

CONFIRMATION OF “CORPORATE GOVERNANCE CODE” COMPLIANCE EVALUATION OF “TRADE AND DEVELOPMENT BANK” JSC

PRINCIPLE 1. STRUCTURE AND ORGANIZATION OF THE BOARD OF DIRECTORS			
The Board of Directors (BoD) shall be a creative and effective structure with a clear vision, providing diverse skills, knowledge, experience and appropriate independence.			
		Score	Explanations
1	<i>1.1. A company must detail the duties and responsibilities of the Chairman, members and Secretary of the BoD within the operational procedures of the BoD.</i>	2	The Board of Directors Operating Procedures, which set out the duties and responsibilities of Board members and the Board Secretary, were initially approved in 2022 and subsequently amended by Board Resolution No. 47 dated 14 June 2024 to ensure compliance with applicable laws, regulations, and regulatory requirements. In accordance with these procedures, the Board and its committee’s issue annual reports. Charter of Trade and Development Bank JSC and Board Operating Procedures: https://www.tdbm.mn/mn/investment/durem-juram
2	<i>1.2. The company has a nomination procedure and succession policy document outlining the selection and appointment process for members of the BoD.</i>	2	In selecting and nominating Board members, the Bank complies with applicable laws and regulations and follows the Procedures for the Selection and Nomination of Board Members, approved by Board Resolution No. 64 dated 1 December 2023. Decisions are made independently by the Board of Remuneration and Nomination Committee. The procedures establish detailed eligibility and assessment criteria for the appointment of both regular and independent Board members. Procedures for the Selection and Nomination of Board Members: https://www.tdbm.mn/mn/investment/durem-juram?page=1
3	<i>1.3. Information such as work experience, length of service, independence, share percentage, and meeting attendance of each member of the BoD shall be included in the annual report and made available on the company’s website.</i>	2	The annual report includes profiles of Board members and reports and information on the work of the Board and its committees and is posted on the Bank’s website and the Mongolian Stock Exchange website. Annual report: https://www.tdbm.mn/mn/investment/uil-ajillagaanii-tailan
4	<i>1.4. A company shall establish a policy document outlining the structure and composition of the BoD and its committees. This document shall encompass requirements concerning members’ education, qualifications, skills, experience, and gender balance.</i>	2	The Board has established four committees: the Audit Committee, Risk Management Committee, Remuneration and Nomination Committee, and Sustainability Committee. Committee is structured to ensure an effective balance of skills, knowledge, experience, independence, gender diversity, and safeguards against conflicts of interest. Each committee operates under procedures approved by the Board. Of the nine Board members, five are women and four are men, maintaining gender balance. The Board operates in accordance with the Trade and Development Bank Gender Equality Policy.

			Committee profiles: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovloliin-dergedeh-horood Committee operating procedures: https://www.tdbm.mn/mn/investment/durem-juram?page=2
5	<i>1.5. Orientation training shall be organized for the members of the BoD upon their first appointment, and the members of the BoD shall be involved in regular training to upgrade their skills, knowledge, and information necessary to perform their duties.</i>	2	The Bank has prepared a Board Member Handbook that provides an overview of the Bank's history, organizational structure, governance framework, and the legal and regulatory information required for Board members to discharge their duties effectively. It also summarizes the rights and responsibilities of the Board and its members, together with relevant Bank policies and procedures. Board members may seek advice and consultancy from external advisers and specialists, participate in domestic and international professional-development programs, and attend internal training sessions. An annual training program for Board members is approved and implemented.
6	<i>1.6. The secretary of the BoD shall be responsible for ensuring the proper functioning of the BoD, acting through the chairman of the BoD.</i>	2	The Board Operating Procedures define the duties of the Board Secretary, and Article 10.1 of the Bank's Charter provides that the Board Secretary is appointed by the Board upon nomination by the Chairman. Board of Directors Operating Procedures: https://www.tdbm.mn/mn/investment/durem-juram?page=2
PRINCIPLE 2. COMMITTEES UNDER THE BOARD OF DIRECTORS, AND THEIR FUNCTIONS The BoD shall carry out its activities through its committees with specific functions and is subject to its ultimate responsibility.			
7	<i>2.1. The Chairman of the BoD, along with the majority of its members, endeavors to maintain independence.</i>	2	The requirements of Article 75.4 of the Company Law and Article 33.1 of the Banking Law are satisfied, with three independent members serving on the Board. The Chairman is elected from among Board members by a majority of all voting members. Accordingly, Randolph Koppa, a banker with more than 50 years of banking experience across 12 countries, was appointed Chairman of the Board of Trade and Development Bank JSC. The Board committees are chaired by independent members, and two-thirds of their members are independent. Board member profiles: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovlol
8	<i>2.2. The audit committee under the BoD shall establish operational procedures and audit policy documents. The audit committee chairman shall not also serve as the Chairman of the BoD. The company's executive management and employees shall only participate in audit committee meetings at the Committee's request.</i>	2	The Audit Committee Charter, approved by Board Resolution No. 52 dated 12 May 2021, defines the Committee's purpose, composition, authority, responsibilities, and operating arrangements. Under the Charter, the Committee promotes sound governance across the Bank by systematically overseeing governance practices, legal and regulatory compliance, ethical standards, financial reporting, internal controls, and external and internal audit. It also supports the provision of accurate and objective information to shareholders, the Board, and other stakeholders. Clause 5.7 assigns responsibility for meeting administration to the Secretary and provides that, at the Chairman's

