

## **SECURITIES LISTING RULE OF THE MONGOLIAN STOCK EXCHANGE**

### **1. GENERAL PROVISION**

1. Purpose of this rule is to regulate relations concerning all matters related to listing, de-listing and the modification of the listed securities at the Mongolian Stock Exchange (here in after referred as “MSE”) that issued by the security issuers who have acquired permit from the government regulatory body in compliance with “Securities Market Law”, “Company Law” of Mongolia.
2. This rule and it’s articles and criteria’s shall be followed when listing or registering companies, securities at the Mongolian Stock Exchange. Only securities that listed at MSE are permitted to do the public offering
3. All necessary documents must be in Mongolian. If the documents are in foreign language, then certified Mongolian translation shall be submitted with the originals.
4. Amendments to this rule shall be made by the resolution of Board of directors of MSE.
5. In this rule following terms shall have the following meaning:
  - “Security issuer” – as stated in the provision 4 of “Securities Market Law” securities issuer is a legal entity that permitted to issue securities and make public offering by permission of the Financial Regulatory Committee.
  - “Securities” – as specified on the “Securities Law” debt instruments or shares that issued by the securities issuer.
  - “Registration of the security issuer” – process of registering security issuer at MSE
  - “Registration of the securities” – process of registering new securities to the registered securities list of MSE
  - “Registered securities list” – list of securities that passed MSE’s listing criteria and granted permission to trade
  - “Registered companies list” – security issuers list, that consist from companies that currently have no securities issued or issuers that temporarily suspended for trading their securities
  - “Modification or changes to the securities listing” – process of re-listing temporary suspended securities, or modifying listed securities when following changes were introduced by the issuer: changes in the security issuers structure, securities name, nominal price, quantity(volume)

- “De-listing of securities” – process of temporary or permanently removing/suspending securities from the registered securities list
- “Chief Executive Officer” – Chief executive officer of Mongolian Stock Exchange
- “Permission to trade securities” – grant issued by MSE that permits offering of securities to the public by utilizing securities trade

## **2. REGISTRATION OF SECURITIES ISSUER**

6. A legal entity engaged in business for profit may issue securities to the public in compliance with the Company law and Securities Market’s Law and may apply to register at MSE with permission of Financial Regulatory Committee.
7. Request for Application should include following list of documents, each document must be numbered and should have appropriate covering:
  - 7.1 Application for registration at MSE
  - 7.2 Statement/resolution to issue securities made by the authorized person
  - 7.3 FRC resolution/approval
  - 7.4 Securities issuer and it’s securities overview provided by the FRC in accordance to the “Securities public offering registration rule”/including subsidiary company, representatives information/
  - 7.5 Notarized copy of company registration certificate issued by the State registration office
  - 7.6 Organizational charter as registered at the State registration office
  - 7.7 Notarized copy of property license
  - 7.8 If special licenses are required for issuing particular type of securities or services, then the licenses issued by the authorized body are must be provided
  - 7.9 Information on stake holders who hold more than 5 percent of the total shares of issuer company’s stake
  - 7.10 If authorized personnel of the issuer company hold shares of its own or other companies, then numbers and percentage of the securities required
  - 7.11 Past 3 years financial performance approved by the auditing firm, auditor statement, recommendations, auditors introduction /one unified statement for a company that has representative offices branches, for a subsidiary company one statement of parent company and applicant company itself/
  - 7.12 For the newly established company that set up in order implement projects opening financial statement
  - 7.13 Security issuer’s business valuation and property asset valuation reports, recommendations done by rating agency, introduction of the credit rating agency itself
  - 7.14 Copies of documents and materials if the issuer engaged in big sized deals, contracts, loans, warrants, debts with external party
  - 7.15 Details of the authorized person of the issuer company’s, subsidiary’s whom responsible for making decision to issue securities
  - 7.16 Registration fee payment receipt as stated in the article 72 of this rule
8. After receiving application and other necessary documents according to this rule, specialist whom responsible for company registration at the MSE, shall check submitted documents and prepare recommendation report within 7 business days

