monosfoods.mn/investor#tailan">https://monosfoods.mn/investor#tailan</a>                  4. <a href="https://monosfoods.mn/news/henegtej-mongol-er-h-n-t-s-l-social-impact-2024-arga-hemzheend-urilgaar-orolcozh-turshlagaasaa-huvaalclaa">https://monosfoods.mn/news/henegtej-mongol-er-h-n-t-s-l-social-impact-2024-arga-hemzheend-urilgaar-orolcozh-turshlagaasaa-huvaalclaa</a>                  5. <a href="https://monosfoods.mn/news/monos-hns-hk-b-teegdeh-nee-kirgiz-ulsad-alban-yosoor-hudaldaalzh-ehellec">https://monosfoods.mn/news/monos-hns-hk-b-teegdeh-nee-kirgiz-ulsad-alban-yosoor-hudaldaalzh-ehellec</a>                  6. <a href="https://monosfoods.mn/news/huvcaa-ezemshigchdijn-eelzhit-bus-hurlyn-medeelel">https://monosfoods.mn/news/huvcaa-ezemshigchdijn-eelzhit-bus-hurlyn-medeelel</a>                  7. <a href="https://monosfoods.mn/news/monos-hns-hk-shine-b-reldeh-ntejgeer-tuz-ijn-anhdugaar-hurlaa-hijlee">https://monosfoods.mn/news/monos-hns-hk-shine-b-reldeh-ntejgeer-tuz-ijn-anhdugaar-hurlaa-hijlee</a>                  8. <a href="https://monosfoods.mn/news/monos-hns-hk-ijn-2025-ony-biznes-t-l-v-l-g-g-tuz-ijn-eelzhit-hurlaar-helelc-len-batallaa">https://monosfoods.mn/news/monos-hns-hk-ijn-2025-ony-biznes-t-l-v-l-g-g-tuz-ijn-eelzhit-hurlaar-helelc-len-batallaa</a>                  9. <a href="https://monosfoods.mn/news/monos-hns-hk-ijn-chanaryn-hyanaltyn-laboratori-olon-ulsyn-itgemzhlel-h-rtlee">https://monosfoods.mn/news/monos-hns-hk-ijn-chanaryn-hyanaltyn-laboratori-olon-ulsyn-itgemzhlel-h-rtlee</a>                  10. <a href="https://monosfoods.mn/news/mongol-ulsyn-h-nsnij-manlaj-jldver-eer-monos-hns-hk-shalgarlaa">https://monosfoods.mn/news/mongol-ulsyn-h-nsnij-manlaj-jldver-eer-monos-hns-hk-shalgarlaa</a>                  11. <a href="https://monosfoods.mn/news/monos-hns-hk-anh-udaa-mfc-tour-arga-hemzheeg-zohion-bajguullaa">https://monosfoods.mn/news/monos-hns-hk-anh-udaa-mfc-tour-arga-hemzheeg-zohion-bajguullaa</a></p>		
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SCORE 6 100%

**FOUR. AUDIT AND CONTROL SYSTEMS**

**The BoD shall ensure the independence and effectiveness of audit and control systems.**

<p>15</p>	<p><i>4.1. The BoD shall include in the operational procedure of the audit committee the provision for engaging with the external auditor and ensuring the auditor the necessary conditions to perform its duties as prescribed by the law, and monitor</i></p>	<p>Fully implemented. The company's charter and the Operational Procedure of the BoD include provisions for this. Annually, the Audit and Risk Committee selects an external auditing firm to conduct the financial audit, and the selection is discussed and approved by the</p>	<p>Article 7.16 of the company's charter outlines the rights and responsibilities of the Audit and Risk Committee, including selecting external auditors, providing guidance for their work, and defining contract terms. The Audit and Risk Committee is responsible for selecting external auditors annually, guiding the audit process for the year-end financial statements, collaborating with auditors, reviewing their findings, presenting the final audit report at the annual general meeting of shareholders, and reporting to the BoD. During the extraordinary BoD meeting on 24 September 2024, the selection of an external auditing firm to oversee the 2024 financial statements</p>	<p>2</p>	<p>100%</p>
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	<i>the implementation of the procedure</i>	BoD. In 2023, operational audits were conducted by "Moore Audit" LLC, asset valuations by "Evidence Audit" LLC, and financial audits by "BDO Audit" LLC. In 2024, "Onch Audit" LLC was selected to conduct the financial audit.	and the discussion of contract terms were addressed, resulting in the selection of "Onch Audit" LLC. <b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Operational Procedure of the BoD /№21 dated 2024-11-22/ 3. Resolution of the BoD meeting /№19 dated 2023-11-13/ (selecting an external audit firm - ) 4. Resolution of the BoD meeting /№02 dated 2024-04-12/ (approval of the conclusion of BDO audit company) 5. Resolution of the BoD meeting /№18 dated 2024-09-18/ (selecting an external audit firm)		
