

INTERNAL CONTROL POLICY AND PROCEDURE

1. GENERAL PROVISIONS

- 1.1. This Internal Control Policy and Procedure ("**Procedure**") of Central Express CVS JSC (the "**Company**") is used to form sound system of internal control of the Company and its subsidiaries and determine principles, functions and implementation methods of internal control.
- 1.2. Internal control shall be independent, transparent, objective and apart from any effects of third party.
- 1.3. Internal control is defined as a process designed to provide reasonable assurance regarding the achievement of objectives in relation to compliance with applicable laws and regulations and reliability of financial reporting.
- 1.4. Internal control aims to prevent risks, eliminate detected violations and errors, provide advice and if required, impose liability.
- 1.5. **Scope**
This Procedure shall be complied by the authorized officials and employees of the Company and its subsidiaries.
- 1.6. **Review and Amendments**
Environmental, Social and Governance Committee ("**ESGC**") of the Board of Directors of the Company (the "**Board**") shall review this Procedure regularly and submit necessary changes or amendments to the Board for approval. Any changes or amendments shall enter into force upon approval by the Board.
- 1.7. **Provisions of this Procedure**
In the event of a conflict between this Procedure and Charter of the Company (the "**Charter**"), the Charter shall prevail. In the event that this Procedure is in compliance with the governing laws and regulations of Mongolia, the respective latest updated law shall prevail accordingly. Any uncertainty or disagreement regarding the interpretation of the provisions of this Procedure shall be regulated by the motion of the Executive Chairman of the Board with participation of directors of the Board. Any issues or matters not specified in this Procedure shall be regulated by Company Law of Mongolia, the Charter and other laws and regulations.

2. PROCEDURES

- 2.1. ESGC shall monitor the implementation of this Procedure and internal control plan through Internal audit.
- 2.2. Chief Executive Officer ("**CEO**") shall develop internal control plan considering the following:
 - 2.2.1. Opinion of Internal audit shall be included in internal control plan;
 - 2.2.2. Form internal control system and manage day-to-day activities;
 - 2.2.3. In order to implement internal control system, form internal control department and other departments of the Company implement internal control in its activities or appoint a person responsible for internal control;

- 2.2.4. Approve rules, procedures and regulations for internal control department or internal control officers;
 - 2.2.5. Evaluate performance of internal control department or internal control officers;
 - 2.2.6. Provide required condition for internal control department or internal control officers to perform their duties independently; and
 - 2.2.7. If required, engage internal control professionals.
- 2.3. Internal control department or internal control officer shall be independent from other departments and perform its duties ensuring the following requirements:
 - 2.3.1. Possess adequate knowledge and experience about business activities of the Company and have professional ethics to implement fair control;
 - 2.3.2. Develop annual internal control plan considering business activities, characteristics of services and products and organizational structure and get it approved by CEO;
 - 2.3.3. Results of internal control performance, measures taken and to be taken in future shall be reported to CEO regularly;
 - 2.3.4. Internal control process should be in accordance with instruction and plan approved by CEO.
- 2.4. Internal control department or internal control officer shall have the following rights and responsibilities:
 - 2.4.1. Review relevant documents and records in accordance with approved internal control plan and instruction;
 - 2.4.2. Check whether operation and internal rules and regulations are in compliance with applicable laws and regulations;
 - 2.4.3. Cooperate directly with employees and management and receive relevant reports, research and explanation on detected violation and errors;
 - 2.4.4. Record detected violations, errors and risks and clarify causes and propose to CEO to eliminate those violations;
 - 2.4.5. If required, propose to CEO to solve issues related to eliminating causes of detected violations and errors and impose liability;
 - 2.4.6. Provide advice and organize training for employees on eliminating detected violations and preventive actions;
 - 2.4.7. Conduct research to update relevant rules, regulations, instructions and standards; and
 - 2.4.8. Take advice from independent professional and participate in the training to improve internal control and knowledge and skills.

3. LIABILITIES

- 3.1. Person who is guilty for violations and errors detected through internal control shall be imposed liability in accordance with relevant law and internal rules of the Company.
- 3.2. If violations and errors detected by internal control procedure are considered as a criminal action, these shall be transferred to the legal authorities.