9. Based on the recommendations and revision on the submitted documents the final decision on registering an applicant company at the registered company list shall be made by Chief Executive officer and resolution shall be sent to the applicant company
10. 100% state owned entities that restructuring itself to the joint stock company shall be registered to the MSE company list directly
11. Based on the CEO's request MSE listing specialist shall register security issuer to the registered companies list directly and may conduct further inspections
12. Based on the inspections and recommendations done by the listing specialist and after receiving permit for public offering security issuer will be transferred to the registered securities list
13. If security issuer does not issue securities within 1 year period after the registration date, then the entity will be removed from the registered companies list by the CEO's resolution and notice shall be sent to the security issuer /this provision is not applicable to the state owned entities that set to privatize/
14. Security issuer that temporary suspended or removed from the registered securities list are transferred to the registered companies list and permitted to trade their securities via special schedule within 2 year period
15. Security issuers that temporary suspended from the registration list and whom do not meet with listing criteria within specified time period that is stated on provision 14<sup>th</sup> of this Rule are de-listed from MSE registration list by CEO's decree and notices shall be sent to the Financial Regulatory Committee also request to delete the issuers account shall be sent to the Securities Central Depository and Clearing Settlement Centre.

### **3. REGISTRATION OF SECURITIES**

16. After registering at MSE the security issuer should prepare and submit following documents within 1 year period:
  - 16.1 Official request for listing securities
  - 16.2 Application for registration/Attachment 1/
  - 16.3 Following information: nominal price for the security, offer price, calculation methods of offer price, other estimations, price estimation grants or permits issued by the authorized personnel
  - 16.4 If shares were placed based on primary market orders then, copy of purchase payment receipt
  - 16.5 If contract was signed with professional intermediaries in regards to primary market public offering then, copy of the signed contract, intermediary firm's information, order details provided by intermediary /volume of securities, price, input date on trading system/
  - 16.6 If securities sold by the issuer itself without using intermediaries then information publication plan, marketing promotion plan, primary market order documentations are required/supply quantity, price, offer period /
  - 16.7 If securities were placed based on the intellectual property value or placed by appointing a particular name/person, then valuation agent's statements payment approval and auditing firm reports are required
  - 16.8 Financial Statement for the previous year

- 16.9 If any changes made to the initial listing documents then related descriptive documents must be provided by the issuer
- 16.10 Security issuer that listed in the registered companies list for more than 1 year must provide payment receipt for listing fee as per provided at article 73 of this rule.
17. For registration of debt certificate issued by the Government and by the Aimag and city Mayors /herein after referred as municipal bond/ following documents are required to submit:
  - 17.1 For the government bond registration resolution/statement issued by the Minister of finance, for municipal bond registration resolution issued by the Civil Representatives Meeting
  - 17.2 Official request for registering a debt certificate
  - 17.3 Debt certificate registration application form/attachment 2/
  - 17.4 Debt certificate market supply order/quantity, total price, unit price, interest rate, yield, maturity date/
  - 17.5 Collateral or repayment guarantee statements for municipal bond
18. Company bond issuers should submit following documents and all other documents that indicated at the article 7 of this rule:
  - 18.1 Official request for registering a debt certificate
  - 18.2 Debt certificate registration application form/attachment 3/
  - 18.3 Debt certificate market supply order/quantity, total price, unit price, interest rate, yield, maturity date/
  - 18.4 Collateral or repayment guarantee statement
19. Following documents must be submitted in case of additional security issue:
  - 19.1 Request for registering additional security
  - 19.2 Additional security registration application form/attachment 4/
  - 19.3 Actions and measures taken to protect shareholder's rights in compliance with the provision 39 of Company law
  - 19.4 Clarification, explanation of stakeholders decision if agreed not to pay dividends to the shareholders
  - 19.5 Principal and coupon payment reports for additional company bonds that offered to the public and statement issued by the clearing settlement organization regarding supplied bond settlement
  - 19.6 Registration fee payment receipt as per stated in the article 72 of this rule
20. Following document shall be prepared and submitted when debt certificate transferred to the shares:
  - 20.1 Stakeholders meeting resolution for transferring debt into the share
  - 20.2 Project proposal for transferring debt to shares/volume of share issue, price, usage, implementation conditions, rules and regulations, company charter and other necessary documents/
  - 20.3 Actions and measures taken to protect shareholder's rights in compliance with the provision 25.6 of Company law
  - 20.4 Share transfer permission issued by the creditors and clients if such transfer to take place
  - 20.5 Initial debt statement
  - 20.6 Registration fee payment receipt as per stated in the article 72 of this rule