16	<b>4.2. External auditors shall attend the annual general meetings of shareholders and provide information to shareholders on audit-related matters.</b>	Fully implemented and established as a standard practice.	Since "Monos Foods" JSC transitioned to an open joint-stock company in 2019, the company has held an annual general meeting of shareholders within the timelines specified in the Company Law. During these meetings, the executive management and the auditor who performed inspections from "BDO Audit" LLC, which conducted the external audit, have been invited to present their reports directly, establishing a consistent practice.  During the annual general meeting of shareholders held on 20 April 2024, the external auditing firm's presentation was included in the agenda. Bayartsogzol L., a partner at "BDO Audit" LLC, which audited the company's 2023 financial statements, presented the report and responded to shareholders' questions. <b>Supporting documents:</b> 1. <a href="https://www.facebook.com/photo/?fbid=824314343067828&amp;set=pcb.824315403067722">https://www.facebook.com/photo/?fbid=824314343067828&amp;set=pcb.824315403067722</a> 2. Official letter regarding submitting materials for the annual general meeting of shareholders to the FRC and attached meeting materials /№208 dated 2024-04-24/	2	100%
17	<b>4.3. Information on the internal audit system and its structure, organization, functions, and any changes to them shall be disclosed to the public promptly through the company's operational report and website.</b>	The Audit and Risk Committee under the BoD approved the position and salary of an internal auditor responsible for overseeing the company's financial statements and operational activities by Resolution No. 25/11 dated 12 November 2020, and the "Internal Audit	Although the structure for an internal auditor under the Audit and Risk Committee has been approved, the position is currently vacant. The company has publicly announced the job opening and is conducting interviews with candidates. During this period, the Audit and Risk Committee has initiated a tender process to engage licensed audit firms for operational audits. "Moore Audit" LLC was selected, and a contract was signed to audit the procurement cycle. The finance, procurement, and other relevant departments and employees responsible for procurement are improving their	2	100%



	<p>Charter" was approved by Resolution No. 04/05 dated 17 May 2021. Additionally, in April 2023, the company engaged "Moore Audit" LLC to conduct an external audit of its procurement activities, leading to recommendations and improvements in this area.</p>	<p>documentation, procedures, and process mappings. As part of these enhancements, the "Procurement Procedure" is being revised and improved, along with certain process mappings and record-keeping documents.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. BoD Resolution on internal auditor's salary /№25/11 dated 2020-11-12/</li> <li>2. Internal Audit Charter /№04/05 dated 2021-05-17/</li> <li>3. <a href="https://monosfoods.mn/news/dotood-audityn-jlchilgee-z-leh-sanal-avah-tender">https://monosfoods.mn/news/dotood-audityn-jlchilgee-z-leh-sanal-avah-tender</a>,</li> <li>4. Attached from "Moore Audit" LLC's contracted internal audit report on "Monos Foods" JSC's 2022 procurement activities.</li> </ol>			
SCORE			6	100%	
<b>FIVE. RISK MANAGEMENT</b>					
<b>The BoD shall organize risk management and compliance control appropriately and independently and regularly monitor their effectiveness.</b>					
18	<p><b>5.1. The company shall have a risk management guideline and structure. The BoD shall monitor the effectiveness and independence of risk management operations.</b></p>	<p>The company has integrated risk management activities into the responsibilities of the Audit Committee under the BoD. This change was reflected in the amendments to the company's charter approved during the annual general meeting of shareholders held on 20 April 2024. Additionally, the company has a "Risk Management Procedure" that outlines the detailed processes for identifying, assessing, and categorizing risks, the involvement of company departments, determining potential losses and consequences caused by the risk, methods for mitigating and eliminating risk levels, and the roles and responsibilities of stakeholders. A "Risk Management</p>	<p>Articles 7.15 to 7.19 of the charter, approved by Resolution No. 03 of the annual general meeting of shareholders held on 20 April 2024, include additional amendments to the structure, rights, and responsibilities of the committees under the BoD, designating the Audit and Risk Committee. Furthermore, Articles 7.16.6 to 7.16.9 were added to regulate risk management activities. The Risk Management Team, operating under the