



“ОЮУ ТОЛГОЙ” ХХК-ИЙН  
УУЛ УУРХАЙН АЖИЛТНЫ  
ҮЙЛДВЭРЧНИЙ  
ЭВЛЭЛИЙН ХОРОО



ОЮУ ТОЛГОЙН ОРОН  
НУТГИЙН АЖИЛЧДЫН  
ҮЙЛДВЭРЧНИЙ  
ЭВЛЭЛИЙН ХОРОО



# THE COLLECTIVE AGREEMENT

2025-2027



# THE COLLECTIVE AGREEMENT

**2025-2027**

The collective negotiations between Oyu Tolgoi LLC, the Trade Union Committee of Mining Employees of Oyu Tolgoi LLC, and the Trade Union Committee of Local Employees of Oyu Tolgoi LLC have successfully concluded. On 21 November 2024, a Collective Agreement was signed, aimed at improving the working conditions of employees. This agreement will remain in effect for a period of three years.

We are pleased to announce that this Collective Agreement enhances benefits for employees and their families, improving both social protection and working conditions. The Collective Agreement consists of 10 Chapters, covering the broad areas as outlined on the next page. Therefore, the parties have dedicated significant time and effort to discuss and resolve each issue included in the draft agreement, including improvements and additional programs that directly impact employee remuneration and overall benefits.

# THE COLLECTIVE AGREEMENT CHAPTERS

- I Chapter** Common Grounds
- II Chapter** Employment and Job Security
- III Chapter** Remuneration
- IV Chapter** Social Protection of Employees and Benefits Provided to Employees
- V Chapter** Roster Schedule and Leave
- VI Chapter** Training and Career Development
- VII Chapter** Labor Safety and Hygiene
- VIII Chapter** Trade Union Activities
- IX Chapter** Collective Agreement Implementation, Monitoring and Appraisal of the Collective
- X Chapter** Agreement Performance



**WE WOULD LIKE TO INTRODUCE YOU TO THE  
MAJOR CHANGES AND IMPROVEMENTS IN  
THE COLLECTIVE AGREEMENT.**



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## BASE SALARY CHANGES

$$\begin{array}{l} \text{MONTHLY BASE} \\ \text{SALARY} \\ \text{(NOW)} \end{array} + \begin{array}{l} \text{200} \\ \text{USD} \end{array} = \begin{array}{l} \text{BASE SALARY} \\ \text{(IN ACCORDANCE WITH THE ESTABLISHED} \\ \text{SALARY ADJUSTMENT PROCESS )} \end{array}$$

It has been collectively agreed that the monthly base salary for employees of Oyu Tolgoi LLC, expressed in US dollars, will be increased by USD200 in 2025, the first year of the Collective Agreement.

This salary increase will take effect on 1 March 2025, in accordance with the established salary adjustment process it will be reflected in the employee's pay starting on 25 March 2025.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## BASE SALARY CHANGES



Additionally, the Collective Agreement stipulates a 3% increase in the base salary for the years 2026 and 2027, respectively.

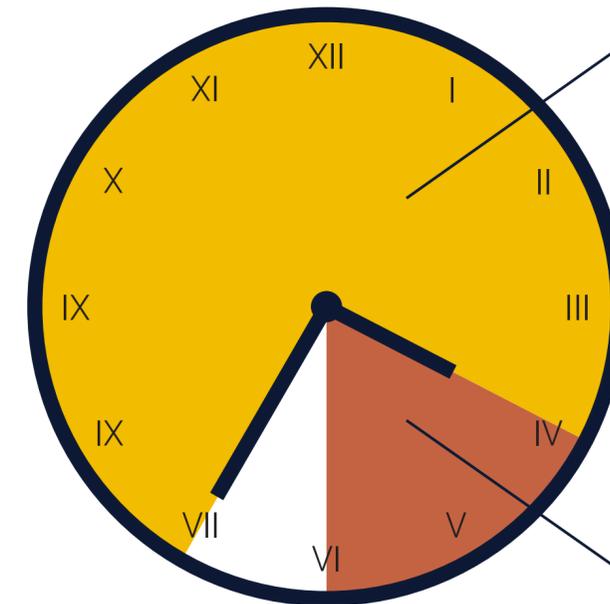
This increase in the base salary will also apply to all allowances that are commensurate with the base salary, leading to an increase in the employees' overall take-home pay.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## OVERTIME ALLOWANCE

Overtime allowance will be provided at a rate of 1.6 times the average salary rate for hours worked in excess of 8 regular hours per day (7 regular hours for non-standart working condition).