#### 4. SECURITIES LISTING CRITERIA

21. Special and general criterions shall apply when registering new securities at the MSE, trading permission is given only for those securities that met related listing criteria.
22. Companies that operate in strategically important sectors that impact country's economy and infrastructure are listed using special listing criteria.
23. Shares that fulfill following criteria are regarded shares that passed general listing criteria:
  - 23.1 Owners equity must be equal to more than 10 mln Mongolian National Turgug (MNT)
  - 23.2 Non-current asset shall form no less than 10% of total value of the security
  - 23.3 By the time of registration number of stakeholders of the company shall be no less than 50 and half or 50 per cent of those stakeholders must have deposited certain amount of capital that satisfies provision 13.5 of "Company Law" to the account in Securities Clearing House & Central Depository (SCHCD) Co.Ltd with un-returnable condition until the securities purchased or must hold pre-installment approval from the company
  - 23.4 No less than 30 per cent of total common shares must be offered to the public
  - 23.5 Company must be in operation no less than 1 year period
  - 23.6 Security issuer must be in profit, if the issuer in loss the amount of loss shall be equal no more than 30 percent of the total equity of company
  - 23.7 Articles 23.3; 23.4; 23.6 of this rule are not applied to the 100 percent state owned entities, and articles 23.5; 23.6 are not applied to the newly established entities that formed in order to implement project and therefore received share purchase orders
24. Debt certificate that fulfill following criteria are regarded as bonds that passed general listing criteria:
  - 24.1 Owners equity shall be more than 10 mln Mongolian National Turgug (MNT)
  - 24.2 No less than 20 per cent of total assets shall be equal to the total immovable property (real estate property)
  - 24.3 Total volume of the security shall be more than 50 thousand with the total value of more than 500 mln MNT
  - 24.4 Company must be in solid operation for no less than 3 years and must be in profit for the previous 1 year
  - 24.5 Issuers of debt certificate principal and coupon payment capital and its property right also approval guarantee from the third party are used as collateral. Not applicable for the issuers that accredited by the internationally recognized rating agencies.
25. Shares that fulfill following criteria are regarded as shares that passed special listing criteria:
  - 25.1 Issuer's owners equity shall be more than 10 mln MNT
  - 25.2 Non-current asset shall form no less than 20% of total value of the security
  - 25.3 By the time of registration number of stakeholders of the company shall be no less than 50 and half or 50 per cent of those stakeholders shall have deposited certain amount of capital that satisfies provision 13.5 of "Company Law" to the account in Securities Clearing House & Central Depository (SCHCD) Co.Ltd with un-returnable condition until the securities purchased or must hold pre-installment approval from the company
  - 25.4 No less than 10 per cent of total common shares must be offered to the public
  - 25.5 Company must be in solid operation for minimum no less than 3 years
  - 25.6 Articles 25.3; 25.4 are not applicable for 100 per cent state owned entities that set to list in order to privatize, 25.5 are not applied to the newly established entities that formed in order to implement project and therefore received share purchase orders

26. Debt certificate that fulfill following criteria are regarded as bonds that passed special listing criteria:
  - 26.1 Issuer's owners equity shall be more than 10 mln MNT
  - 26.2 No less than 30 percent of total asset must in immovable property(real estate)
  - 26.3 Total volume of the security shall be more than 100 thousand with the total value of more than 1 bln MNT
  - 26.4 Company must be in solid operation for minimum no less than 5 years
  - 26.5 Issuers debt certificate principal and coupon payment capital and its property right also approval guarantee from the third party are used as collateral. Not applicable for the issuers that accredited by the internationally recognized rating agencies.
27. General and specific criterions are not applicable for the municipal and government guaranteed issued debt certificates (bonds)
28. The list of registered securities are inspected once a month as described at the article 66.3 of this rule, and listing criterions shall be reviewed once on 1<sup>st</sup> of May of the next year.

## **5. CRITERIA FOR SECURITY ISSUERS**

29. Following criteria shall apply for the security issuers that registered at the registered securities list:
  - 29.1 Security issuers shall obey and comply with rules and regulations, with decrees resolutions, that Mongolian capital market and its authorized bodies follow and shall comply and protect investors and capital market participants rights
  - 29.2 Securities issuers are free to choose and implement internationally recognized practices, organizational charters, rules policies, methodologies in order to conduct effective profitable business activities and enable protect and equalize investors and shareholders rights.
  - 29.3 Must have officer whose responsible for disseminating information to the public, satisfy investors, shareholders and professional organizations requests and whose duty is to protect investors stakeholders rights.
  - 29.4 Information on company operations, management decisions that may affect securities trade, price, volume, and other periodical processes must be disseminated to the shareholders and to Mongolian Stock exchange in a timely transparent manner.
  - 29.5 Financial statements must be prepared according to the International Accounting Standard and disseminated to the public as per its rules and policies.
  - 29.6 Shareholders meeting must be held within the period as the law states and decision to announce shareholders meeting shall be made by the authorized personnel, materials agendas, and outcomes from the shareholders meeting must be submitted to MSE within the specified timeframe as noted in the agreement.
  - 29.7 If 20 or more percent of total registered/issued shares are owned by the many small shareholders, then before discussing issues noted in the provision 54.1.1-54.1.4 of the Company law shareholders meetings materials can be distributed via professional organization based on the agreement.
30. If dividend payment decision was made and distribution started within 10 business days then dividends can be distributed to the shareholders through the SCHCD based on agreement between SCHCD and the issuer
31. This rule and the "Agreement with Security issuers" are used in monitoring and reviewing the security issuer's compliance with the listing rule itself and the listing criterions