			recommendation and depending on the agenda, the Chief Executive Officer and heads of relevant executive-management units may be invited to attend. The Audit Committee Charter was amended by Board Resolution No. 41 dated 22 May 2024. The amendments added oversight of major transactions, conflict-of-interest transactions and related-party transactions, participation of the external auditor in the Shareholders' Meeting, and clarifications concerning member participation and meeting agendas. The Committee is chaired by an independent Board member who is not the Board Chair. Audit Committee profile: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovloliin-dergedeh-horood Audit Committee Charter: https://www.tdbm.mn/sites/default/files/2024-09/
9	<i>2.3. The remuneration committee under the BoD shall establish salary and bonus procedures and policy documents. The chairman of the remuneration committee shall not concurrently serve as the chairman of the BoD and must be an independent member. Attendance of executive management at remuneration committee meetings shall occur only at the committee's request.</i>	1	The Remuneration and Nomination Committee Procedures were approved by Board Resolution No. 80 dated 15 November 2022. The Committee is chaired by an independent Board member. Its principal responsibilities include assessing and nominating Board candidates against preliminary criteria, applicable legislation, and regulatory requirements; submitting recommendations on appointments and removals to the Board and the Shareholders' Meeting; nominating members of Board committees; approving criteria for evaluating executive-management performance; reviewing the Bank's remuneration policy; and advising on the Bank's organizational structure. Remuneration and Nomination Committee profile: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovloliin-dergedeh-horood Remuneration and Nomination Committee Procedures: https://www.tdbm.mn/sites/default/files/2024-09/
10	<i>2.4. The nomination committee under the BoD shall establish operational procedures and succession policy documents. The chairman of the nomination committee shall not concurrently serve as the chairman of the BoD and must be an independent member.</i>	1	The Remuneration and Nomination Committee currently performs the nomination function and is chaired by an independent member. It defines requirements for Board and executive-management candidates; establishes criteria for assessing skills, knowledge, education and experience; assesses legal compliance and performance; evaluates and reports on Board performance; determines remuneration levels and policy; and provides direction on the Bank's structure, organization and governance. Procedures for the Selection and Nomination of Board Members: https://www.tdbm.mn/sites/default/files/2024-09/
11	<i>2.5. The BoD is authorized to establish both standing and non-standing committees with various functions. All committees under the</i>	2	The Board has four committees—Audit, Risk Management, Remuneration and Nomination, and Sustainability - each operating under its respective procedures. Sustainable Development Committee profile: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovloliin-dergedeh-horood