CEO's leadership, reports its activities in a report that is discussed at the regular BoD meetings. The company organizes two "Retreat" events annually to identify and assess potential internal and external risks and their potential negative impacts. By identifying and evaluating these risks, the company develops measures to avoid risks and respond effectively if they materialize. In 2024, the company identified existing and potential risks and held two "Retreat" events: one on 25 June 2024 under the theme "For a Better Earth" focusing on environmental, social, and governance (ESG) issues, and another from 22 October 2024 to 23 October 2024 under the theme "Highway" discussing the company's 2025–2027 strategy and future plans. The company plans to hold these events twice a year as a regular practice.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Risk Management Procedure /CEO's Order №20 dated 2021.09.15/</li> </ol>	2	100%



		Team" operates to identify, assess, and develop plans and programs for potential risks to the company.	3. Regarding the appointment of the risk management team /CEO's Order №A44 dated 2024-12-05/		
19	<b>5.2. The BoD shall aim to establish a risk management committee with at least 3 members, where the chairman and majority of members being independent. The committee's operational procedure, structure, and composition shall be disclosed to the public through the annual operational report and website, and regular reports shall be made on the attendance, issues discussed, and frequency of committee meetings.</b>	During the 2024 annual general meeting of shareholders, the company's charter was revised and approved, integrating risk management responsibilities into the Audit Committee and clearly defining its full authority in the charter.	Article 7.15 of the charter, approved by Resolution No. 03 of the annual general meeting of shareholders held on 20 April 2024, established four committees under the BoD, assigning risk management activities to the Audit and Risk Committee. During the BoD meeting on 18 September 2024, Resolution No. 15 appointed the Audit and Risk Committee with 5 members, chaired by independent member Zoljargal G. The Audit and Risk Committee is developing its charter to regulate its internal operations, with the draft to be discussed during the BoD's regular meeting in February 2025. The committee has issued its 2024 activity report within the framework of its functions. <b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Resolution of the BoD meeting /№15 dated 2024-09-18/ 3. 2024 activity report of the BoD and its committees	2	50%
20	<b>5.3. Any environmental, social, health, and safety risks in the company's operations shall be assessed and disclosed to the public, and explain how those risks are managed.</b>	Fully implemented and operational. The company has adopted ISO 9001:2015, ISO 14001:2015, and FSSC 22000 standards, and their implementation has been successfully audited by the external auditing firm SGS, resulting in certification. 	We have implemented three standards in our operations: FSSC 22000 for comprehensive food safety management, ISO 9001:2015 for quality management, and ISO 14001:2015 for environmental management. These standards were successfully audited by an external certification body, and we have obtained the relevant certifications. The external certification audit was conducted in two phases by 5 auditors from SGS's branch in China in 2024. The company successfully met the internationally recognized standards and was awarded the certifications. The next certification audit is scheduled for 2025. The company organizes various public-oriented initiatives, collaborates with other organizations and companies, and conducts training, consultations, and events to provide knowledge to citizens. We continue to work with healthcare institutions such as hospitals and clinics to positively impact society. One of the major initiatives launched in 2023 is the "Healthy Mongolian Men" project, which addresses men's health issues and raises awareness in society. During the "Social Impact 2024" event, we shared our	2	100%







