FORMULA FOR CALCULATING THE INDEXED CONTRACT PRICE

Annex 6 of "Regulation on Exchange Trading of Mineral Commodities"

/This appendix was revised by Resolution No. 48 of the Board of Directors on September 18, 2025./

METHODOLOGY FOR CALCULATING INDEX MOVEMENT

The index movement will be publicly announced on the official website of the Mongolian Stock Exchange by the 5th day of each month. In the publication, an increasement in the index will be indicated with a plus sign (+), and a decrease with a minus sign (−). If the 5th day of the month falls on a Saturday, the information will be published on the 4th; if it falls on a Sunday, it will be published on the 6th; and if there is a national holiday lasting 3 or more consecutive days including the 5th, the publication will be made on the nearest working day to the 5th.

-The index movement does not apply to the agreement prices for any other coal besides coking coal and thermal coal.

-The price of agreement for the 1st and 2nd months will be calculated based on the Implied agreed price, while the 3rd month's agreement payment will be calculated based on the index movement-based price.

To calculate the index movement of the coking coal and thermal coal index basket traded on the Mining Exchange, the following steps shall be implemented subsequently:

1.Calculate the Monthly Average Value of Each Index

The arithmetic average of each index for the given month shall be calculated.

$In(t) = \Sigma Ii/$ d

– In (t)– n means the average value of corresponding month

-Ii – Index value for corresponding day

-d – Total number of days in corresponding month

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2.The monthly movement coefficient of the indices shall be determined;

The movement (change coefficient) of each index shall be determined by comparing the monthly average value of the index with that of the previous month.

$$\Delta INDEX_K(t) = \frac{I_K(t) - I_K(t-1)}{I_K(t-1)} * 100\%$$

– $\Delta INDEX$n (t)- means corresponding month's movement coefficient of the index

– I n (t)– n means average value of the index for the corresponding month

– I n $(t-1)$ – n means average value of the index for the previous month

3.Determining the movement coefficient of the index basket change:

To determine the movement coefficient of the index basket for the respective month, multiply the respective month's value of each index by its corresponding weight in the basket.

$\Delta INDEXbasket(t)$ $w1 * \Delta INDEX1\ (t) + w2 * \Delta INDEX2\ (t) + w3 * \Delta INDEX3\ (t) + w4 * \Delta INDEX4\ (t) + w5 * \Delta INDEX5\ (t) + w6 * \Delta INDEX6(t)$

– $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month

– w n – n means the weight of the index in the basket

– $\Delta INDEX$n (t) – movement coefficient of the index for the corresponding month

4.Using the movement coefficient of the basket index, determine the monthly price movement of coking coal and thermal coal.

In the first month of the agreement, the Implied agreement price will be adjusted using the index movement coefficient.

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$Pt = P0 * (1 + \Delta INDEXbasket(t))$

– $P1$– price of the corresponding month

– $P0$ – the Implied agreement price

– $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month

Starting from the second month of the agreement, the price will be adjusted using the movement coefficient of the index for the current month, based on the price calculated using the previous month's index movement.

$Pt = Pt{-}1 * (1 + \Delta INDEXbasket(t))$

– Pt– price of the corresponding month

– $Pt{-}1$ – the Implied agreement price

– $\Delta INDEXbasket(t)$ – the movement coefficient of the basket index for the corresponding month

Methodology for calculating index movements

Index basket movement coefficient

Date	Coking coal's index fluctuation	Thermal Coal's index fluctuation
March 2025	-5.76%	-
April 2025	-1.96%	-
May 2025	-2.63%	-
June 2025	-6.28%	-
July 2025	+5.67%	-
August 2025	+11.33%	-
September 2025	+2.10%	+0.44%
October 2025	+6.39%	+7.13%
November 2025	+4.51%	+10.67%
December 2025	-5.03%	-6.52%

Formula:

The movement coefficient of the index basket is used to determine the monthly price movement of coking and thermal coal.
The contract price shall be adjusted in the third calendar month following the conclusion of the transaction, using the index movement coefficient.

$P_t = P_0 * (1 + \Delta INDEXbasket(t))$

– P_t– price of the corresponding month

– P_0 – the Implied agreement price

– $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month.

Starting from the fourth calendar month following the conclusion of the transaction, the price shall be adjusted on a rolling basis by applying the relevant month's index movement coefficient to the previous month's price, which has already been adjusted for index movements.

$P_t = P_{t-1} * (1 + \Delta INDEXbasket(t))$

– P_t– price of the corresponding month

– P_{t-1} – the Implied agreement price

– $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month.

