



# GOBI

GOBI JOINT-STOCK COMPANY

## IMPLEMENTATION REPORT ON THE "CORPORATE GOVERNANCE CODE"

*(Reviewed by the Financial Regulatory Commission)*

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## EVALUATION METHODOLOGY

On March 23, 2022, the Financial Regulatory Commission (FRC) revised the "Corporate Governance Code." To assess the implementation of the Code, the "Guidelines for Organizing the Implementation of the Corporate Governance Code" was approved on June 22, 2022.

Based on the evaluation methodology outlined in these guidelines, the implementation of Gobi JSC's "Corporate Governance Code" was assessed as of December 31, 2024, by the Board Office. The Financial Regulatory Commission reviewed and verified the results.

### Structure of the Evaluation Questionnaire

The evaluation consists of 36 questions, grouped into 9 key indicators:

1. Structure and Organization of the Board of Directors
2. Committees under the Board and Their Responsibilities
3. Reporting and Transparency
4. Audit and Control Systems
5. Risk Management
6. Compensation of Authorized Officials
7. Stakeholder Interests
8. Corporate Culture
9. Rights of Shareholders

### Evaluation Scoring Criteria

Each task within the questionnaire is evaluated on a 0–2 point scale and then converted into a percentage (0-100%). The scoring criteria are as follows:

- 2 points: Fully implemented or accompanied by a justified explanation.
- 1 point: Partially implemented or accompanied by an explanation with a timeline for implementation.
- 0 points: Not implemented, or no evaluation provided.

### Overall Evaluation Results

The following criteria are used to evaluate the implementation of the Corporate Governance Code based on the total possible score:

- **90% and above** indicates normal governance with no risks;
- **70-89%** indicates moderate governance, but with potential future risks, requiring recommendations from the Mongolian Stock Exchange;
- **50-69%** indicates insufficient governance with risks, justifying remote or on-site inspections by the Mongolian Stock Exchange;
- **49% and below** indicates poor governance with significant risks, necessitating regulatory actions.

**SUMMARY OF EVALUATION RESULTS**

Table 1. Consolidated Results of the Implementation of the Corporate Governance Code for Gobi JSC

№	Topic	Max. Score	2023.12.31		2024.06.30		2024.12.31	
			FRC Verified Score	%	FRC Verified Score	%	FRC Verified Score	%
1	Structure and Organization of the Board of Directors	12	11	91.7%	11	91.7%	12	100.0%
2	Committees under the Board and Their Responsibilities	10	9	90.0%	10	100.0%	10	100.0%
3	Reporting and Transparency	6	6	100.0%	6	100.0%	6	100.0%
4	Audit and Control Systems	6	6	100.0%	6	100.0%	6	100.0%
5	Risk Management	8	8	100.0%	8	100.0%	8	100.0%
6	Compensation of Authorized Officials	6	6	100.0%	6	100.0%	6	100.0%
7	Stakeholder Interests	8	8	100.0%	8	100.0%	8	100.0%
8	Corporate culture	6	6	100.0%	6	100.0%	6	100.0%
9	Rights of Shareholders	10	10	100.0%	10	100.0%	9	90.0%
	<b>Consolidated result</b>	<b>72</b>	<b>70</b>	<b>97.2%</b>	<b>71</b>	<b>98.6%</b>	<b>71</b>	<b>98.6%</b>

From the consolidated results shown in Table 1, it is observed that the implementation of Gobi JSC's "Corporate Governance Code" was reassessed twice in 2024—mid-year and year-end—and, following the review and verification by the Financial Regulatory Commission, the score increased by 1.4% to reach 98.6%, indicating that the governance was rated as sound and risk-free.

