



Oyu Tolgoi LLC

Human Resources and Training

HR-10: Grievance and Fair Treatment Procedure

Contents

- Procedure** 3
 - 1. Grievance and Fair Treatment..... 3
 - 1.1. Overview 3
 - 1.2. Grievance and Fair Treatment Procedure..... 3
 - 1.3. Issues to be resolved outside Grievance and Fair Treatment Procedure 3
 - 2. Grievance and Fair Treatment Process 4
 - 2.1. Interpreter..... 4
 - 2.2. Formalising a Grievance and Fair Treatment Claim..... 4
 - 2.3. Standard Review Process 4
 - 2.4. Labour Dispute Settlement Committee 5
 - 2.5. Speak Out 5
 - 3. Record Keeping..... 6
 - 4. Policy Issues 6
- Roles and Responsibilities**..... 7
 - 1. Employees 7
 - 2. Leaders 7
 - 3. Human Resources..... 7
 - 4. Labour Dispute Settlement Committee 7
- Appendices** 8
 - 1. Definitions 8
 - 2. Templates and Standard Documents 8
 - 3. Related Policies..... 8
 - 4. Policy Standard Review – Stakeholder Engagement..... 8
 - 5. Mongolian Laws and Regulations Review 8
- Document Information** 10

Procedure

1. Grievance and Fair Treatment

1.1. Overview

This document outlines the procedure for an employee who wishes to address a concern where they believe that they have been treated unfairly. This procedure provides a clear understanding of:

- the process involved in raising and managing a grievance and fair treatment claim; and
- the roles and responsibilities of all parties

1.2. Grievance and Fair Treatment Procedure

To address matters employees may wish to utilise the Grievance and Fair Treatment procedure in accordance with the Grievance and Fair treatment Policy which governs this procedure.

If an employee has a concern, the employee should discuss it with his or her immediate leader or the person with whom the concern is involved with in the first instance and attempt to resolve the concern informally.

If a matter cannot be resolved through this informal process, the employee may initiate the Grievance and Fair Treatment Procedure and in doing so, must follow the appropriate process steps set out within this procedure.

1.3. Issues to be resolved outside Grievance and Fair Treatment Procedure

The Grievance and Fair Treatment process will not apply to every decision that is made by the Company (See Grievance and Fair Treatment Policy). It only applies to decisions made by the Company that the employee believes has resulted in them being treated unfairly.

Issues that do not qualify for the Grievance and Fair Treatment process should be raised or addressed through more appropriate channels such as discussion with leaders in the first instance.

There is no avenue for external arbitration or resolution within the Grievance and Fair Treatment process. External resolution of issues only occurs where an employee seeks assistance from government legal agencies and pursues legal remedies outside of this procedure.

If an employee lodges a grievance and fair treatment claim that falls outside of the scope of the Grievance and Fair Treatment Policy, the claim will be discontinued as soon as this becomes apparent and it will not progress any further through the Grievance and Fair Treatment process.

Where an employee does not agree with a decision that their concern does fall within the scope of the Grievance and Fair Treatment process, their General Manager has discretion to refer the issue to Vice President Human Resources and Training for a review and final determination.

2. Grievance and Fair Treatment Process

2.1. Interpreter

A complainant may seek translation assistance by requesting that the company provide an interpreter. Interpreters will enhance communication by conveying information accurately.

An interpreter must keep all aspects of the grievance process confidential. In particular they will not disclose any information learned and/or transmitted during the performance of interpretation.

Interpreters will demonstrate respect towards all persons involved in the process and will show no preference or bias towards either party.

2.2. Formalising a Grievance and Fair Treatment Claim

A Grievance and Fair Treatment Claim will be formalised when an employee submits a completed Fair Treatment Claim Form to their immediate leader. Where a claim relates to a decision of an employee's immediate leader and they have been unable to resolve the issue through informal discussions with this person the employee may submit the Fair Treatment Claim form to their manager-once-removed. No employee shall take a grievance or complaint directly to a Director or any other member of company senior management including any officer or Vice President. Where this occurs, the matter shall be referred back through the appropriate channels.