**8 HOURS**  
REGULAR

**OVERTIME**  
**1.6 TIMES**  
**INCREASED**

The change in overtime allowance will be implemented in the time sheet logging system starting from 25 December 2024, and will be reflected in the employees' pay starting on 10 February 2025.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## OVERTIME ALLOWANCE: FOR EXAMPLE

**FOR EMPLOYEES WITH STANDARD WORKING CONDITIONS**  
/assuming a month has 30 days/

Days off per month 14

DAYS WORKED PER MONTH 16

WORKING HOURS PER DAY 12

**TOTAL HOURS WORKED**  $12 \times 16 = 192$

REGULAR WORKING HOURS  
 $8 \times 16 = 128$

OVERTIME  
 $4 \times 16 = 64$

**OVERTIME CALCULATION**  
 $64 \text{ HOURS} \times \text{AVERAGE SALARY RATE} \times 1.6$

**FOR EMPLOYEES WITH NON-STANDARD WORKING CONDITIONS**  
/assuming a month has 30 days/

Days off per month 14

DAYS WORKED PER MONTH 16

WORKING HOURS PER DAY 12

**TOTAL HOURS WORKED**  $12 \times 16 = 192$

REGULAR WORKING HOURS  
 $7 \times 16 = 112$

OVERTIME  
 $5 \times 16 = 80$

**OVERTIME CALCULATION**  
 $80 \text{ HOURS} \times \text{AVERAGE SALARY RATE} \times 1.6$

Please note that the daily working hours for all departments and teams will remain unchanged.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## NIGHT SHIFT ALLOWANCE:

### CALCULATION:

$$\left( \text{AVERAGE SALARY RATE} \times 1.3 - \text{HOURLY BASE SALARY RATE*} \right) \times \text{NIGHT SHIFT HOURS}$$

Night shift allowance will be increased to **1.3 times the average salary rate**, up from the current 1.2 times the average salary rate. The existing formula will be maintained.

\*Hourly base salary rate refers to the pay already included in the monthly base salary.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## **AVERAGE SALARY COMPONENTS AND DIVISORS:**

The current average salary components will be maintained unchanged.

- Base salary
- Site allowance
- Non-standard working condition allowance
- Continuous maintenance payment
- Continuous operations allowance
- Annual leave salary



## IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

### AVERAGE SALARY COMPONENTS AND DIVISORS:

The maximum limit for the **divisor used to calculate the average salary rate**, based on hours worked, is set at **168 hours**.

**168**

This measure ensures that an employee's average hourly rate remains unaffected and does not decrease in months with more than 168 hours worked, or in cases of extended work due to specific job requirements. The goal is to maintain favorable conditions for employees by preventing a reduction in their average salary rate despite increased work hours.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## IMPROVE AND SIMPLIFY PAYROLL ACCOUNTING



The parties will jointly implement a project to improve the timesheet logging and payroll accounting system. As part of this project, we will also work together to review and improve the payroll accounting for long-term leave.



# IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

## MEAL AND TRANSPORTATION ALLOWANCE



**NEW ALLOWANCE**

**1,000,000 MNT**



**EXISTING**

**800,000 MNT**

(IN APRIL 2024, MEAL AND TRANSPORTATION ALLOWANCE WAS 500,000 MNT)

Meal and transportation allowance for Ulaanbaatar, Dalanzadgad, and Khanbogd office employees has been increased to

**MNT 1 million**

- ✓ This allowance will be provided in full regardless of the employee's work location.
- ✓ The above arrangement also applies to employees working on 50/50 rosters at site and Ulaanbaatar office.

\*effective from 25 December 2024, will be paid on 10 February 2025



## IMPROVEMENTS RELATED TO REMUNERATION, BENEFITS AND INCENTIVES

### WHAT WILL BE THE IMPACT ON THE TAKE-HOME PAY FOR EMPLOYEES?



- These improvements will have a positive effect on all employees, although the specific impact may vary based on factors such as work location, roster, and individual conditions.
- For site-based employees, the increase will be even higher due to :
  - **OVERTIME**
  - **NIGHT SHIFTS**
  - **VARIOUS OTHER ALLOWANCES**



## OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP

### TUITION SCHOLARSHIP



Up to 30 scholarships will be awarded annually to children of Oyu Tolgoi LLC employees for studies at local universities. These students will be eligible to participate in the “Youth Development Program.”

\*This scholarship program was initiated by the Company to support the families of its employees.



# OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP

## MATERNITY ALLOWANCE

- ☑ Maternity allowance will be enhanced. In addition to the four-month maternity leave and incentive provided by the Social Insurance Fund, an additional benefit equivalent to 18 weeks of base salary will be provided, similar to the paternity leave benefits.