## DETAILED EVALUATION REPORT

*Table 2. Detailed Report on the Implementation of  
the Corporate Governance Code for Gobi JSC*

<b>Corporate Governance Evaluation Questionnaire</b>					
The implementation of the Corporate Governance Code is reported based on the “Comply or Explain” principle. For each clause of the code, it is reported whether it has been implemented. If it has not been implemented, the reasons for non-implementation and the alternative structural or organizational measures taken, or planned to be taken (with timelines), are included in the explanation section.					
<b>ONE. STRUCTURE AND ORGANIZATION OF THE BOARD OF DIRECTORS</b>					
<b>The BoD must have a structure that ensures diversity in skills, knowledge, experience, and independence while maintaining foresight, creativity, and effectiveness.</b>					
No.	Clause	Implement ation	Explanation	Score	%
1	<b>1.1. The company shall regulate the responsibilities of the chair, members, and secretary of the BoD in its operational procedures.</b>	Fully Implement ed.	Gobi JSC has clearly outlined the responsibilities of the chair, members, and secretary in its “Operational Procedure of the BoD” and “Operational Procedure of the Board Office.” <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the BoD</a></li> <li>• <a href="#">Operational Procedure of the Board Office</a></li> <li>• <a href="#">2023 Annual Report</a> - pages 105-106 provide details about the BoD’s 2023 activities.</li> </ul>	2	100%
2	<b>1.2. The company shall have a nomination procedure and succession plan for appointing BoD members.</b>	Fully Implement ed.	Gobi JSC has a “Succession Policy for Authorized Officials” and a “Nomination and Selection Procedure for Board Members” approved by the BoD, ensuring implementation of these processes. Additionally, the Nomination Committee approved documents such as a BoD Member Memorandum of Understanding and Confidentiality Agreement, which are signed by newly appointed members. <ul style="list-style-type: none"> <li>• <a href="#">Succession Policy for Authorized Officials</a></li> <li>• <a href="#">Nomination and Selection Procedure for Board Members</a></li> </ul>	2	100%
3	<b>1.3. The company shall provide detailed information about each</b>	Fully implement ed.	The company includes comprehensive details in its annual report about BoD	2	100%

	<b><i>BoD member, including experience, independence, shareholding, and attendance, in its annual report and on its website.</i></b>		members' work experience, independence, shareholding percentages, meeting attendance, and compensation. This information is also made available on the company's website. Additionally, the BoD conducts annual self-assessments, which are discussed in the Nomination Committee meetings. The results of the evaluations are reflected in the company's annual report. The BoD and its committees include their work results in the annual report, which is presented at the AGM of Shareholders. <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> pages 99-105, contains information related to BoD members; page 107 includes the results of the self-assessments conducted by the BoD and individual BoD members.</li> <li>• Board Members Information on the <a href="#">Company Website</a>.</li> </ul>		
4	<b><i>1.4. The company shall maintain documents specifying the structure and composition of the BoD and its committees, including requirements for education, skills, and gender balance.</i></b>	Fully Implemented.	The company has incorporated requirements regarding education, skills, and gender balance in its "Operational Procedure of the Board of Directors" and "Selection and Nomination Procedure for BoD Members." Additionally, the "Operational Procedure of the Board Office" specifies requirements for the secretary and other specialists. <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Board of Directors</a></li> <li>• <a href="#">Selection and Nomination Procedure for BoD Members</a></li> <li>• <a href="#">Operational Procedure of the Board Office</a></li> </ul>	2	100%
5	<b><i>1.5. The company shall organize orientation and continuous training for new BoD members to ensure they have the necessary skills and knowledge.</i></b>	Fully Implemented.	Upon appointment, new BoD members receive an orientation from the Board Office on the company and BoD activities. Gobi JSC also provides a Board Member Handbook, which is regularly updated. The	2	100%

			Nomination Committee identifies training needs and includes them in the annual BoD operational plan. These trainings are funded by the company.		
6	<b>1.6. The Board secretary shall be responsible for ensuring the proper functioning of the BoD through the chairperson.</b>	Fully Implemented.	Gobi JSC has a fully functional Board Office, regulated by the "Operational Procedure of the Board Office." The BoD secretary and specialists are appointed by the BoD, and the secretary reports directly to the chairperson. The Board Office reports its activities to the BoD. <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Board Office</a></li> </ul>	2	100%
Total Score (Out of 12)				12	100%
<b>TWO. COMMITTEES UNDER THE BOARD OF DIRECTORS (BoD)</b>					
<b>The BoD shall implement its activities through its own committees, each responsible for specific functions, and the BoD shall hold ultimate accountability.</b>					
7	<b>2.1. The majority of BoD members, including the chairperson, shall be independent.</b>	Fully Implemented.	Gobi JSC's "Governance Policy" and "Operational Procedure of the Board of Directors" ensure that the majority of BoD members, including the chairperson, are independent. The chairpersons of all BoD committees are also independent members. <ul style="list-style-type: none"> <li>• <a href="#">Governance Policy</a></li> <li>• <a href="#">Operational Procedure of the Board of Directors</a></li> <li>• <a href="#">2024 Annual General Meeting of Shareholders Resolution</a></li> <li>• <a href="#">BoD resolution on appointing Board Chairperson</a></li> <li>• <a href="#">BoD resolution appointing the members of the committees under the BoD.</a></li> </ul>	2	100%
8	<b>2.2. The Audit Committee under the BoD shall have operational procedures and an audit policy, and its chairperson shall not be the BoD chairperson.</b>	Fully Implemented.	The Risk and Audit Committee has its operational procedures. Also, in 2021 the committee drafted the Internal Control Policy Documents and BoD approved it. The chair is an independent member and not the BoD chair.	2	100%