A claim form must be submitted within 14 calendar days of the original decision or action that the employee believes is unfair. Claim forms will only be accepted if the employee has attempted to resolve the issue informally in the first instance.

In the claim form the employee must provide a clear and concise summary or description of:

- the nature of their grievance including details of any decision he or she believes to be unfair; and
- the reason as to why they believe the conduct or decision to be unfair; and
- the steps that have been taken to resolve the issue; and
- what they propose as potential remedy to the perceived unfair decision.

Supporting documentation can be attached to the back of the completed Fair Treatment Claim Form, if necessary.

All leaders must immediately notify HR immediately upon receiving a completed Fair Treatment Claim Form.

2.3. Standard Review Process

Once the Grievance and Fair Treatment Claim Form has been submitted and accepted the following steps will be followed.

Step 1 – Involvement of Immediate Leader

Step 2 – Involvement of Manager-once-Removed (MoR)

Step 3 – Involvement of General Manager (GM) of Business Unit

Where an accepted fair treatment claim concerns a decision or action of an employee's immediate leader an employee may request that it be immediately referred to step 2 of the process.

Best endeavours shall be made to resolve the issue within 14 calendar days at each step. At each stage the leader must:

- meet with the employee and attempt to resolve the issue; and
- deal with concerns seriously, thoroughly, confidentially and without bias

Obligations on both parties are to:

- ask questions to clarify the concern and the reason for the decision;
- attempt to understand the other's point of view; and
- make a genuine attempt to resolve the concern at each level

Employees are free to withdraw a grievance at any stage of the process.

2.4. Labour Dispute Settlement Committee

Grievances not otherwise resolved at step 1, 2 or 3 will be referred to the Labour Dispute Settlement Committee.

The Labour Dispute Settlement Committee (the Committee) is an internal group of representatives of an employer and employees. The Committee will be formed as per current Mongolian legislation.

The Committee will review the grievance and fair treatment claim and advise the Vice President Human Resources and Training on the outcome within 14 calendar days.

2.5. Speak Out

Employees should normally raise an issue to their immediate leader or Manager-once-Removed. However, in some circumstances, employees may wish to report an incident or issue either anonymously or to an independent third party through the Speak Out program.

Speak Out should be used to raise serious issues and inappropriate behaviour that senior management at Oyu Tolgoi would want to hear about and deal with. The types of issues that can be raised through Speak Out could include, but are not limited to, the following areas:

- Safety or environmental hazards being created or ignored
- Harassment/discrimination/bullying
- Fraud or Theft
- Bribery or corruption
- Conflicts of interest
- Any departure from Oyu Tolgoi's principles in The way we work
- Company records being falsified
- Accounting/audit irregularities

Employees who wish to report an issue to Speak Out should do so in accordance with the Speak Out procedure (refer to this link http://compliance.riotinto.org/portaldocuments/speakout/Speak-OUT_Procedure_EN.pdf).

3. Record Keeping

Following resolution of an issue the Fair Treatment Claim Form and any associated materials should be forwarded to the HR department for filing.

4. Policy Issues

Concerns about the content of a company policy should not be raised through the Grievance and Fair Treatment Procedure. Where an employee has a concern relating to the content of a company policy (rather than the application of a policy or a leader decision) the employee should discuss the issue with their immediate leader. If they wish, they may put their concerns in writing and submit it to their immediate leader.

Upon receipt of this information the leader will seek advice from HR and forward the concern to the General Manager or Senior Manager who has accountability for the policy in question. The General Manager will review the issue and provide a written response to the Employee about their concern.