## 6. SECURITIES REGISTRATION PROCEDURES

32. Security issuers that are registered to the registered companies list shall submit documents and materials as per stated in the article 3 of this rule.
33. After receiving all necessary documents and materials from the security issuer, specialist who's responsible for listing securities at MSE shall conduct inspection and revision of submitted documents within 30 days.
34. If necessary specialist may visit and conduct physical inspection on issuers operations, and request additional documents comments regarding the investment.
35. The securities listing report will be discussed at the directors meeting and final decision shall be made by the CEO.
36. Securities that listed in the registered securities list are permitted to trade
37. Security issuer may submit its request for registering itself and the security simultaneously. In this case decision to register both security and the issuer shall be made same time.
38. Based on CEO's resolution securities listing specialist shall issue code and classify the securities according to the industry and must register to the securities list, official notification must be sent to the issuer by the specialist
39. Shares are registered in numerical and alphabetical codes. Municipal and government and company bonds are registered using numerical value or name codes.
40. Securities name and its numerical codes are used when securities offered to the public
41. Securities codes and names are not allowed to be duplicated. Common or preferred shares, multi-conditional bonds of one issuer may have same name but must have different numerical codes when registered.
42. Common or preferred shares and bonds with multiple conditions that issued by one issuer shall have same registration name.
43. When registering government, municipal bond and company bond maturity date, annual interest, coupon payment period in months must be displayed with the security name./ For example: TB -120-0.8-12; UB-SBD-520-12.1-6; DUGA- MC-1040-14.5-6, Niislel Urguu-120-19-3 and so on/
44. Additional common shares and bonds that have same conditions with the current issue are can be registered with same name and different numerical code.
45. Share codes are composed from 2 parts, numerical and alphabetical. Alphabetical code represents company name, alphabetical code must be no less than 3 letters and no more than 4.
46. Securities numerical codes are composed from 8 digits and must be in following structure:
  - 45.1 Shares – 10520000; 10520001 etc
  - 45.2 Company Bond – 23003000; 23003001 etc
  - 45.3 Government bond – 30928000; 30928001 etc. /The last digit 01 represents frequency or number of issue and that the debt certificate have same condition as the previous issues/
  - 45.4 Municipal bond – 40101000; 42501000 etc.
47. Numerical codes of the securities shall represent following meaning:
  - 46.1 For code 10520000: 1 -shares, 0520- security code, 000- common shares/ if last three digits are 001 then it represents preferred shares/
  - 46.2 For code 23003000: 2- company bond, 3003 – security code, 000 – issued debt certificate number
  - 46.3 For code 30928000: 3- Government bond, 0928- security code, 000- issued debt certificate number
  - 46.4 For code 40101000: 4- Municipal bond, 01- Municipal origin (state), 01 – administrative unit, 000 – issued debt certificate number/ For example: 40101000 – Municipal bond, Ulaanbaatar city, Sukhbaatar District, first time issue/

48. Relations between MSE and the issuers shall be regulated by the terms of “Agreement with the security issuer” as per attached in the appendix of this rule. Each party have right to amend terms of the agreement upon negotiation with the counterpart
49. Based on the agreement between the security issuer MSE shall send notification to the Securities Clearing House & Central Depository (SCHCD) Co.Ltd in order to create securities deposit account.
50. If MSE directors meeting decides issuer’s compliance with the listing criteria were unsatisfactory, then registration will be un-approved notification shall be sent to the authorized bodies and to the issuer itself.