	<b><i>Executives and employees of the company shall participate in Audit Committee meetings only at the committee's request.</i></b>		<p>The committee meets quarterly to oversee financial reporting, internal audits, compliance and risk management. Relevant executives are invited to the meetings only at the committee's request as per the meeting agenda.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Risk and Audit Committee</a></li> <li>• <a href="#">Internal Control Policy</a></li> <li>• <a href="#">2023 Annual Report</a> - page 112 contains the Risk and Audit Committee's 2023 activity report.</li> <li>• <a href="#">BoD resolution appointing the members of the committees under the BoD.</a></li> </ul>		
9	<b><i>2.3. The Remuneration Committee shall have operational procedures and policies for overseeing compensation and incentive schemes. Its chairperson shall be independent member of the BoD.</i></b>	Fully Implemented.	<p>The Remuneration Committee has its operational procedures. Also, the committee revised the Remuneration policy in 2024 and BoD approved it. The chair is an independent member and not the BoD chair. The committee meets bi-annually to review the company's compensation system and its effectiveness, actual report of the remuneration, and corporate culture survey results. Relevant executives are invited to the meetings only at the committee's request as per the meeting agenda. In 2023, the committee discussed and updated the company's Remuneration Policy, which was approved at the BoD meeting in January 2024.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Remuneration Committee.</a></li> <li>• <a href="#">Remuneration Policy</a></li> <li>• <a href="#">2023 Annual Report</a> - pages 110-111 contain the Remuneration Committee's report and the revised Remuneration Policy.</li> <li>• <a href="#">Remuneration Policy</a></li> <li>• <a href="#">BoD resolution appointing the members of the committees under the BoD.</a></li> </ul>	2	100%

10	<p><b>2.4. The Nomination Committee shall have operational procedures and a succession policy. Its chair shall be an independent member of the BoD.</b></p>	Fully Implemented.	<p>The Nomination Committee has its operational procedures. Also, in 2023 the committee drafted the Succession Policy for Authorized Officials and BoD approved it. The chair is an independent member and not the BoD chair. The committee meets bi-annually to evaluate BoD and executive management performance, discussing succession planning and leadership assessments. Relevant executives are invited to the meetings only at the committee's request as per the meeting agenda.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Nomination Committee</a></li> <li>• <a href="#">Succession Policy for Authorized Officials</a></li> <li>• <a href="#">2023 Annual Report</a> - pages 108-109 contain the Nomination Committee's report</li> <li>• <a href="#">The Succession Plan for Authorized Officials</a></li> <li>• <a href="#">BoD resolution appointing the members of the committees under the BoD.</a></li> </ul>	2	100%
11	<p><b>2.5. The BoD shall have the authority to establish permanent or temporary committees to fulfill specific responsibilities.</b></p>	Fully Implemented.	<p>The BoD may establish additional committees as necessary, according to the "Operational Procedure of the Board of Directors." In 2016, the Audit Committee was expanded to include risk management, becoming the Risk and Audit Committee. The committee also oversees compliance and regularly updates the BoD on risk-related issues. Also, we're planning to establish an ESG committee.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Board of Directors</a></li> </ul>	2	100%
Total Score (Out of 10)				10	100%
<p><b>THREE. TRANSPARENCY IN REPORTING AND DISCLOSURE OF INFORMATION</b>  The BoD shall ensure that the transparency, accuracy, completeness, and balance of financial and non-financial reporting and information are maintained.</p>					

