

**NEWS ON NEGOTIATION BETWEEN LOCAL GOVERNMENT,
HERDERS' REPRESENTATIVES OF KHANBOGD SOUM
AND OYU TOLGOI COMPANY**

Khanbogd soum

Ikh Bulag

5 February 2015

We regularly provide you with information regarding the agreements reached at the joint meetings held between the Herders' Representatives and "Oyu Tolgoi" company with CAO involvement in the problem solving process. Last meeting was held on 5 February 2015 in Vocational Training Center of Khanbogd soum and this is the brief information about the meeting.

The main purpose of the meeting was to establish "Tripartite Council" that will consist of Local Government, Herders' Representatives and "Oyu Tolgoi" company in order to further implement the actions agreed during negotiations facilitated by CAO; to develop a draft of Council's Charter; and to discuss the status of complaint issues.

As usual, the meeting was facilitated by the Office of the Compliance Advisor Ombudsman (CAO) of International Finance Corporation and Mr. T. Buyan-Ulzii, Khanbogd soum Governor, Mr. Kh. Nekhiit, Chairman of Khanbogd soum Citizens' Representatives' Khural and "Oyu Tolgoi Watch" NGO, the herders' advisor participated in the meeting. Dr. D. Byambajav from the Center of Social accountability in mining, Queensland University, Australia attended the meeting as an observer.

As a result of the meeting the parties:

- Worked out a draft Charter of joint Council of Local Government, Herders' Representatives and "Oyu Tolgoi" company.
- Three parties agreed to visit the location for new Bor Ovoo spring.
- Decided to establish Tripartite Council by the resolution of Citizens' Representatives' Khural, and agreed to operate according to the Memorandum of Understanding.

Parties agreed to hold the first meeting of the Tripartite Council of Herders' Representatives, Local Government and "Oyu Tolgoi" company in the end of March 2015.

Khanbogd soum Government
Khanbogd soum Herders' Representatives
Oyu Tolgoi LLC