



Joint Stock Company
"mogo"

Corporate Governance Report for 2015

Riga, 2016

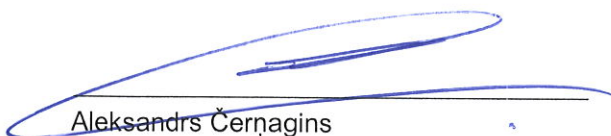
INTRODUCTION

The Corporate Governance Report of JSC „mogo” (henceforth – “mogo”) for the year 2015 is prepared based on “The Principles of Corporate Governance and Recommendations on their Implementations” issued by „NASDAQ OMX Riga” in the year 2010

The Report is prepared by the board of “mogo” and reviewed by the council.

The Principles of Corporate Governance are maximum suitable for business operations of “mogo” and most of them were complied in 2015.

This Report is published on the “NASDAQ OMX Riga”.



Aleksandrs Čerņagins
Chairman of the Board

Riga, April 6, 2016

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

INTERNAL CONTROL AND RISK MANAGEMENT

The purpose of internal control and risk management is to ensure efficient and successful work of the Issuer, the truthfulness of the information disclosed and conformity thereof to the relevant regulatory acts and business principles. Internal control helps the board to identify the shortcomings and risks in the management of the Issuer as well as facilitates that the council's task - to supervise the work of the board - is fulfilled efficiently.

1. Principles of the Issuer's internal and external control

To ensure successful work of the Issuer, it shall be necessary to plan regular its controls and to determine the procedure of internal and external (audit) control.

1.1 To ensure successful operation, the Issuer shall control its work on a regular basis and define the procedure of internal control.

“mogo” applies this principle.

1.2 The objective of risk management is to ensure that the risks connected with the commercial activity of the Issuer are identified and supervised. To ensure an efficient risk management, it shall be necessary to define the basic principles of risk management. It is recommended to characterize the most essential potential and existing risks in relation to the business of the Issuer.

“mogo” applies this principle.

1.3 Auditors shall be granted access to the information required for the fulfillment of the auditor's tasks and the possibility to attend council and board meetings at which financial and other matters are dealt with.

“mogo” applies this principle partly. Auditors did not participate in any of the council and board meetings, however, they are granted access to the information required for the fulfillment of their tasks including council and board meeting minutes. In addition they are able to inquire and receive comments from the Issuers council and board members.

1.4 Auditors shall be independent in their work and their task shall be to provide the Issuer with independent and objective auditing and consultation services in order to facilitate the efficiency of the Issuer's business and to provide support in achieving the objectives set for the Issuer's management by offering a systematic approach for the assessment and improvement of risk management and control processes.

“mogo” applies this principle.

1.5 It shall be recommended to carry out an independent internal control at least annually in order to assess the work of the Issuer, including its conformity to the procedures approved by the Issuer.

“mogo” applies this principle. “mogo” has created an internal audit department which is independent from the Issuer's board and management and carry out at least annually assessments of the Issuer's work conformity to the procedures approved by the Issuer and offer improvements.