SAMPLE TEMPLATE FOR CALCULATING THE INDEXED CONTRACT PRICE

TRADING ADVERTISEMENT FOR FORWARD CONTRACT OF MINING PRODUCTS

1	Seller's name	"Erdenes Tavantolgoi" JSC
2	Auction date and, time	**2025/06/25 (Monday) 11:00**
3	Type and classification of mining product	**1/3 coking coal**
4	Quality estimation	Measurements: Quality index Ash (db): ≤9.0 Total moisture (ar): ≤5.0 Volatile (daf): >28.0-37.0 Total sulfur (db): ≤1.0 G-index (5:1): ≥75.0
5	Number of lots and, total weight	**20** lots equal to **128,000** tons
6	Bid opening bid price and, currency type	**110.5** USD/per ton
7	Fixed or index-based pricing	**Index-based pricing**
8	Price calcaulation of premium and discounts of quality differences	Not applicable
9	Minimum amount to increase the bid price during the auction /tick size/	**0.5** USD
10	Termination date of the contract	**180** days
11	The delivery date and, type of incoterms	**2025/11/25** (In accordance with the delivery schedule, delivery will be completed by the end of this period) DAP Gangimaodu
12	Point of delivery	Custom yard speficied by the Buyer at the Gangimaodu port, China
13	Transportation type	Autoroad and railroad
14	Amount of collateral	Buyer on the exchange – **1,414,400** USD Broker – **707,200** USD
15	Bank account info for collateral and, its currency type	1. Beneficiary: MONGOLIAN STOCK EXCHANGE JSC Beneficiary's bank: TRADE AND DEVELOPMENT BANK OF MONGOLIA SWIFT/BIC: TDBMMNUB Account number: MN 94000 4000 499186166 Bank address: TRADE AND DEVELOPMENT BANK, 14210 PEACE AVENUE 19, SUKHBAATAR DISTRICT, 1ST KHOROO, ULAANBAATAR, MONGOLIA Tel: (+976) 70161988 2. Beneficiary: MONGOLIAN STOCK EXCHANGE JSC Beneficiary's bank: XACBANK SWIFT/BIC: CAXBMNUB Account number: MN 6400 3200 5005595301 Bank address: XACBANK HQ BLDG, ULAANBAATAR-14200, POST BRANCH 20A, PO BOX-72, MONGOLIA
16	Additional information for buyers	Buyers shall be responsible for the containers and all the other costs. The number of containers should be at least **200**.
17	Contact information for further enquiries	976-11-313747 (6113)

Product delivery schedule

Product delivery date	2025/06	2025/07	2025/08	2025/09	2025/10	2025/11
Payment date	the bidder shall transfer an advance payment equal to 25% of the total agreement value to the seller's account within 7 working days	-	Agreement payment will be calculated based on the index movement-based price.			
Delivery amount /tonnes	21,000	21,000	21,000	21,000	21,000	23,000

The seller shall be fully responsible for the accuracy of the entire information provided in this form. If there is any conflict between the advertisement form of Mongolian, English and Chinese, the Mongolian version shall be prevailed.

Formula:

$Pt = P0 * (1 + \Delta INDEXbasket(t))$
- Pt– price of the corresponding month
- $P0$ – the Implied agreement price
- $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month.

$Pt = Pt\text{-}1 * (1 + \Delta INDEXbasket(t))$
- Pt– price of the corresponding month
- $Pt\text{-}1$ – the Implied agreement price
- $\Delta INDEXbasket(t)$ - the movement coefficient of the basket index for the corresponding month.

Calculation:

Date	Transaction Price	Supply Quantity	Monthly Index Movement	Change in the Contract Unit Price	Calculation of the Contract Price for the Relevant Month
June 2025	110.5$	21,000 tons	-6.28%	110.5$ (No adjustment applicable)	110.5$ *21,000 tons = 2,320,500$
July 2025		21,000 tons	+5.67%	110.5$ (No adjustment applicable)	110.5$ *21,000 tons = 2,320,500$
August 2025		21,000 tons	+11.33%	110.5$ x (1+11.33%)=123.02$	123.02$ *21,000 tons = 2,583,413$
September 2025		21,000 tons	+2.10%	123.02$ x (1+2.10%)=125.60$	125.60$ *21,000 tons = 2,637,664$
October 2025		21,000 tons	+6.39%	125.60$ x (1+6.39%)=133.63$	133.63$ *21,000 tons = 2,806,211$
November 2025		23,000 tons	+4.51%	133.63$ x (1+4.51%)=139.66$	139.66$ *23,000 tons = 3,212,083$

Total Indexed Contract Price: **15,880,371 $**