



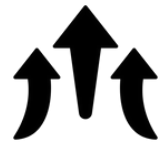
FREQUENTLY ASKED QUESTIONS REGARDING THE SALARY CALCULATION AND PROCESS



1. Why are we making this change?

These improvements are being implemented as response to feedback from employees and trade unions during the collective agreement negotiation.

It reflects our commitment to addressing employee concerns and enhancing the payroll experience related to salary calculation and system.



2. What kind of change is coming?

Salaries, previously calculated on a biweekly basis, will transition to a monthly calculation. The pay dates (10 and 25th of each month) will remain unchanged, and only the salary calculations will be consolidated monthly.

As a result, advance salary will be paid on the 10th of that month, and other salaries, allowances and additional allowances will be paid on the 25th.

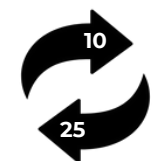
*Allowances and additional allowances that were previously paid on the 10th of the following month will now be moved to the 25th of the same month.



3. What does the monthly payroll cycle change?

When salary is calculated monthly, 40% of base salary will be paid as an advance at the first pay of each month (10th of each month).

The remaining portion of the base salary, along with all allowances, will be calculated in the second pay of the month (25th of each month), after deducting the advance payment, personal income tax (PIT), social insurance, and other statutory deductions.

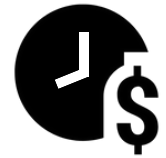


4. Will the pay dates change?

No. the pay dates will remain the same, with salaries being paid on the 10th and 25th of each month, unless these dates fall on a weekend or public holiday.



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5. Will the pay calculation period change?

No, the pay period will remain from the 25th of the previous month up to 25th of the current month (excluding 25th).



6. Will it have an impact on all employees?

Yes, it will apply to all employees.



7. Does this mean the timing of the first and second pay will be reversed?

Yes. However, only advance salary with certain percent of base salary will be paid on the 10th of that month.

Employees who typically rely on early-month income to meet financial obligations, such as loan repayments, may need to adjust their personal financial planning in light of this improvement.

Therefore, it is recommended that employees make any necessary adjustments and plan their personal finances, as the improvement will begin with the salary for July 2025.



8. How is the advance salary calculated?

The advance is 40% of the employee's monthly base salary. In the case of unpaid leave, the amount corresponding to those days will be adjusted from the advance.



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9. How many times will a pay slip be issued in a month?

A pay slip will be issued once a month, after the final salary is paid on the 25th.



10. Will the pay slip format change?

Yes. Bimonthly pay slips will be replaced with monthly pay slips, The pay slip will include additional explanations in the breakdown. The monthly breakdown will also show the advance pay.



11. If I request to change my salary bank account, when will it take effect?

If you want your advance salary to be paid in the new account, submit your request by the 5th of the month. If you want your second pay to be paid to the new account, submit your request by the 18th. Requests submitted after these dates will take effect in the next payroll cycle.



12. How will the exchange rate be determined when calculating salary in USD?

Since salaries are now calculated once a month, the same exchange rate will be applied to both the first and second pay. The calculation method will remain the same. The calculation will use the previous month's official Mongol Bank USD exchange rate.



FREQUENTLY ASKED QUESTIONS REGARDING THE SALARY CALCULATION AND PROCESS



13. Will I still be able to receive my full annual leave cash out in either the first or second pay?

Yes. You can receive it with either pay.



14. Will all allowances and additional allowances be paid only with the second pay?

Yes, all allowances and additional allowances will be included in the second pay.



15. When will Personal Income Tax, social insurance, and other deductions be made?

PIT, Social insurance and other deductions (e.g. Retirement savings, myShare Plan, labor union) will be deducted from the second pay on the 25th.



16. Can employees with salary deductions amend their repayment agreements?

Yes. The employee can adjust the distribution of deductions between the two pays by amending their agreements.



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17. How will bank loan repayment schedules be adjusted?

Please contact your bank to make arrangements if needed. The company will notify partner banks about the payroll system change and request flexibility in adjusting employee loan schedules. Employees are also encouraged to contact their banks directly to make necessary changes.



18. How will the salary be paid during the first month of implementation (in July)?

For site employees:

On July 9, employees will receive the advance salary along with allowances and additional allowances from June. On July 25, the second pay will include remaining salaries, July's allowances and additional allowances including overtime and night shift allowances.

For office employees:

On July 9, employees will receive the advance salary. On July 25, the second pay will include remaining salaries and Meal and Transportation Benefit.



19. How will PIT and other deductions be calculated in July, the first month of change?

July total monthly salary will be subject to PIT according to the law. Any overpaid tax will be reconciled during the annual tax return.



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20. If I receive annual leave cash out in the July first pay, how will it be calculated?

The current method will apply – based on the average salary of the 12 full months prior to July.



21. How will the average salary rate for July's second pay be calculated?

Overtime and night shift allowances for July will be calculated based on salary data from March 25 to June 25, 2025.



22. How will the annual leave cash out affect the calculation of the average salary rate?

The annual leave cash out will be included in the average salary rate calculation, regardless of when it is paid.



23. Will there be any impact on the average salary calculation?

There will be no changes to the components of the average salary.

Currently, when calculating the average hourly wage, it is based on six (6) half-month salaries, but with this change, it will be calculated using the previous three (3) full month salaries. This will eliminate any confusion regarding the calculation of the average hourly wage.