## **7. MAKING AMMENDMENTS TO THE SECURITIES REGISTRATION**

51. In following occasions amendments made to the listed securities:
  - 51.1 If registered security issuer is merging, splitting or re-structuring in accordance to the provision 18.1; 18.2 of Company law
  - 51.2 As stated in the provision 52 of Company law if decision were made to change the registered securities volume, nominal price
  - 51.3 Based on the authorized personnel decision if the name of registered security have been changed
  - 51.4 To re-register securities by the CEO resolution
52. Following documents shall be submitted in order to make changes or amend the registration of listed securities.
  - 52.1 Authorized personnel decision
  - 52.2 Formal request to amend securities registration from the issuer
  - 52.3 Shareholders meeting minutes, materials that supported amendments of the securities registration
  - 52.4 When re-structuring, restructure plan, projects, methodology, if share volume and nominal price are subject to change then reason, justification, calculation and methodology
  - 52.5 For the newly established company as per result of the re-structuring and reformation, address, location, name and closing opening financial statements for each entities
  - 52.6 Asset and business valuation reports, materials
  - 52.7 Decisions, rules, recommendations, conclusions and valuations issued by the authorized personnel in compliance to the shareholders rights as per stated in the article 54 of Company law
  - 52.8 Company charter
  - 52.9 Changes in the control block shares or changes in the affiliated persons share holding status
  - 52.10 Details of the newly established join stock company’s executive officer
53. Security issuer that temporary suspended or removed from the registered securities list may apply for re-listing at the appropriate list in accordance to this rule
54. Within 1 year period after it’s suspension date if the security issuer that temporary suspended or removed from the registered securities list complied and satisfied related laws regulations then based on the listing specialist’s recommendation the listing Department director shall approve re-listing of such issuer

55. If the security issuer request to register it is security after more than 1 year period since its initial registration date then MSE shall demand the issuer to complete initial registration again as new registration
56. All newly listed or re-listed securities shall comply with criterions that indicated on this rule in order to be able to modify or make changes to their registration
57. Within 30 days after recipient of the modification request from the issuer, based on the submitted documents the listing specialist shall prepare registration inspection report
58. Based on the registration inspection report CEO shall issue his resolution and official statement for modifying the securities deposit shall be sent to the SCHCD Co.,ltd.

## **8. DE-LISTING FROM THE SECURITIES REGISTRATION**

59. Securities de-listing or temporary removal shall be complete by the authorized personnel resolution
60. In following cases securities are de-listed from the registration list:
  - 60.1 When re-organization or liquidation resolution issued by the authorized personnel in compliance with provisions 18, 26 of the Company Law
  - 60.2 When principle and coupon payment of the debt certificate paid completely
  - 60.3 When no re-listing, re-registration request submitted within the time period specified in the article 14 of this rule
61. In following cases securities temporary removed from the securities list and moved to the registered companies list by the CEO's resolution:
  - 61.1 Shares that do not satisfy at least two of followings:
    - Unable to meet the listing criteria
    - Un compliance with market laws regulations and duties, responsibilities that inflicted on the agreements
    - When security issuers acts of hindrances or dissimulation of public information are found and confirmed
    - If the issued security were never traded over 1 year period
  - 61.2 Debt certificate that have not paid its principal and coupon payment on the required date
62. Following documents shall be submitted when security issuer request de-listing:
  - 62.1 Official request for de-listing of securities
  - 62.2 Authorized personnel statement on de-listing
  - 62.3 Shareholders meeting minutes and announcements
  - 62.4 If restructuring the company then restructuring proposal /project proposal should include background reason for reorganization, scope, shares transformation methods, calculations/ required
  - 62.5 Resolution, decision and policies that formulated to enable and implement the shareholders right to exercise sell back their shares to the company when such shareholders are against the restructure plan
  - 62.6 Share price estimation report done by the rating agency if shares are purchased back by the company
  - 62.7 Statement of forming liquidation commission if the company is in liquidation stage

- 62.8 Procedures of receiving claims and distribution of assets to the stakeholders
  - 62.9 Copy of final liquidation financial statements
  - 62.10 Payment receipt if residual registration fee exist
  - 62.11 SCHDC statement on principal and coupon payment for bond issuer
  - 62.12 Others
- 63. To protect shareholders right MSE shall conduct securities de-listing examination
  - 64. After receiving necessary documents from the security issuer listing specialist whose in charge of examination shall complete the inspection within 10 business days
  - 65. Based on the inspection report and the discussions at the MSE directors meeting the final decision on securities de-listing or temporary suspension are made by CEO
  - 66. Security issuers are temporary removed from the registered securities list and moved to the registered companies list if MSE sought that the documents and materials that issuers submitted were not sufficient enough or compliance with law and regulations and other duties responsibilities that the issuer displayed was unsatisfactory