			<p>experiences and presented the project's outcomes to over 100 industry professionals. The project successfully challenged and changed traditional perceptions about men's health, reaching over 22 million people and encouraging men to pay more attention to their health. In 2024, under the theme "Precious Life for Your Health - 2024," we organized nursing festivals, events, and awareness campaigns, involving around 500 caregivers and citizens, and introduced our factory products. Additionally, through our Facebook page with approximately 123,000 followers, we regularly share "MFC ADVICE" videos featuring medical advice. We also produce "Employee Branding" and "MFC Family" video content. Since 2019, we have been promoting the practice of donating used canes to reduce waste in nature and encourage sharing useful items with others. This initiative began with the "Monos Care" campaign at the National Trauma and Orthopedic Research Center and continues with the "Cane Donation Point" established in collaboration with the "Mungun Guur" Hospital. These activities are regularly reported to the public and shareholders.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. ESG report <a href="https://monosfoods.mn/investor#tailan/">/https://monosfoods.mn/investor#tailan/</a></li> <li>2. <a href="https://monosfoods.mn/news/monos-hk-hk-ijn-jl-azhillagaa-olon-ulsad-dahin-leen-z-vsh-r-gdlu">https://monosfoods.mn/news/monos-hk-hk-ijn-jl-azhillagaa-olon-ulsad-dahin-leen-z-vsh-r-gdlu</a></li> <li>3. <a href="https://monosfoods.mn/news">https://monosfoods.mn/news</a></li> </ol>		
21	<p>5.4. The company shall have a compliance monitoring guideline and structure. The BoD shall monitor the effectiveness and independence of compliance monitoring implementation.</p>	<p>Partially implemented, with plans for further improvements.</p>	<p>The BoD oversees the company's compliance controls through the activities of the internal auditor, operating under the leadership of the Audit and Risk Committee. To further strengthen compliance controls, the Nomination Committee under the BoD is planning to establish a dedicated compliance officer position and unit, which will involve restructuring the company's organizational framework.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№21 dated 2024-11-22/</li> <li>3. Internal Audit Charter /№05 dated 2021-05-17/</li> </ol>	1	50%
SCORE				7	88%
<p><b>SIX. REMUNERATION OF AUTHORIZED OFFICIALS</b>                  The amount of remuneration of authorized officials shall be fair, transparent, and aligned with the company's vision and characteristics.</p>					



22	<p><b>6.1. The amount, form, and frequency of remuneration of the BoD members shall be openly discussed and approved at the shareholders' meeting.</b></p>	<p>Fully implemented and operational. During the annual general meeting of shareholders held on 20 April 2024, the company's charter was amended to include detailed explanations of the amounts and forms of the remuneration of authorized officials. The budget and the previous year's performance were also presented, and the budget was approved, establishing a consistent practice.</p>	<p>At each annual general meeting of shareholders, the BoD's budget for the upcoming year is presented, and the remuneration paid to the BoD members in the previous year is disclosed to the attending shareholders. The budget is approved by a majority vote of the shareholders present at the meeting. The BoD members receive their remuneration quarterly, based on their participation in regular and extraordinary meetings. The approved BoD budget, along with the resolution, is published on the MSE's open website. During the annual general meeting of shareholders held on 20 April 2024, the independent BoD member and Chair of the Audit Committee, Lkhagvasuren O., presented a detailed table outlining the 2024 BoD budget, including the frequency and forms of remuneration.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Materials from the annual general meeting of shareholders /dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№21 dated 2024-11-22/</li> <li>3. <a href="https://www.facebook.com/MonosFoods/videos/2787430134743117">https://www.facebook.com/MonosFoods/videos/2787430134743117</a></li> </ol>	2	100%
23	<p><b>6.2. The company shall include in the remuneration policy document the job components and performance evaluation criteria that serve as the basis for determining remuneration amounts.</b></p>	<p>Implemented and operational.</p>	<p>This information is disclosed openly and is specifically reflected in Article 7.17 of the company's charter and Article 9 of the Operational Procedure of the BoD. The criteria and basis for determining the remuneration of the company's authorized officials have been revised and incorporated into the company's "Remuneration Procedure".</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>1. Company charter /№03 dated 2024-04-20/</li> <li>2. Operational Procedure of the BoD /№21 dated 2024-11-22/</li> </ol>	2	100%