12	<p><b>3.1. The BoD shall approve and oversee the implementation of the company's procedures for disclosure information and reporting.</b></p>	Fully Implemented.	<p>The BoD has approved the "Disclosure Procedure." The procedure is regularly implemented to ensure the timely dissemination of periodic and ad-hoc information through the Mongolian Stock Exchange and the company's website (<a href="http://info.gobi.mn/en">info.gobi.mn/en</a>). The BoD oversees the implementation of this procedure.</p> <ul style="list-style-type: none"> <li>• <a href="#">Disclosure Procedure</a></li> </ul>	2	100%
13	<p><b>3.2. The BoD shall disclose governance documents, rules, regulations, and procedures specified in this Code to the public via the company's website.</b></p>	Fully Implemented.	<p>Through the company's official website, information related to its financial performance, operations and governance, including financial statements, operational reports, governance assessment results, policy documents, and news and announcements pertaining to the company's activities, is regularly updated and made available to shareholders, investors and the general public. Since 2024, the aforementioned information has also been provided in English.</p> <ul style="list-style-type: none"> <li>• <a href="#">Governance policies and procedures on the Company Website</a></li> <li>• <a href="#">Reports and Indicators on the Company Website</a></li> </ul>	2	100%
14	<p><b>3.3. Financial and non-financial reporting shall be balanced, clear, and factual. Non-financial reporting shall include assessments of environmental, social, economic risks, and sustainability, as well as the company's performance in achieving its objectives.</b></p>	Fully Implemented.	<p>Gobi JSC's BoD and management team continuously improve the content of the company's operational reports. The company enhances the clarity of its financial data by including additional graphs and explanatory notes, alongside full independent audit reports. Non-financial reporting includes detailed information on sales markets, production, design, product development, and the company's performance in terms of sustainability, environmental and social responsibility, governance, BoD activities, and risk management. This</p>	2	100%

			<p>information is publicly available and regularly updated on the company's website.</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a></li> <li>• <a href="#">Reports and Indicators on the Company Website</a></li> </ul>		
Total Score (Out of 6)				6	100%
<b>The BoD shall ensure the independence and effectiveness of the audit and control systems.</b>					
15	<p><b>4.1. The BoD shall ensure that the Audit Committee's procedures include guidelines for interacting with external auditors and enabling them to fulfill their legal duties without obstruction. The BoD shall monitor the implementation of these guidelines.</b></p>	Fully Implemented.	<p>Article 3.1.3 of the Operational Procedures of the Risk and Audit Committee sets out the responsibility to engage with the independent auditor and to ensure that the auditor is provided with the conditions necessary to fulfil the duties prescribed by law. The Committee has also approved the "Requirements for Independent Audit Firms," based on which the Board of Directors adopted the "Procedure for Appointing an Independent Auditor."</p> <p>In addition to overseeing the implementation of the aforementioned procedure and resolution, the Risk and Audit Committee monitors the activities of the independent auditor on an annual basis, reviews the audit plan, and deliberates on the auditor's opinion and reports. The Committee ensures that its recommendations are implemented by issuing directives to the company's management and exercising oversight accordingly.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Risk and Audit Committee</a></li> <li>• <a href="#">Procedure for Appointment of Independent Audit</a></li> </ul>	2	100%
16	<p><b>4.2. External auditors shall attend the Annual General Meeting of Shareholders and provide shareholders with relevant</b></p>	Fully Implemented.	<p>Every year, representatives from the independent audit firm are present at the Annual General Meeting of Shareholders, providing shareholders with the opportunity to ask questions and</p>	2	100%