### **9. SECURITY ISSUER EXAMINATION**

- 67. Following inspections held in order to monitor the issuer:
  - 66.1 Registration examination
  - 66.2 Listing examination
  - 66.3 Regular inspections
  - 66.4 Special inspections
- 68. Registration examination is held when new company register at MSE, listing examination is conducted when security issuer request to issue a security
- 69. Regular inspection held in order to detect security issuer's fulfillment with article 4 and to monitor compliance with the article 5 of this rule, regular inspections and examinations shall be conducted official requests and notification must be sent to the issuer for efficient monitoring
- 70. Special examination shall be carried out if MSE directors regard necessary when complaints or ambiguous information or was broadcasted by the media and press or complaints regarding the security issuer were received from the investors, individuals and other organizations
- 71. MSE have rights to request explanation, comments commentary from the security issuer in regards to the media releases issued by the press and disclosed to the public and that may offend the shareholder, investor rights

### **10. FEES**

- 71. Following registration fees shall apply to the security issuer when listing at the MSE
  - 71.1 Registration fee
  - 71.2 Listing fee
- 72. Registration fee shall be charged once depending on the total value of publicly offered shares as described at the table below:

<sup>1</sup>	Face value of the publicly offered shares in MNT	Registration Fee
1	10 000 000 – 500 000 000	500 000 MNT
2	500 000 001 – 5 000 000 000	Fixed amount of 750 000 MNT Plus 0.02% from the face value that exceed 500 000 000 MNT
3	5 000 000 001 more	Fixed 1 700 000 MNT Plus 0.01% from the face value that exceed 5 000 000 000 MNT
4	100 % State owned Company	500 000 MNT

73. Listing fee shall be charged annually depending on the securities nominal price:

<sup>1</sup>	Nominal price of security in MNT	Listing Fee
1	Up to 100 000 000	0.4 %
2	100 000 001 – 500 000 000	Fixed amount of 400 000 MNT Plus 0.001% from the value that exceed 100 000 000 MNT
3	500 000 001 more	Fixed amount of 800 000 Plus 0.00001 % from the face value that exceed 5 000 000 000 MNT
4	100 % State owned Company	400 000

74 If additional shares and debts transferred by the issuer then fees shall be equal as stated in article 72 of this rule

75 If the security issuer applied for registration and the listing same time then the listing fee of that current year is waived

76 Security issuer that temporary transferred from the registered securities list to the registered companies list must pay the amount as stated at the article 73 for the period as described in the article 14 of this rule.

77 The listing fee must be paid within the 3<sup>rd</sup> quarter of that current year by the issuer

78 When registering debt certificate the security issuer shall pay only registration fee which is calculated from the face value of the shares that traded at the primary market

79 Registration fee for the Government and Municipal bonds shall be equal to 0.05% from total traded value, for the company bond registration fee shall be equal to 0.01% from the total traded value.

## 11. RESPONSIBILITY

80 Both underwriting firm and MSE shall send official warning to the securities issuer if after regular inspections security issuer found violating “Company Law” “Securities Market Law”

and do not comply with the terms of “Security issuers Agreement” that the issuer signed with MSE

- 81 After recipient of such warning notice security issuer required to fix the violations and report back within 15 business days in Ulaanbaatar and within 30 days in countryside
- 82 If no response or any actions were taken by the issuer within the specified period as stated at article 81 then trading of that particular security is suspended by the CEO’s resolution and news is disseminated to public
- 83 If necessary actions were not taken by the issuer within 2 months period after trade suspension of it’s security then the issuer will be eligible to be transferred from the registered securities list to the registered company’s list and the event will be publicized
- 84 Security issuer that suspended from the registered security list must satisfy the requirements of article 5 within the time period as stated on article 14 of this rule
- 85 In order to monitor the compliance of this rule the listing specialist shall conduct inspection and prepare reports and recommendation within the specified time period and report the outcomes to the management. When breach of rule detected, penalties and measures shall be taken according to related Mongolian Laws and acts, MSE Rules and regulations, policies and Labor agreement of Mongolia.

## LISTING AGREEMENT

Date:

Number:

Ulaanbaatar City

### One. GENERAL PROVISIONS

- 1.1 This Agreement is made between The “Mongolian Stock Exchange” Joint Stock Company (hereinafter referred as MSE) and “\_\_\_\_\_” Joint Stock Company (hereinafter referred as the issuer).
- 1.2 The relationship between two parties shall be regulated by Securities market law, Company law and other related laws, regulations and rules promulgated from Financial Regulatory Commission (hereinafter referred to as FRC), Mongolian Stock Exchange and by this Agreement.
- 1.3 MSE registers to the detailed listing the shares of total value of \_\_\_\_\_MNT with par value of \_\_\_\_\_ and volume of \_\_\_\_\_.
- 1.4 This agreement shall be made effective from the date of signing by both parties and will be terminated when the issuer de-listed from MSE.