24	<p><b>6.3. The company's annual operational report shall include the performance criteria for the base salary, bonuses, and other incentives of the executive management.</b></p>	<p>Implemented and operational.</p>	<p>This is specifically reflected in the budget for the upcoming year and the annual report. Additionally, the monthly remunerations are approved by the Chairman of the BoD in alignment with the company's performance against its plan. The performance of the CEO is evaluated annually based on the company's operations and profit indicators. The decision to extend the contract is discussed in advance by the Nomination Committee and the Remuneration Committee under the BoD, and the contract is renewed accordingly. On 16 February 2024, Resolution No. 29/02 of the BoD's meeting was issued to extend the CEO's contract and evaluate their performance.</p> <p><b>Supporting documents:</b></p>	2	100%



			1. BoD Resolution /№29/02 2024-02-19/ 2. Procedure for evaluating the performance of the CEO		
<b>SCORE</b>				6	100%
<b>SEVEN. STAKEHOLDER RIGHTS AND INTERESTS</b>					
<b>The rights and interests of stakeholders involved in the company's operations shall be respected.</b>					
25	<i>7.1. The company shall have a policy document on stakeholder engagement and collaboration approved by the BoD. The BoD and executive management shall foster an organizational culture that respects the interests of stakeholders and cooperates with them.</i>	Implemented and operational, with plans for continuous improvement aligned with processes and operations.	To ensure the company's sustainable growth and create medium- and long-term value, the company focuses on safeguarding the rights and interests of key stakeholders, including over 14,000 shareholders, investors, approximately 270 employees, more than 200 suppliers, and over 8,000 customers. The company is committed to accurately identifying their interests, needs, and demands while working closely with them. The company adheres to the "Procedure for Complaint Handling" and is making additional improvements to this procedure and the "Procurement Procedure" to enhance stakeholder engagement and collaboration. <b>Supporting documents:</b> 1. Procedure for Complaint Handling /CEO's Order №169 dated 2018-11-30/ 2. Procurement Procedure /CEO's Order №A/39 dated 2023-12-28/	2	100%
26	<i>7.2. The company's annual operational report shall include a description of the main issues it focuses on, what strategies it has adopted, and how it has been implemented in the stakeholder collaboration.</i>	Implemented and operational.  VHQT ZVHNK   DPXOM ZOPVUUTO 	Based on the prospectus presented to the public when the company first became an open joint-stock company, it has been providing stakeholders with information and exploring collaborative opportunities, adhering to its short- and long-term strategies. On 5 October 2023, during the "Retreat" event, representatives of "Monos Foods" JSC employees revised and approved the company's values, culture, and vision in 2024 to align with current times, incorporating stakeholder interests into the company's "Values" and "Mission", thereby confirming that this is one of the company's key focus areas. The Company traditionally organizes the "Retreat" event twice a year. The event, themed "Highway," was held from 22 October 2024 to 23 October 2024, with the participation of 46 employees, including managers at the C-level and above, as well as department representatives. During the event, the company's 2025–2027 strategy and future plans were discussed, and initial short- and long-term strategic goals were formulated. These were reviewed and approved by the Strategy and Business Development Committee and the BoD. <b>Supporting documents:</b> 1. <a href="https://monosfoods.mn/business">https://monosfoods.mn/business</a> 2. <a href="https://www.facebook.com/groups/1711166335787657/search/?q=retreat">https://www.facebook.com/groups/1711166335787657/search/?q=retreat</a>	2	100%