	<b>information regarding audit-related issues.</b>		obtain information regarding audit-related matters.		
17	<b>4.3. The internal audit system, its structure, and functions, as well as any changes, shall be reported through the company's operational report and its website.</b>	Fully Implemented.	The Internal Audit Division reports directly to the Risk and Audit Committee. The company's annual report includes details on the internal audit system, its structure, and the activities conducted throughout the year. Additionally, this information is available on the company's website. <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - pages 113-114 cover the internal control system and policies, and the internal audit department's 2023 activities.</li> </ul>	2	100%
Total Score (Out of 6)				6	100%
<b>FIVE. RISK MANAGEMENT</b>					
<b>The BoD shall ensure that risk management and compliance controls are properly and independently organized, with regular monitoring of their effectiveness.</b>					
18	<b>5.1. The company shall have a risk management framework and structure in place, and the BoD shall oversee the independence and effectiveness of risk management operations.</b>	Fully Implemented.	The Risk and Audit Committee is responsible for establishing and overseeing the company-wide risk management framework. In 2023, the Committee revised the "Risk Management Policy," which was subsequently approved by the BoD. Within the scope of this policy, the "Procedure for Implementing Risk Management" was approved by order of the CEO. The Risk and Audit Committee ensures the implementation of the aforementioned policy and procedure by conducting oversight through its semi-annual meetings and reports the outcomes to the BoD. <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Risk and Audit Committee</a></li> <li>• <a href="#">Risk Management Policy</a></li> <li>• <a href="#">2023 Annual Report</a> - page 115 includes the Risk Management Policy.</li> </ul>	2	100%
19	<b>5.2. The BoD shall aim to have a committee responsible for risk</b>	Fully Implemented.	In 2016, with the purpose of establishing a company-wide risk management framework,	2	100%

	<p><b><i>management with at least three members, the majority of whom, including the chairperson, shall be independent. The structure and activities of the risk management committee shall be publicly reported.</i></b></p>		<p>the BoD extended the mandate of the Audit Committee to include responsibility for risk management, thereby forming the Risk and Audit Committee. The Committee consists of three members, two of whom are independent directors, and the Chair of the Committee is also appointed from among the independent members.</p> <p>The Committee reviews the reports of the company's risk management team on a semi-annual basis, discusses potential company-wide risks and corresponding mitigation measures, provides guidance, and monitors the implementation of such measures.</p> <p>In addition to reporting on the Committee's composition and activities, the company's annual operational report includes information regarding the risk management practices overseen by the Committee.</p> <ul style="list-style-type: none"> <li>• <a href="#">Operational Procedure of the Risk and Audit Committee</a></li> <li>• <a href="#">2023 Annual Report</a> - page 112 contains the committee's 2023 report, and page 115 contains the Risk Management Policy.</li> </ul>		
20	<p><b><i>5.3. The company shall assess and report environmental, social responsibility, health, and safety risks and explain how these risks are managed..</i></b></p>	<p>Fully Implemented.</p>	<p>In 2024, the BoD of Gobi JSC approved the "Sustainable Development Strategy Policy" and, within its framework, newly adopted the "Policy on Climate Change Adaptation and Greenhouse Gas Emission Reduction," the "Human Rights and Gender Policy," and the "Social Responsibility Policy." In our annual operational report, we include a dedicated "Sustainable Development" section, which comprehensively details activities related to ESG matters.</p> <p>Since 2021, we have assessed</p>	2	100%

			<p>and prepared reports in accordance with the ESG reporting template developed by the MSE. Moreover, since 2022, we have begun issuing a standalone Sustainable Development Report. These reports are disclosed to the public through the MSE and the company's official website.</p> <ul style="list-style-type: none"> <li>• <a href="#">Sustainable Development Strategy Policy</a></li> <li>• <a href="#">Policy on Climate Change Adaptation and Greenhouse Gas Emission Reduction</a></li> <li>• <a href="#">Human Rights and Gender Policy</a></li> <li>• <a href="#">Social Responsibility Policy</a></li> <li>• <a href="#">2023 ESG Assessment Report</a></li> <li>• <a href="#">2023 Sustainability Report</a></li> <li>• <a href="#">2023 Annual Report</a> - pages 60-83 cover sustainability, and pages 115-119 cover Risk management.</li> </ul>		
<p>21</p>	<p><b>5.4. The company shall have a compliance framework and structure, and the BoD shall oversee its independence and effectiveness.</b></p>	<p>Fully Implemented.</p>	<p>To foster organizational culture and professional ethics by managing compliance with regulations and other commitments, a Compliance Unit was established under the Sustainability Department in 2021. The CEO approved the Compliance Policy to implement compliance controls across the company. As of 2024, the scope of compliance has expanded with the creation of the Compliance Department. The Risk and Audit Committee also oversees compliance at the company level. In October 2024, the Compliance Policy was revised and approved.</p> <ul style="list-style-type: none"> <li>• <a href="#">Compliance Policy</a></li> </ul>	<p>2</p>	<p>100%</p>