Roles and Responsibilities

1. Employees

The Employee is accountable for:

- discussing their concern with their leader or other party first to attempt to resolve the conflict informally in the first instance;
- using the Grievance and Fair Treatment Process in an appropriate manner if they believe they have been treated unfairly;
- raising a genuine and factual concern within the prescribed timeframes;
- attempting to understand their leader's viewpoint;
- actively participating in the process while maintaining complete confidentiality

2. Leaders

Leaders are accountable for:

- ensuring they have a clear understanding of the Grievance and Fair Treatment Procedure;
- addressing all grievances with employees directly, without prejudice, and in a timely manner;
- facilitating escalation of grievances as required according to the policy and procedure;
- attempting to seek a resolution at the lowest level of management;
- implementing this procedure, including the maintenance of a fair work environment, in their specific area of responsibility;
- ensuring no retaliation is directed at employees who file a genuine grievance claim

3. Human Resources

Human Resources are accountable for:

- ensuring all grievances that are directed to HR have followed the proper procedures and have been executed properly;
- training leaders on handling a grievance and fair treatment issue;
- providing advice and guidance to leaders who are managing an issue raised under this procedure;
- attempting to seek a resolution at the lowest level of management;
- updating and amending this procedure as required;
- ensuring issues raised are within the scope of the Grievance and Fair Treatment process, or otherwise liaise with Management to more appropriately deal with the grievance or issue;
- ensuring all Notification Forms and associated materials are filed and recorded; and
- forwarding a grievance and fair treatment case directly to the General Manager who has accountability for the procedure in question if a grievance is policy related

4. Labour Dispute Settlement Committee

Labour Dispute Settlement Committee is responsible for:

- reviewing a grievance and fair treatment claim carefully;
- making decisions;
- advising the Vice President Human Resources and Training on required action;
- advising the outcome of the decision to the grievant and any other person involved in the grievance

Appendices

1. Definitions

In this procedure document the following outlines the key terms and their meanings:

- **The “Company”** – The business units/functional groups of Oyu Tolgoi LLC;
- **Employee** – An individual who has entered into a contract of employment or employment agreement with Ouy Tolgoi LLC and who performs work for Oyu Tolgoi LLC under this arrangement;
- **Labour Dispute Settlement Committee** – A committee formed within the Company representing employees and the employer

2. Templates and Standard Documents

- HR – 10 Grievance and Fair Treatment Policy;
- Fair Treatment Claim Form; and

3. Related Policies

The following processes support the execution of the Grievance and Fair Treatment Policy:

- Equal Employment Opportunity Policy and Procedure; and
- Speak Out

4. Policy Standard Review – Stakeholder Engagement

During the development of this procedure, all key stakeholders in Oyu Tolgoi LLC have been consulted and provided input where needed.

This stakeholder engagement will be different for each document, but for this procedure the following key stakeholders (including those in the wider Rio Tinto Group) were consulted prior to approval:

- Nicolas Saunders – Principal Advisor Employee Relations
- Nadia Sodnom – Senior HR Manager, HR Department

5. Mongolian Laws and Regulations Review

Through putting forward this procedure for review and approval, the policy owner acknowledges that a review of the implications of the implementation of this document under Mongolian laws and regulations for Oyu Tolgoi has been completed.

This review has identified the following Mongolian laws and regulations that are relevant to this procedure, and the implications of these laws and regulations has been included into the document.

- Labour Law, 1999;
- Constitution of Mongolia, 1992;

- Civil Code, 2002;
- Law on Gender Equality, 2011;
- Law on Social Protection of Disabled Persons, 2005;
- Supreme Court Decree on interpretation of some provisions of Labour Law No: 33, 2006; and
- Government Resolution on Labour Dispute Settlement Committee, No., 122 of 1999


Document Information

File Name	HR-10: Grievance and Fair Treatment Procedure
Description	Outlines a procedure for an employee who wishes to address a concern where he or she believes they have been treated unfairly.
Original Author(s)	Jared Armstrong
Creation Date	September 12

Revision History

Version	Revision Date	Author(s)	Revision Notes
1			
2			
3			

Document Approval

Date	Approver Name	Approver Signature	Company Seal Stamp
1/09/2012.	OT Policy Owner: Nadia Sodnom Senior Manager – HR Policy and Procedure Nicolas Saunders Principal Adviser ER	 	
1/09/2012	Policy Approver: Michael Beck VP Human Resources & Training		