27	7.3. The company shall effectively operate its website to collaborate, exchange information, and communicate with stakeholders.	Fully implemented, with plans for further improvements.	The company ensures timely communication of its activities and regularly provides stakeholders with updates. Additionally, the company has established a Facebook group for shareholders, where regular posts are shared to provide information on new and repackaged products, financial reports, governance activities, production processes, corporate developments, investments, and changes in stock prices. The company collaborates with professional organizations to share information, conduct live broadcasts, and provide video content to keep stakeholders informed. The company also actively engages with stakeholders by responding to comments and feedback, utilizing social media as a fast and effective communication channel. <b>Supporting documents:</b> 1. Company website <a href="https://monosfoods.mn/">/https://monosfoods.mn/</a> 2. Company Facebook page <a href="https://www.facebook.com/MonosFoods">/https://www.facebook.com/MonosFoods</a> 3. MSE website <a href="https://mse.mn/mn/company/551/">/https://mse.mn/mn/company/551/</a>	2	100%
28	7.4. The company shall have an internal procedure for handling employee suggestions, requests, and complaints, as well as an internal procedure and work plan for resolving social issues and professional development.	Fully implemented, with plans for further improvements.	The company operates in collaboration with employees, consumers, suppliers, authorized organizations, shareholders, investors, media, government and non-governmental organizations, and other business entities in accordance with the currently effective procedures, such as the "Internal Labor Regulation", "Public Relations Procedure", and "Procedure for Handling Complaints". <b>Supporting documents:</b> 1. Internal Labor Regulation /CEO's Order of 2021/ 2. Procedure for Handling Complaints /CEO's Order №169 dated 2018-11-30/	2	100%
<b>SCORE</b>				8	100%
<b>EIGHT. COMPANY CULTURE</b>					
<b>The BoD members shall establish high standards of business ethics within the company, and set a model for the executive management and employees to follow.</b>					
29	8.1. The BoD shall approve, publicly disclose, and monitor a code of ethics in order to properly define the company's values and vision and conduct legal, ethical, and responsible operations.	Partially implemented, with plans for further improvements.	Article 13 of the Operational Procedure of the BoD outlines the ethical standards to be upheld by the Chairman, members, and the secretary. The company is working to revise and improve the "Code of Ethics", which details the ethical principles and standards to be followed by all employees. The Nomination Committee under the BoD has drafted a "Whistleblowing Procedure" and is currently gathering feedback and discussing it with members. The procedure is scheduled to be approved at the BoD's regular meeting in February 2025. <b>Supporting documents:</b>	2	100%



			1. Employee Code of Ethics 2. Whistleblowing Procedure		
30	<b>8.2. The company shall have a whistleblower system in place to report any illegal actions or ethical violations to the BoD or its relevant committees.</b>	The company adheres to the "Code of Ethics" and the "Procedure for Managing Conflict of Interest" and has established a practice of conducting annual surveys, such as the "Culture Survey" and "Engagement Survey," through an external research organization. These surveys evaluate leadership and management and include questions for all employees.	In 2023, a company-wide survey was conducted by "Axiom Inc" LLC, a research firm. The survey involved 226 employees of "Monos Foods" JSC, with 117 employees completing it online and 57 on paper. The survey included questions on leadership, the management team, direct supervision, organizational structure, culture, and ethics, as well as topics related to working conditions, remuneration, decision-making, and employee satisfaction. The results were used to refine the company's whistleblowing system. Based on the survey findings, the management team and the BoD plan future activities and decision-making processes. In 2024, the survey was expanded to include 1,508 employees from 13 companies within the Monos Group and its affiliates. Titled the "Engagement Survey", it consisted of 77 questions and was conducted in May, with a consolidated report presented afterward. <b>Supporting documents:</b> 1. Employee engagement survey 2. Whistleblowing Procedure	2	100%