			<ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - pages 120-121 cover the Compliance Management Report.</li> </ul>		
Total Score (Out of 8)				8	100%
<b>SIX. SALARIES AND INCENTIVES OF AUTHORIZED OFFICERS</b>					
<b>The salaries and incentives of authorized officials shall align with the company's vision, be fair, and transparent.</b>					
22	<b>6.1. The salary, incentive structure, and frequency of payment for BoD members shall be transparently discussed and approved at the shareholders' meeting.</b>	Fully Implemented.	<p>Gobi JSC discusses and approves the salaries and incentives of BoD members transparently at the Annual General Meeting of Shareholders. At the 2024 Annual General Meeting of Shareholders, the salary structure and budget for BoD members were updated and approved. The principles and budget of BoD member salaries and incentives are transparently reported in the annual operational report.</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - page 104 contains details on BoD members' salaries, incentives, and the budget's performance.</li> <li>• <a href="#">2024 Annual General Meeting of Shareholders Resolution</a></li> </ul>	2	100%
23	<b>6.2. The salary and incentive policy shall include the criteria for determining the components of salary and performance-based incentives.</b>	Fully Implemented.	<p>In 2024, the Remuneration Committee revised the company's Remuneration Policy, which was subsequently approved by the Board of Directors.</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - page 111 contains the Remuneration Policy.</li> <li>• <a href="#">Remuneration Policy</a></li> </ul>	2	100%
24	<b>6.3. The company's annual operational report shall include the basic salary, bonuses, and other incentives of the executive management team and the criteria used to assess their performance.</b>	Fully Implemented.	<p>The annual operational report includes details of the salary structure, performance-based criteria, and incentive schemes for the CEO and the executive management team.</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - pages 132-133 contain details on the remuneration of the management team.</li> </ul>	2	100%

Total Score (Out of 6)			6	100%	
<b>SEVEN. STAKEHOLDER INTERESTS</b>					
<b>The company shall respect the rights of stakeholders in its operations.</b>					
25	<b>7.1. The company shall have a policy document approved by the BoD regarding interaction and cooperation with stakeholders. The BoD and executive management shall foster a corporate culture that respects rights and interest of the stakeholders.</b>	Fully Implemented.	Gobi JSC emphasizes the importance of safeguarding stakeholder interests in its operations, as outlined in its Governance Policy and Code of Conduct. The CEO approved the Procedure for Receiving and Resolving Stakeholder Complaints and Feedback, and the BoD approved the Stakeholder Engagement Management Plan in 2023. Relevant information is included in the 2023 annual operational report. <ul style="list-style-type: none"> <li>• <a href="#">Governance Policy</a></li> <li>• <a href="#">Code of Conduct</a></li> <li>• <a href="#">Procedure for Receiving and Resolving Stakeholder Complaints and Feedback</a></li> <li>• <a href="#">Stakeholder Engagement Management Plan</a></li> </ul>	2	100%
26	<b>7.2. The company's annual operational report shall include details on the main issues addressed in its cooperation with stakeholders, the strategies implemented, and the results achieved.</b>	Fully Implemented.	The company's annual operational report includes information about stakeholder cooperation, addressing the needs of shareholders, customers, and the general public. It covers both financial and non-financial activities and improves its content annually. <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - pages 91-93 include information related to the Stakeholder Engagement Management Plan.</li> </ul>	2	100%
27	<b>7.3. The company's website shall be effectively utilized to communicate and exchange information with stakeholders.</b>	Fully Implemented.	The company's website provides information related to its operations for shareholders and the public. The site is regularly updated, and it includes a section for submitting feedback and suggestions from stakeholders, with continuous follow-up and interaction.	2	100%