	<i>BoD's purview must have operational procedures and instructions in place and be composed of members possessing the necessary knowledge, skills, and work experience to fulfill their duties.</i>		Board committee operating procedures: https://www.tdbm.mn/mn/investment/durem-juram?page=2
PRINCIPLE 3. REPORTING AND INFORMATION TRANSPARENCY The BoD shall implement measures to ensure the accuracy, completeness, and balance of financial and operational reporting, as well as transparency of information.			
12	<i>3.1. The BoD shall be responsible for approving the company's information transparency and reporting procedures and ensuring their implementation.</i>	2	The TDB's Disclosure and Reporting Procedures were approved by Board Resolution No. 9 dated 17 February 2023 and are in effect. The Bank timely discloses information to regulators, shareholders and the public as required by the Financial Regulatory Commission Securities Registration Regulation and the Mongolian Stock Exchange Regulation on Public Disclosure by Issuers. TDB Disclosure and Reporting Procedures: https://www.tdbm.mn/mn/investment/durem-juram?page=1
13	<i>3.2. The BoD shall publish the governance documents, rules, regulations, and instructions specified in this Code to the public through its website.</i>	2	The policies, charters, procedures and instructions specified in the Code are posted on the official website and updated whenever amendments are made. View charters and procedures: https://www.tdbm.mn/mn/investment/durem-juram?page=0
14	<i>3.3. Financial and non-financial reporting shall be balanced, clear, and factual. The nonfinancial report shall include an assessment of factors and risks that may impact the company's sustainability within the environmental, social, and economic frameworks, as well as information regarding the attainment of the company's goals and objectives.</i>	2	The Bank publishes financial and non-financial information openly, transparently, clearly and within applicable deadlines through its website and the website of the Mongolian Stock Exchange. Bank annual report: https://www.tdbm.mn/mn/investment/uil-ajillagaanii-il-tod-baidal Bank annual operating report (Financial Regulatory Commission format): https://www.tdbm.mn/mn/investment/uil-ajillagaanii-tailan Quarterly and audited financial statements: https://www.tdbm.mn/mn/about-tdbm/financial-information/sanhuugin-auditlagdsan-tailan ESG report: Governance report section https://www.tdbm.mn/mn/investment/uil-ajillagaanii-tailan
PRINCIPLE 4. AUDIT AND MONITORING SYSTEM The BoD shall be responsible for ensuring the independence and effectiveness of the audit and monitoring system.			
15	<i>4.1. The BoD shall include provisions in the operating procedures of the audit committee outlining, the procedures for engaging with external</i>	2	Clauses 4.11–4.15 of Chapter 4, “Duties of the Audit Committee,” of the Audit Committee Charter provide that the Committee represents the Board in working with the external audit firm, obtains proposals on external-audit engagement terms, monitors

	<i>auditors, specifying the terms and conditions required by law for them to fulfill their duties, and monitoring the implementation of these procedures.</i>		implementation of audit recommendations and oversees the external auditor's independence. Audit Committee Charter: https://www.tdbm.mn/sites/default/files/2026-07/%D0%90%D0%A5%20%D0%B4%D2%AF%D1%80%D1%8D%D0%BC.pdf
16	4.2. <i>An external auditor shall attend shareholders' regular meetings and provide related information to shareholders.</i>	2	Representatives and partners of Ernst & Young LLC, which externally audited the Bank's 2024 financial statements, attended the annual Shareholders' Meeting held on 25 April 2025. Board Resolution No. 41 dated 22 May 2024 amended the TDB's Audit Committee Charter, adding clause 4.13 to enable the external auditor to attend the annual Shareholders' Meeting and provide information.
17	4.3. <i>Information regarding the internal audit system, its structure, organization, and functions shall be made available to the public through the company's report and website. Any changes to these aspects shall be regularly communicated.</i>	2	Internal audit operates under the Internal Audit Policy approved by Board Resolution No. 52 of 2021. It is organized independently of executive management and reports directly to the Audit Committee and the Board. The Head of the Internal Audit Department and managers of its units are appointed, and auditor remuneration determined, by independent decisions of the Board and Board office respectively. Relevant information is disclosed publicly in the Bank's annual report and the annual report of the Board Audit Committee. Internal audit and control system: https://www.tdbm.mn/mn/investment/sanhuu-burtgeliin-togtoltssoo-dotood-hyanalt Internal Audit Policy: https://www.tdbm.mn/sites/default/files/2024-09/
PRINCIPLE 5. RISK MANAGEMENT			
The BoD shall oversee the organization of risk management and compliance monitoring in an appropriate and independent manner, and shall regularly monitor their effectiveness.			
18	5.1. <i>The company shall establish risk management guidelines and structure, with the BoD responsible for monitoring the results and independence of risk management activities.</i>	2	The Bank's relevant units implement risk management within their areas and report to the Deputy Chief Executive Officer for Risk. The Risk Management Committee Procedures authorize that officer to report independently to the Board on any risk matter whenever necessary. Risk management information: https://www.tdbm.mn/mn/investment/ersdeliin-udirdlaga Risk Management Policy: https://www.tdbm.mn/sites/default/files/2024-09/
19	5.2. <i>The BoD endeavors to establish a risk management committee consisting of at least three members,</i>	2	The Risk Management Committee operates under Board-approved procedures, is chaired by an independent member and has a two-thirds independent membership. It reports to the Board.