31	<b>8.3. The code of ethics shall regulate the prohibition of bribery, corruption, and involvement in political activities, including supporting (or not supporting) political activities and making (or refraining from making) political donations.</b>	The "Procedure for Managing Conflict of Interest" was discussed and approved by an annex to Resolution No. 06/05 of the regular meeting of the BoD dated 10 May 2023.	The procedure was adopted to prevent conflict of interest among decision-making-level officials and to protect the rights and interests of the company's shareholders. A unified declaration of interest form for authorized officials of the company was approved by an annex to the procedure, and has been filled by authorized officials. The procedure also regulates when, to whom, and in what manner such declarations should be submitted by authorized officials of the company. <b>Supporting documents:</b> 1. Procedure for Managing Conflict of Interest /BoD Resolution №06/05 dated 2023-05-10/	2	100%
<b>SCORE</b>				6	100%
<b>NINE. SHAREHOLDER RIGHTS</b>					
<b>The company and the BoD shall treat shareholders equally, respecting shareholder rights, and provide them with full access to information and the opportunity to exercise their rights.</b>					
32	<b>9.1. The company shall provide stakeholders with information on its operations, financial state, governance structure, organization, and performance</b>	Fully implemented and established as a standard practice.	"Monos Foods" JSC has created a dedicated "For Shareholders" section for shareholders on its website, providing them with essential information. This section includes the following subsections: <ul style="list-style-type: none"> <li>• Share information</li> <li>• Company overview</li> <li>• Financial information</li> <li>• Operational reports</li> <li>• Board of Directors</li> </ul>	2	100%



	results through its website.		<ul style="list-style-type: none"> <li>Shareholders' meetings.</li> </ul> <p>Each subsection is regularly updated to ensure accurate and timely reporting. Additionally, the company updates and publishes relevant information on the MSE's website.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>Company website <a href="https://monosfoods.mn/">/https://monosfoods.mn/</a></li> <li>Company Facebook page <a href="https://www.facebook.com/MonosFoods">/https://www.facebook.com/MonosFoods</a></li> <li>MSE website <a href="https://mse.mn/mn/company/551">/https://mse.mn/mn/company/551</a></li> </ol>		
33	9.2. The company shall have an investor relations program and develop digital channels to communicate with investors and provide them with information.	Fully implemented, with plans for further improvements.	<p>"Monos Foods" JSC ensures the timely dissemination of information to its shareholders by regularly utilizing digital platforms such as the company's website, Facebook group, and Monos Foods' JSC's shareholders' Facebook group. Through these channels, the company provides updates, training, knowledge-sharing, operational and financial reports, announcements, and new product introductions.</p> <p>Additionally, as part of its investor relations program, the company has established collaboration agreements with broker-dealer companies such as "Golomt Capital", "Tavan Bogd Capital", and "TDB Securities" securities companies. These partnerships aim to regularly provide investors with training and information on the benefits of stock investments, capital market knowledge, updates on "Monos Foods" JSC's shares, and the company's profitability. The company also shares digital information and works closely with these organizations to ensure effective communication.</p> <p><b>Supporting documents:</b></p> <ol style="list-style-type: none"> <li>Company website <a href="https://monosfoods.mn/">/https://monosfoods.mn/</a></li> <li>Company Facebook page <a href="https://www.facebook.com/MonosFoods">/https://www.facebook.com/MonosFoods</a></li> <li>Shareholders' Facebook group <a href="https://www.facebook.com/groups/1030367210486131/">https://www.facebook.com/groups/1030367210486131/</a></li> </ol>	2	100%
34	9.3. The company shall provide shareholders with opportunities and conditions to exercise their legal rights, including participating in shareholders' meetings, submitting proposals, voting,	Fully implemented and operational.	<p>"Monos Foods" JSC has held 7 annual general meetings of shareholders since its IPO through the stock exchange in June 2019. Below is a brief overview of these meetings:</p> <ol style="list-style-type: none"> <li>26 June 2019 (In-person): Over 3,700 shareholders participated, with an attendance rate of 78%. Four issues were discussed and approved.</li> <li>27 April 2020 (Virtual): Over 4,000 shareholders participated, with an</li> </ol>	2	