			<ul style="list-style-type: none"> <li>• <a href="#">Feedback Submission Section on the Company's Website</a></li> <li>• <a href="#">Company Website</a></li> </ul>		
28	<b>7.4. The company shall have internal procedures for receiving and resolving employee feedback and complaints, addressing social issues, and promoting professional development.</b>	Fully Implemented.	<p>The Procedure for Receiving and Resolving Stakeholder Complaints and Feedback includes provisions for receiving and addressing employee feedback and complaints. The Training and Development Procedure regulates employee development and professional growth, with annual plans for implementation. Employee social issues are resolved through a collective agreement with the labor union, with regular reporting and improvements.</p> <ul style="list-style-type: none"> <li>• <a href="#">Procedure for Receiving and Resolving Stakeholder Complaints and Feedback</a></li> </ul>	2	100%
Total Score (Out of 8)				8	100%
<b>EIGHT. CORPORATE CULTURE</b>					
<b>BoD members shall establish high standards of business ethics within the company and lead by example for executive management and employees to follow.</b>					
29	<b>8.1. The BoD shall define the company's core values and vision, adopt a Code of Conduct for lawful, ethical, and responsible conduct, and ensure its implementation.</b>	Fully Implemented.	<p>The BoD has approved the company's Code of Conduct, which is publicly available through the company's website. The Code of Conduct outlines the ethical principles to be followed by the BoD, management, and employees.</p> <ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct</a></li> </ul>	2	100%
30	<b>8.2. The company shall have a whistleblower system for reporting illegal activities or ethical violations to the BoD or the relevant committee.</b>	Fully Implemented.	<p>Since 2022, Gobi JSC has implemented a Whistleblower Management System to receive, resolve, and monitor ethical violations within the company. The results are reported in the annual reports.</p> <ul style="list-style-type: none"> <li>• <a href="#">Whistleblower Management System Procedure</a></li> <li>• <a href="#">Company Whistleblower System</a></li> <li>• <a href="#">2023 Annual Report</a> - page 121 includes information on the</li> </ul>	2	100%

			Whistleblower Management System.		
31	<b>8.3. The company's Code of Conduct shall regulate conflicts of interest, corruption, and donations to or support of political activities.</b>	Fully Implemented.	<p>Gobi JSC has incorporated into its Code of Conduct the principles of operating within the bounds of law, free from conflicts of interest, corruption, and bribery, as well as its stance on relations with government, political, and religious institutions. In accordance with these principles, the company has established internal controls to prevent corruption and abuse of power, and has set regulations on giving and receiving donations and gifts. Furthermore, in 2023, the Board of Directors approved the "Procedure for Conflict-of-Interest Transactions," and has since ensured its implementation.</p> <ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct</a></li> <li>• <a href="#">Procedure for Conflict-of-Interest Transactions</a></li> </ul>	2	100%
Total Score (Out of 6)				6	100%
<b>NINE. RIGHTS OF SHAREHOLDERS</b>					
<b>The company and the BoD shall respect and treat shareholders equally, ensuring they are fully informed and able to exercise their rights.</b>					
32	<b>9.1. The company shall regularly provide stakeholders with information about its operations, financial status, governance structure, and performance through its website.</b>	Fully Implemented.	<p>Gobi JSC ensures the implementation of its "Disclosure Procedure" and discloses periodic and ad-hoc information to stakeholders through the MSE and the company's official website in a timely manner. The company also regularly updates the structure and content of its website, and through the "For Shareholders" section, it provides open access to financial and operational reports, current news, policies, and procedures relevant to stakeholders. As of 2024, the company prepares and delivers public reports and disclosures in English as well.</p>	2	100%

			<ul style="list-style-type: none"> <li>• <a href="#">Disclosure Procedure</a></li> <li>• <a href="#">Company Website</a></li> </ul>		
33	<b>9.2. The company shall have an investor relations program and develop online channels for communication and information exchange with investors.</b>	Fully Implemented.	<p>In 2023, BoD of Gobi JSC approved Gobi's Investor Relations Program. As part of this program, the company organizes factory tours at least twice a year to engage with shareholders. Through its website, the company provides timely information to shareholders and investors and offers an open feedback mechanism for suggestions and inquiries.</p> <ul style="list-style-type: none"> <li>• <a href="#">Investor Relations Program</a></li> <li>• <a href="#">Feedback Submission Section on the Company Website</a></li> <li>• <a href="#">Company Website</a></li> </ul>	2	100%
34	<b>9.3. The company shall provide shareholders with the opportunity to participate in shareholder meetings, propose agenda items, vote, and access information.</b>	Fully Implemented.	<p>The BoD has approved the Procedure for Annual General Meeting of Shareholders, which governs shareholder participation, including the submission of proposals, attendance, and voting rights at meetings. The procedure also covers how shareholders are notified of meetings and how meetings are conducted, ensuring full implementation.</p> <ul style="list-style-type: none"> <li>• <a href="#">Procedure for Annual General Meeting of Shareholders</a></li> </ul>	2	100%
35	<b>9.4. The company shall ensure that shareholders can exercise their voting rights on issues related to the company's operations and ownership structure.</b>	Fully Implemented.	<p>Gobi JSC respects the rights of its shareholders and ensures they can fully exercise their legal rights, as outlined in the Company Law. The company follows good governance principles when making decisions.</p> <ul style="list-style-type: none"> <li>• <a href="#">Investor Relations Program</a></li> <li>• <a href="#">Feedback Submission Section on the Company Website</a></li> </ul>	2	100%
36	<b>9.5. The company shall have a procedure for managing conflict of interest transactions</b>	Fully Implemented.	<p>In 2023, the BoD of Gobi JSC approved the Procedure for Conflict-of-Interest Transactions. At the first Board meeting of each</p>	1	90%

