

Gahcho Kué Project Socio Economic Agreement

BETWEEN

DE BEERS CANADA INC., a company incorporated under the laws of Canada and having an office in Yellowknife, Northwest Territories ("DBC")

AND

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Ministers of Industry, Tourism and Investment, Health and Social Services, and Education, Culture and Employment ("GNWT")

Contents

1. INTERPRETATION	5
1.1 DEFINITIONS.....	5
1.2 INTERPRETATION	5
1.3 PRIORITY OF RIGHTS AND INSTRUMENTS.....	6
1.4 NO PREJUDICE	6
2. PURPOSE & GUIDING PRINCIPLES.....	6
2.1 PURPOSE OF AGREEMENT	6
2.2 PRINCIPLES	6
3. EMPLOYMENT PRACTICES.....	7
3.1 HIRING SUBJECT TO LAW	7
3.2 HIRING PRIORITIES DEFINED	7
3.3 HIRING BY HIRING PRIORITIES.....	7
3.4 EMPLOYMENT OBJECTIVES	7
3.5 EMPLOYMENT OBJECTIVES WITH CONTRACTORS	8
3.6 EMPLOYMENT INCENTIVES.....	9
3.7 EMPLOYMENT REQUIREMENTS AND STANDARDS.....	10
4. HUMAN RESOURCE DEVELOPMENT.....	10
4.1 HUMAN RESOURCE STRATEGY	10
4.2 RECRUITMENT & RETENTION STRATEGIES.....	10
4.3 DEVELOPMENT OF TRAINING PROGRAMS COLLABORATION	11
4.4 RECRUITMENT AND TRAINING OBJECTIVES	12
4.5 APPRENTICE & TRADE POSITIONS AND TRAINING.....	13
4.6 RECRUITMENT AND TRAINING OBJECTIVES WITH CONTRACTORS	14
4.7 LITERACY PROGRAMS	14
4.8 GNWT SUPPORT	15
4.9 PROMOTING EQUAL OPPORTUNITY	16
4.10 TRANSITIONING UPON CLOSURE.....	16
5.0 BUSINESS DEVELOPMENT.....	17
5.1 POLICY OBJECTIVE AND IMPLEMENTATION	17
5.2 PURCHASING OBJECTIVES	17
5.3 PURCHASING PRIORITY.....	18
5.4 BUSINESS OPPORTUNITIES MANAGEMENT:	18
5.5 INTERPRETATION REGARDING FINANCING.....	19
5.6 GNWT SUPPORT	19
6.0 SOCIAL WELL BEING	20
6.1 HEALTH SYSTEM.....	20
6.2 WELLNESS INITIATIVES	21
6.3 GNWT SUPPORT	23
7.0 CULTURAL WELL-BEING	23
7.1 WORKING TOGETHER.....	23
7.2 PROMOTING CULTURAL PRESERVATION AND UNDERSTANDING	23
8.0 MONITORING AND REPORTING	24
8.1 REPORTING BY PARTIES	24
8.2 DBC REPORTS.....	24

8.3	GNWT REPORTS	25
8.4	PUBLIC RELEASE OF THE REPORTS	26
8.5	EMPLOYEE SURVEY	26
8.6	PERSONAL, PROPRIETARY AND COMMERCIAL SENSITIVE INFORMATION	26
9.0	ADAPTIVE MANAGEMENT	26
9.1	PURPOSE	27
9.2	ENGAGEMENT BETWEEN THE PARTIES	27
9.3	COMMUNITY ENGAGEMENT	27
9.4	FOLLOW-UP	28
10.0	GNWT OBLIGATIONS SUBJECT TO ACT AND JURISDICTION	28
10.1	GNWT EXPENDITURES SUBJECT TO FINANCIAL ADMINISTRATION ACT	28
10.2	DEVOLUTION	28
11.	REPRESENTATION	29
12.	COMMENCEMENT, SUSPENSION AND TERMINATION	29
12.1	COMMENCEMENT OF AGREEMENT	29
12.2	TERMINATION OF AGREEMENT	29
12.3	SUSPENSION OF OPERATIONS	29
13	MATTERS BEYOND REASONABLE CONTROL	29
14	DISPUTE RESOLUTION	30
14.1	APPLICATION OF ALTERNATIVE DISPUTE RESOLUTION PROCESS	30
14.2	EFFICIENCY, COSTS, DISCLOSURE AND CONFIDENTIALITY	30
14.3	NEGOTIATION	31
14.4	MEDIATION	31
14.5	ARBITRATION	31
15	NOTICES	31
16	GENERAL PROVISIONS	32
16.1	APPLICABLE LAW	32
16.2	OBLIGATIONS SEVERAL, NOT JOINT	33
16.3	FURTHER ASSURANCES	33
16.4	ENUREMENT	33
16.5	ASSIGNMENT	33
16.6	NO AGENCY, PARTNERSHIP	33
16.7	WAIVER	33
16.8	AMENDMENT	33
16.9	SURVIVAL OF CLAUSES	34
16.10	SIGNING IN COUNTERPART	34
16.11	SEVERABILITY	34
APPENDIX A:	DEFINITIONS	37