### Two. DEFINITIONS

**The terms referred to in this agreement shall be defined as follows:**

- 2.1 Shareholder’s preemptive right means a right as referred in Provision 5 of Company Law and other related Laws.
- 2.2 A regular shareholders meeting period means a period as referred in Provision 60.3 of Company Law.
- 2.3 Issues interfering shareholders’ interests means issues as referred in Provisions 4, 7, 11, 12 of Company Law.
- 2.4 MSE rule, act means rules, acts that regulate securities trade, listing, surveillance, member companies business.
- 2.5 Public media tool means daily newspapers, radio, which transmits throughout the country, television and companies’ official website. It is deemed to be publicized when the information reported at least in one or more daily newspapers and two or more times in radio and television. The main media tool of MSE is its website.
- 2.6 Issued shares means common and preferred shares as referred in Provisions 34 of Company law.

### **Three: MSE'S RIGHTS AND OBLIGATIONS**

#### **3.1 Mongolian Stock Exchange shall have the following rights:**

- 3.1.1 To demand necessary information from the registered issuer
- 3.1.2 To demand explanation and clarification on any issues that interfere investor's rights and interests from the issuer
- 3.1.3 To report and disseminate securities related information to the public and to enquire or demand from the issuer to deliver information to the public.
- 3.1.4 To report the public or create public awareness when registered issuer do not comply or respond with legal requests that issued by the Mongolian Stock Exchange and breached the securities market laws and regulations.

#### **3.2 Mongolian Stock Exchange shall have the following obligations:**

- 3.2.1 To register issuer's shares in the registered securities list and organize securities trade and to keep records of changes to the any particular securities.
- 3.2.2 To offer free advice in relation to the securities market terms as requested by the issuer.
- 3.2.3 To inform the issuer on any changes introduced to MSE regulations and rules.
- 3.2.4 As per requested by the issuer to provide data and researches related to the securities registration and trade in accordance to the agreement.
- 3.2.5 To monitor the securities trade, to conduct inspections in accordance to the specific directions and guidance.
- 3.2.6 To take appropriate measures in compliance with the related law and regulations, when violations or breaches revealed.
- 3.2.7 To conduct appropriate examinations in order to monitor or detect whether decisions that made by the issuer related to the shareholders rights are complied by the laws and regulations.
- 3.2.8 To report information related on issuer's activities and received from the issuer to the public properly.

### **Four: ISSUER'S RIGHTS AND OBLIGATIONS**

#### **4.1 Registered issuer shall have the following rights:**

- 4.1.1 To estimate volume of shares that traded at the market and to deliver market supply order time to time.
- 4.1.2 To make modification at the securities registration, organize regular and non-regular shareholders meeting, to receive professional assistance and advices in relation to the securities market activities.

- 4.1.3. To receive data and research analysis provided that the issuer complies with the requirements and terms of agreement and other rules regulations issued by the Mongolian Stock Exchange.
- 4.1.4. To issue annotations comments within the timeframe as per stated in the provision 4.2.5 of this agreement in case when MSE's requests not accepted by the issuer.

**4.2 The registered issuer shall have the following obligations:**

- 4.2.1. To conduct its activities by satisfying shareholders requests and rights within the framework of rules and regulations that issued by the Financial Regulatory Committee and Mongolian Stock Exchange in compliance with Company Law and Securities Market Law of Mongolia
- 4.2.2. To comply and satisfy MSE and its inspector's requests, to provide with necessary data, research, commentaries and clarifications, and to be examined in relation to securities, usage and on utilization of funds that accumulated from securities trade.
- 4.2.3. To pay fees as determined by MSE "Listing Rule" within the timeframe that specified in the provision 77 of the Listing Rule.
- 4.2.4 Issuer is obligated to distribute following in order to disseminate information to the investors:
  - 1. The company shall disseminate appropriate information in a specified time frame as stated in the "Company law", "Securities law" to investors via public media.
  - 2. All information that may create advantage for participants of the securities trade, and that might influence price of securities and not disseminated to the public, shall be distributed to the investors and general public simultaneously in accordance to the Securities market law.
  - 3. Any information that may influence securities price shall be disseminated to the public before the next trading day, report with seal and signature of company's executive officer to be submitted to the Mongolian Stock Exchange. Copies of the main document and decision statements must be submitted in accordance to following timeframe:
    - a) Within 20 days after shareholder's regular and non-regular meeting resolution made materials and decision statement of the meeting must be submitted
    - b) Dividend distribution statement attached with the shareholders meeting resolution
    - c) Within April 1<sup>st</sup> of next year the financial statement for the current fiscal year is submitted, within 20<sup>th</sup> day of the next month semi-annual financial statement to be submitted. All financial statements and reports must be prepared in accordance with International accounting standard and shall be submitted with auditors report.
    - d) If company charter amended or renewed then the charter shall be submitted within 7 days after amendments confirmed at the state registration office.

