

RISK MANAGEMENT POLICY AND PROCEDURE

1. GENERAL PROVISIONS

- 1.1. These Central Express CVS JSC ("**Company**") Risk Management Policy and Procedure ("**Procedure**") shall be observed in establishing, implementing, and monitoring the risk management system of the Company and its subsidiaries.

1.2. **Scope**

Authorized officers and employees of the Company and its subsidiaries shall comply with this Procedure.

1.3. **Oversight and Amendments**

The Company's Board of Directors ("**BOD**") Environmental, Social, and Governance Committee ("**ESG Committee**") shall present this Procedure and any amendments thereto to the BOD for approval as and when deemed necessary, and any amendments shall become effective upon approval by the BOD.

1.4. **Terms of the Procedure**

In the event of a conflict between this Procedure and the Company's Charter, the Company's Charter shall prevail; and if this Procedure are inconsistent with the laws and regulations of Mongolia, the subsequently enacted legal regulation shall prevail. Any ambiguity or dispute regarding the interpretation or application of provisions of this Procedure shall be resolved upon the proposal of the Chairman of the BOD with the participation of other BOD members. Any matter not addressed in this Procedure shall be resolved in accordance with the Law on Companies, the Company's Charter, and other legal acts.

2. IMPLEMENTATION ACTIVITIES

- 2.1. The BOD shall ensure risk management coverage across all areas of the Company's operations, be responsible for integrated activities, and approve internal guidelines suited to the Company's business scope, operational characteristics, structure, and organization.
- 2.2. The ESG Committee shall monitor the Company's risk management and its implementation.
- 2.3. This Procedure shall define the risk management framework, including assessing risks that may affect the Company's goals and objectives, their likelihood and impact, determining response measures to risks, and monitoring the process of evaluating such measures.
- 2.4. The Chief Executive Officer shall develop plans for the purpose of implementing risk management within the framework of the Procedure, and shall carry out activities to identify, assess, and manage the Company's risks.
- 2.5. There shall be a risk management unit or officer under the Chief Executive Officer responsible for implementing the Company's risk management plan, and they shall work in constant coordination with other Company management.
- 2.6. The Chief Executive Officer shall, through the risk management unit or officer, monitor whether the risk management plan is effective and appropriate for the Company, and oversee the execution of the plan.

3. IMPLEMENTATION STAGES

3.1. Risk Identification

Risks that may arise from resolving difficulties facing the Company, expanding its business scope, third-party relations, market dependencies, or changes in the regulatory environment shall be identified at all levels of the Company. In doing so, the following factors shall be taken into account:

- 3.1.1. nature of the risk — where, when, and what type of event;
- 3.1.2. source of the risk — what factors, people, or activities;
- 3.1.3. cause of the risk — direct and indirect causes;
- 3.1.4. effect of the risk — resulting consequences and the most adverse impact.

3.2. Risk Assessment

Risks shall be classified and assessed by significance level for the purpose of distinguishing the factors affecting risk impact, and the appropriateness of the methods used to measure risk shall be regularly verified. Risks shall be assessed using both qualitative and quantitative tools.

3.3. Risk Management

Based on the results of the risk assessment, response measures to risks shall be determined and a risk management action plan shall be developed and implemented.