	<p><b><i>and report its implementation publicly to prevent conflicts of interest between the company and shareholders.</i></b></p>		<p>year, a list of companies involved in transactions with conflicts of interest, along with the relevant budget, is approved. On a quarterly basis, the Risk and Audit Committee reviews the execution of transactions with conflicts of interest and exercises oversight. Furthermore, the annual operational report includes a summary of transactions with related parties involving conflicts of interest, along with information about entities with common interests. The performance of these transactions is then presented by the Risk and Audit Committee at the AGM. Moving forward, the company plans to disclose reports and explanations regarding transactions involving conflicts of interest, as well as related decisions, on the MSE website, and to send quarterly reports to the FRC.</p> <ul style="list-style-type: none"> <li>• <a href="#">2023 Annual Report</a> - pages 31-33 include information on conflicted transactions.</li> <li>• <a href="#">2024 BoD Resolution on Related-Party Transactions</a></li> <li>• <a href="#">Procedure for Conflict-of-Interest Transactions</a></li> </ul>		
Total Score (Out of 10)			9	90%	
<b>OVERALL SCORE (Out of 72)</b>			<b>71</b>	<b>98.6%</b>	

## LIST OF SUPPORTING DOCUMENTS

### Links to the provided evidence documents:

1. [Governance Policy](#)
2. [Internal Control Policy](#)
3. [Risk Management Policy](#)
4. [Succession Policy for Authorized Officials](#)
5. [Remuneration Policy](#)
6. [Sustainable Development Strategy Policy](#)
7. [Policy on Climate Change Adaptation and Greenhouse Gas Emission Reduction](#)
8. [Human Rights and Gender Policy](#)
9. [Social Responsibility Policy](#)
10. [Compliance Policy](#)
11. [Procedure for Annual General Meeting of Shareholders](#)
12. [Operational Procedure of the BoD](#)
13. [Operational Procedure of the Board Office](#)
14. [Operational Procedure of the Risk and Audit Committee](#)
15. [Operational Procedure of the Remuneration Committee](#)
16. [Operational Procedure of the Nomination Committee](#)
17. [Board Member Nomination and Selection Procedures](#)
18. [Disclosure Procedure](#)
19. [Procedures for Appointment of Independent Audit](#)
20. [Code of Conduct](#)
21. [Procedures for Transactions with Conflict of Interest](#)
22. [Whistle Blowing System Operating Procedures](#)
23. [Corporate Governance Code Implementation Program](#)
24. [Investor Relations Program](#)
25. [Procedure for Receiving and Resolving Stakeholder Complaints and Feedback](#)
26. [Stakeholder Engagement Management Plan](#)
27. [Company Website](#)
28. [Rules and Regulations on the Company Website](#)
29. [Reports and Indicators on the Company Website](#)
30. [Feedback Submission Section on the Company Website](#)
31. [Whistleblower System](#)
32. [2023 Annual Report](#)
33. [2023 ESG Assessment Report](#)
34. [2023 Sustainability Report](#)
35. [2024 BoD Resolution on Related-Party Transactions](#)
36. [2024 Annual General Meeting of Shareholders Resolution](#)
37. [BoD Resolution Appointing the Chairperson](#)
38. [BoD Resolution Appointing the Members of Committees](#)

**END OF DOCUMENT**