	<i>with the chairman and majority of members being independent. The procedure, structure, and composition of the risk committee shall be disclosed to the public through the company's annual report and website, and the information on the attendance, agenda, and frequency of the committee's meetings shall be reported regularly.</i>		The Committee advises executive management on improving risk management in line with changes in regulations, instructions and legal instruments issued by competent authorities concerning key risks defined by the Bank's risk appetite; changes in supervisory methodologies; implementation of banking-sector policy; and the Bank's strategic business targets. Risk Management Committee profile: https://www.tdbm.mn/mn/investment/toloolon-udirdah-zovloliin-dergedeh-horood Risk Management Committee annual report: https://www.tdbm.mn/sites/default/files/
20	5.3. Environmental and social responsibilities, along with health and safety risks in the company's operations shall be assessed and disclosed to the public, and how those are managed shall be explained.	2	To operate responsibly and achieve long-term sustainable development, the Bank identifies and assesses customers' potential environmental and social risks through financing, using principles similar to credit-risk assessment and mitigation. It works to protect customers from resulting financial harm and fulfill its social responsibilities. The Bank also seeks to finance environmentally and socially responsible businesses, support green finance and reduce environmental and social risks. In implementing its sustainable-finance program, it trains employees, particularly lending officers, develops environmental and social risk specialists, and embeds sustainable-finance principles throughout operations. Sustainable Development Report: https://www.tdbm.mn/mn/sustainable-development/togtvortoi-hogiliin-tailan ESG report: in accordance with Mongolian Stock Exchange reporting requirements https://www.tdbm.mn/sites/default/files/2025-05/%D0%91%D0%9E%D0%9D%D0%97%202024%20final.pdf
21	5.4. A company shall establish compliance monitoring guidelines and structure, with the BoD responsible for monitoring the effectiveness and independence of compliance monitoring implementation.	2	Under the Bank's organizational structure approved by Board resolution, the Compliance Department operates under the Deputy Chief Executive Officer for Risk within executive management. In implementing Mongolia's Law on Combating Money Laundering and Terrorism Financing and recommendations from PricewaterhouseCoopers (PwC), the Compliance Department issues compliance-risk assessments and reports quarterly to the Board. The Board provides oversight and direction through the Risk Management and Audit Committees. Policies and procedures are regularly reviewed and updated for legal and regulatory changes, and the Board has approved 12 AML/CFT programs, policies and procedures. Compliance information: https://www.tdbm.mn/mn/about-tdbm/compliance

PRINCIPLE 6. REMUNERATION OF AUTHORIZED OFFICIAL

Salaries and bonuses of the BoD and executive management shall be fair and transparent aligned with the company's vision and characteristics.