### EXISTING

\*Maternity leave will remain **6 months**.

THE DIFFERENCE BETWEEN 4 MONTHS OF SOCIAL  
INSURANCE BENEFITS AND THE BASE SALARY

+

**2 MONTHS OF BASE SALARY**

### NEW

\*Maternity leave will remain **6 months**.

**4 MONTHS OF SOCIAL INSURANCE BENEFITS**

+

**4 MONTHS OF BASE SALARY**

\*effective from Collective Agreement formal ratification



## OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP

### EMERGENCY RELIEF AID

**10**   
**MILLION MNT**

If the employee's primary residence is damaged due to a disaster, accident, or other hazardous event, a **one-time aid of MNT 10 million** will be provided.

If two employees from the same family (spouses, parents, siblings) work at the company, this assistance will be provided only once.

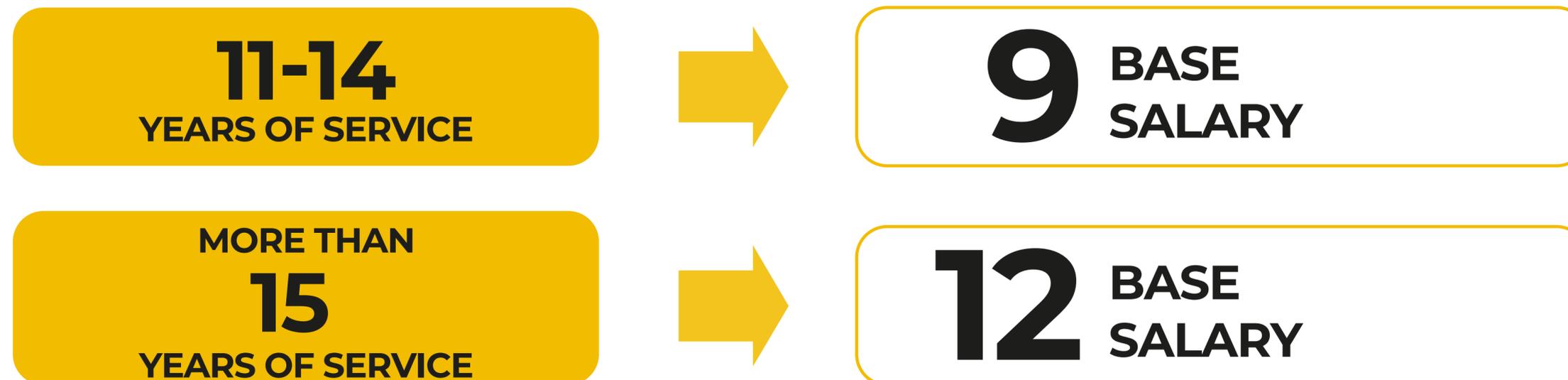
\*effective from Collective Agreement formal ratification



## OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP

### TERMINATION OF EMPLOYMENT ALLOWANCE

- ☑ The termination of employment allowance has been improved, with increased benefits for employees who have worked for the company for 10 and 15 years or more, as follows:



\*In case of liquidation of the Employer business entity or organisation, branch or unit thereof; abolition of job or position; reducing number of employees;  
\*effective from Collective Agreement formally ratified



## OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP

### OTHER KEY IMPROVEMENTS, COLLABORATIVE PROJECTS AND PROGRAMS

- ☑ The conditions for Acting or Additional duties allowance have been clarified and increased to **20 and 25 percent**.
- ☑ A joint working group will be established to review the skill differences in operator and technical positions.
- ☑ The principles and processes of cooperation between the Company and the Trade Union Committees have been clearly regulated.

\*effective from 25 December 2024



## **OTHER BENEFITS, INCENTIVE PROGRAMS, AND SCHOLARSHIP**

### **OTHER KEY IMPROVEMENTS, COLLABORATIVE PROJECTS AND PROGRAMS**

- ☑ The following projects and programs, implemented under the current collective agreement and beneficial to employees and their families, will continue. These include:
  - Health and accident insurance coverage for 2 additional family members;
  - Retirement savings fund;
  - Life insurance;
  - Paternity leave;
  - Long-service incentive;
  - Retirement pay;
  - Children's Day gifts;
  - Cash bonuses for state and industry awards;
  - All other benefits and allowances remain the same.

For additional details, the original version of the **COLLECTIVE AGREEMENT FOR 2025-2027** will be available in the Collective Negotiations section of the **“OT INFO APP”**