- e) Board of Directors decision shall be reported within the 14 days after initial decision is made. Within the 14 days after changes made to the Board of Directors structure such information as company management, member's name, phone number, place and address shall be reported.
  - f) Within 14 days after liquidation decision made by the authorities.
  - g) Other decisions must be reported within 14 days after it's issue
- 4. 7 days prior shareholder's meeting announcement and its agenda disseminated to the public and 7 days before the shareholders meeting materials, handouts and suggestion sheets are distributed to shareholders must be submitted to MSE beforehand.
  - 5. Detailed introduction on securities and issuer's activities /more than 2 pages/ should be sent by hardcopy and file.
- 4.2.5 Issuer shall send their response to the MSE's requests that issued in relations to issuer's compliance with securities market laws and regulations within the timeframe that specified at article 81 of the "Listing Rule". If no response or comments sent then in accordance to the article 4.1.4 of this agreement it is assumed that request is affirmed/accepted by the issuer.

#### **Five. RESPONSIBILITIES**

- 5.1 In case of issuer's violations or breach of their obligations as stated at article 4.5 of this agreement Mongolian Stock Exchange shall suspend securities trade and disseminate issuer's delinquency report to the public in accordance with the Securities market law and MSE's Listing Rule.
- 5.2 Information provider shall be responsible for the validity and reliability of the information.
- 5.3 MSE is not responsible for the losses that shareholders reencounter as result of trade suspension and other measures taken against inappropriate actions that issuer demonstrated.
- 5.4 Issuer is not responsible for the losses that shareholders and other subjects reencounter as result of false actions displayed by the MSE.

#### **Six. OTHER**

- 6.1 The Agreement shall be made in two copies and the both shall have equal rights.
- 6.2 Parties further reserve the right to make amendments to the agreement and amendments shall be subject of negotiation between the parties.
- 6.3 Arguments and misunderstanding between the parties will be subject of negotiation among the parties, if unresolved parties may apply to regional court for resolution.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

The “Mongolian Stock Exchange”  
CEO

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R.SODKHUU

“ “  
Public company’s CEO

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SECURITIES REGISTRATION APPLICATION  
(Stock)

1. Name of a securities issuer:
2. Address:
3. State registration number:
4. Brief introduction of a company:
5. Equity :
6. Type of securities:
7. Volume of securities to register:
  - A volume of securities
  - A face value
  - Total amount of value
8. Offering form of securities:
9. When offering to a minority:

Customer	Volume	Price
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10. A company administration shareholding overview

Name	Address	Official position	Number of a share	Percent
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Applicant:

Chairman of the Board of the Directors	(signature)
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Stamp

Chairman Executive Officer	(signature)
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.... Year... Month... Day

Application receiver:

Department officer:	(signature)
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.... Year...Month.... Day

SECURITIES REGISTRATION APPLICATION

(Government bond)

1. Name of a securities issuer:
2. Purpose of a issuing securities :
3. Securities offering form:
4. Securities type:
5. Face value (MNT):
6. Total volume of an issued securities:
7. Total value:
8. A term of issuing , volume , discount price:
9. Confirmation:

Applicant:

Chief of a state fund of the ministry  
of the finance and the economy  
Stamp

(signature)

... Year.... Month .... Day

Application receiver:

Director of the Listing Surveillance Department:

(signature)

Permit to register:

CEO of MSE

(signature)

....Year .... Month .... Day

**SECURITIES LISTING APPLICATION**  
(Company bond)

1. Name of a securities issuer;
2. Address:
3. State registration number:
4. Brief introduction of a company:
5. Capitalization of issuer:
6. Type of a registering securities:
7. Volume of registering securities:
  - Securities volume
  - Face value
  - Total value
  - A monthly interest of securities
  - A term of repayment;

8. Administration shareholding overview

Name	Address	Official position	Ownership volume	Percent
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Applicant:

Chairmen of the Board of the Governors

(signature)

Stamp

Chairman of the Executive Officer

(signature)

... Year.... Month ... Day

Application receiver:

Department officer:

(signature)