	<p><i>and obtaining information.</i></p>		<p>attendance rate of 77.72%. Five issues were discussed and approved.</p> <p>3.31 March 2021 (Virtual): 4,691 shareholders participated, with an attendance rate of 81.48%. Four issues were discussed.</p> <p>4.23 April 23, 2022: In collaboration with Mongolia's top 5 joint-stock companies ("Mandal Insurance" JSC, "Mandal Future Growth" investment fund, "Tumen Shuvuut" JSC, "Central Express" JSC, and "Monos Foods" JSC), the company successfully organized an Investment Expo. Out of 6,500 shareholders, 215 attended, achieving a 71.55% attendance rate. Five issues were discussed.</p> <p>5.29 April 2023 (Hybrid - Virtual and In-person): 9,665 shareholders participated, with an attendance rate of 84.14%. Five issues were discussed.</p> <p>6.20 April 2024 (Hybrid - Virtual and In-person): 12,880 shareholders participated, with an attendance rate of 74.84%. Five issues were discussed. A highlight of this meeting was the presentation of the MFC 2.0 project, the new factory building, which was showcased at the conference hall as promised during the previous year's annual general meeting of shareholders. Shareholders and investors were given the opportunity to see the progress of the new factory construction and the achievements made in 2023.</p> <p>7.9 September 2024 (Extraordinary Virtual Meeting): The meeting was convened to implement amendments to the company's charter, which were proposed during the regular meeting held on 20 April 2024. These amendments increased the number of BoD members to 11 and the number of committees to 4. To ensure the implementation of these changes, an extraordinary shareholders' meeting was called, and the BoD composition was reconstituted ahead of schedule. Using a cumulative voting method, 6 regular and 5 independent members were elected, totaling 11 members.</p> <p><b>Supporting documents:</b></p> <p>1. Materials of the annual general meeting of shareholders submitted to the FRC</p>	
35	<p><b>9.4. The company shall pay special attention to ensuring shareholders can exercise their right to provide input on</b></p>	<p>Fully implemented, with plans for further improvements.</p>	<p>Issues falling within the full authority of shareholders as stipulated in the Company Law can be discussed and resolved by a majority vote of the shareholders present at the annual general meeting of shareholders within the scope of the procedures</p>	2

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	<p>matters related to the company's operational direction and ownership structure.</p>		<p>established by law and regulatory authorities. Matters within the full governance authority as defined in the Company Law are discussed and resolved within the scope of the rights and responsibilities of shareholders, the BoD, and the CEO. These decisions are formalized through resolutions issued by the BoD.</p> <p><b>Supporting documents:</b> 1. Resolution posted on the MSE website /<a href="https://mse.mn/mn/company/551/">https://mse.mn/mn/company/551/</a></p>		100%
36	<p>9.5. The company shall have a procedure for conducting conflict-of-interest transactions to prevent the interests of the company and shareholders from being violated, and its implementation shall be disclosed to the public.</p>	<p>Fully implemented, with plans for further improvements.</p>	<p>Transactions involving conflict of interest and affiliated parties are regulated under the Company Law. As outlined in Article 7.16.4 of the company's charter, the Audit and Risk Committee oversees such transactions, ensuring that decisions are made by a majority of members without conflict of interest. In 2024, 1 conflict-of-interest transaction was concluded. The company submits information and decisions regarding conflict-of-interest transactions and major transactions concluded during that year to an external audit organization for review. The findings are then reported at the annual general meeting of shareholders by the external audit representative.</p> <p><b>Supporting documents:</b> 1. Company charter /№03 dated 2024-04-20/ 2. Operational Procedure of the BoD /№21 dated 2024-11-22/ 3. Procedure for Managing Conflict-of-Interest /№06/05 dated 2023-05-10/</p>	2	100%
<b>SCORE</b>				10	100%
<b>OVERALL SCORE</b>				71	98.6%

Translated and verified by the Translation Bureau of "Altos Consulting"  
 Phone: +976 94110451  
 E-mail: [altosconsultingllc@gmail.com](mailto:altosconsultingllc@gmail.com)