22	6.1. The amount, frequency, type of payment, and bonuses of BoD members shall be openly discussed and approved at the shareholders' meeting.	2	Board member budgets are approved annually by the Trade and Development Bank JSC annual Shareholders' Meeting, and remuneration is paid at rates approved by the Board.
23	6.2. A company shall incorporate the components of duties and the criteria for evaluating performance, which serve as the basis for calculating the amount of salary and bonus, in the remuneration policy documents.	2	In 2021, the Bank approved Competency-Based Remuneration Procedures, establishing its remuneration system and policy, a pay scale based on job grading, incentive conditions, and the rules, processes and methodologies for implementation.
24	6.3. Performance criteria for providing base salaries, rewards, and other incentives to the executive management shall be disclosed in the company's annual report.	2	When executive-management remuneration or employment contracts expire or require review, reports and performance are presented to the Board Remuneration and Nomination Committee, which takes appropriate action. Remuneration and Nomination Committee Procedures: https://www.tdbm.mn/sites/default/files/

PRINCIPLE 7. STAKEHOLDER INTERESTS

The interests of the parties involved in the company's activities shall be respected.

25	7.1. A company shall establish a policy document for communication and cooperation with other stakeholders approved by the BoD. The BoD and executive management shall foster an organizational culture that respects stakeholders' interests and engages in cooperation with them.	2	The Policy on Engagement and Cooperation with Stakeholders of TDB was approved as Appendix 1 to Board Resolution No. 9 dated 17 February 2023. The policy defines how the Bank engages and cooperates with employees, creditors, customers, suppliers, local communities and government bodies, recognizes stakeholder participation, respects their interests and fosters a cooperative Bank culture. Policy on Engagement and Cooperation with Stakeholders Other Than TDB: https://www.tdbm.mn/sites/default/files/2024-09/
26	7.2. Information on the primary focus area and strategies pursued when cooperating with stakeholders shall be included in the company's annual report.	2	The Bank transparently reports stakeholder cooperation in its annual and other relevant reports and makes timely disclosures through the Mongolian Stock Exchange website and its official website.
27	7.3. The company's website shall be effectively operated. with the objective of cooperating and exchanging information with the stakeholders.	2	Business units responsible for new or updated products and services are required to inform stakeholders through the website, email and other available channels. The Procedures for Managing the External Website for Customers and the Public, approved by Chief Executive Officer order dated 9 June 2025, assign responsibility for publishing,

			reviewing and archiving information on the Bank, its products, services, promotions, current news, operations, financial reporting, governance and structure for customers, investors and the public.
28	7.4. The company shall implement an internal procedure for receiving feedback, requests, and complaints from employees along with an internal procedure and work plan for addressing social issues and facilitating professional development.	2	Suggestions and requests are resolved under the TDB Whistleblowing Policy, Internal Labor Regulations, Code of Ethics and Cultural Standards. The Bank has approved and implemented a Human Resources Policy, Training and Development Procedures, and a Career Management Policy. Annual training plans and budgets are approved. To support professional development, the Bank reimburses part of the cost for employees who successfully complete internationally recognized certification training and examinations at their own expense. Employee social benefits include preferential housing and salary loans, partner discounts and flexible working hours.
PRINCIPLE 8. COMPANY CULTURE Members of the BoD shall establish high standards of business ethics and responsibilities within the company, leading by example and ensuring adherence to these standards at all levels of executive management and employee engagement.			
29	8.1. The BoD shall approve the code of ethics, disclose it to the public, and monitor its implementation, to properly define the company's values and vision and conduct its activities legally, ethically and responsibly.	2	The TDB Code of Ethics approved by the Board applies to Board members, executive management and all employees, promotes integrity, and defines acceptable and unacceptable conduct consistent with organizational values. An Ethics Committee has been established to enforce the Code and is responsible for investigating and resolving reports from employees, customers and third parties under its procedures, the TDB Whistleblowing Policy or other channels. TDB Code of Ethics: https://www.tdbm.mn/sites/default/files/2024-09/
30	8.2. A "whistleblowers" framework shall be established to report any illegal activities or ethical violations to the BoD or its relevant committees.	2	In addition to addressing reporting of employee misconduct in the TDB Code of Ethics, the Bank has adopted a Whistleblowing Policy covering reportable violations, acts and omissions; whistleblower rights, duties and protection; confidentiality; investigation and resolution processes; rights and duties of accused persons; and implementation reporting. Human Resources regularly provides employees with ethics reminders, guidance and information, and annual knowledge assessments include questions reinforcing the Code of Ethics.
31	8.3. The Code of Ethics shall cover regulations on anti-corruption and avoiding official crimes, supporting /or not supporting/ political activities, and donations.	2	The Board-approved Code of Ethics and the Chief Executive Officer-approved Anti-Corruption Policy define giving or receiving bribes, corruption and abuse of office as ethical violations and set detailed employee conduct principles. The Procedures for TDB Relations with Political Parties and Other State Organizations govern participation by the Bank and employees in political activities and relations with government bodies. The Bank shall not donate to political groups, parties, coalitions or

			candidates and shall not participate in political activities. Employees participating in political activities shall not represent the Bank.
PRINCIPLE 9. RIGHTS OF SHAREHOLDERS "The company and the BoD shall respect the rights of shareholders, ensure equal treatment, and providing them with full access to relevant information to exercise their rights."			
32	<i>9.1. A company shall provide investors and other stakeholders with information on its operations, financial status, governance organization, and performance results through its website regularly.</i>	2	Through its official website and other channels, the Bank promptly provides investors and stakeholders with disclosures required under the Company Law, Banking Law and regulations and instructions of regulatory authorities. The investor section provides current information on the Bank's business and services, organizational structure, Shareholders' Meeting materials, independent Board member reports, financial statements, and ESG and Sustainable Development reports. Information for investors: https://www.tdbm.mn/mn/investment/huvitsaa-ezemshigchid Mongolian Stock Exchange information: https://mse.mn/mn/company/567 Financial statements and information: https://www.tdbm.mn/mn/about-tdbm/financial-information/sanhuugiin-auditlagdsan-tailan
33	<i>9.2. A company shall have a program to cooperate with investors and develop an electronic channel for communicating and exchanging information with investors.</i>	2	The Investor Relations Program was approved by Board Resolution No. 9 dated 17 February 2023. It aims to ensure equal investor participation and govern communication and digital information exchange with investors. Investor Relations Program: https://www.tdbm.mn/sites/default/files/2024-09/
34	<i>9.3. A company shall create opportunities and conditions for shareholders to exercise their legal rights, such as participating in shareholders' meetings, making proposals, voting, and obtaining information. Particular attention shall be paid to shareholders exercising their right to vote on matters related to the company's operations and ownership structure.</i>	2	Shareholders of Trade and Development Bank JSC exercise the powers provided by the Company Law, Banking Law and Charter of Trade and Development Bank JSC and participate actively in Shareholders' Meetings, voting on agenda matters in accordance with their rights and thereby participating in the Bank's governance. The annual Shareholders' Meeting is convened in accordance with law and regulations. A dedicated meeting website enables remote participation, voting and access to adopted decisions. Shareholders' Meeting website: https://investor.tdbm.mn/
35	<i>9.4. Particular attention shall be paid to shareholders exercising their right to vote on matters related to the</i>	2	The Bank's shareholders may exercise the powers provided by the Company Law and TDB Charter, attend the Shareholders' Meeting and vote on matters under consideration, thereby participating in the Bank's governance. Chapter 7, "Shareholders' Meeting," of

	<i>company's operations and ownership structure.</i>		the Charter details shareholder participation, and clause 7.2.12 addresses the rights of existing shareholders when additional shares are issued. TDB Charter: https://www.tdbm.mn/sites/default/files/2024-09/ TDB procedures for giving notice of a Shareholders' Meeting: https://www.tdbm.mn/sites/default/files/2024-09/
36	<i>9.5. To prevent violations of the common interests of the company and shareholders, procedures for addressing conflicts of interest must be established, with their implementation disclosed to the public.</i>	2	The Bank follows procedures and instructions on conflict-of-interest and major transactions approved respectively by Board resolution and Chief Executive Officer order. The Bank publicly discloses conflict-of-interest transactions through its official website and the trading organization's website, semi-annually in the operating report in the form prescribed by the Financial Regulatory Commission Securities Registration Regulation and promptly where required. Conflict-of-interest transactions: https://open.msc.mn/securities/567 https://www.tdbm.mn/mn/khorongo-oruulagchdad