BACKGROUND:

- A. DBC proposes to establish a mine and related facilities at Kennady Lake in the Northwest Territories ("NWT") for the commercial production of rough diamonds (the "Gahcho Kué Project").
- B. The Gahcho Kué Project is a joint-venture between Mountain Province Diamonds Inc. and DBC, ("the Joint Venture") in which DBC holds a 51 % participating interest;
- C. DBC has been duly appointed by the Joint Venture as operator for the Gahcho Kué Project and is authorized to enter into this Agreement on behalf of the Joint Venture;
- D. The Gahcho Kué Project represents a development which has the potential to provide significant direct and indirect employment benefits and business opportunities to the NWT, in particular, the Local Study Area;
- E. The GNWT is concerned that, while the NWT is rich in natural resources such as diamonds, employment and business opportunities in the NWT are currently limited, a disproportionate number of NWT Residents are socially or economically disadvantaged, and communities in the NWT are highly vulnerable to the possible negative social, economic or environmental impacts caused by the economic development of natural resources.
- F. DBC is committed to operating and doing business in the NWT in a socially and environmentally responsible and sustainable manner and aims to operate in a way that minimizes the impact on the natural environment while optimizing social and economic benefits for the NWT and its people.
- G. The GNWT acknowledges that the people of the NWT have benefitted substantially from the jobs and income that diamond mining has historically provided. Spending by the three diamond mines that are currently operating in the NWT has benefitted Northern businesses and has helped to create new economic opportunities. The GNWT affirms that the Gahcho Kué Project is important to the long-term strategic interests of the NWT, and to the continued strength of its economy and the wellbeing of its people and communities.
- H. DBC and GNWT have agreed to work together to maximize the beneficial opportunities and to minimize, manage and mitigate potentially negative impacts arising from the Gahcho Kué Project;
- I. Under the *Mackenzie Valley Resource Management Act* (Canada), the Mackenzie Valley Environmental Impact Review Board ("MVEIRB") has undertaken an Environmental Impact Review of the Gahcho Kué Project;
- J. This Agreement sets out various measures designed to ensure that the socio-economic commitments of DBC made during the Environmental Impact Review, and other measures to minimize negative socio-economic impacts resulting from the development and operation of the Gahcho Kué Project, are implemented.

- K. Two separate Memoranda of Understanding for Wildlife and Air between the GNWT and DBC will address potential environmental impacts resulting from the development and operation of the Gahcho Kué Project.

IT IS AGREED:

1. INTERPRETATION

1.1 DEFINITIONS

Unless the context otherwise requires, terms in this Agreement, including the recitals above, have the meaning given to them in Appendix A, which forms part of this Agreement.

1.2 INTERPRETATION

- 1.2.1 Clause and Appendix headings do not affect the interpretation of this Agreement.
- 1.2.2 Use of the singular includes the plural and vice versa.
- 1.2.3 Unless otherwise indicated, this Agreement is gender-neutral.
- 1.2.4 Unless the context otherwise requires, any reference to a law refers to it as it may be applied, amended or re-enacted and in force from time to time and includes any subordinate legislation made under it.
- 1.2.5 Any reference to an aboriginal or treaty right, land claim agreement or self-government agreement refers to it as may be recognized in law, entered into or amended and in force from time to time.
- 1.2.6 Any reference to an Impact Benefit Agreement or similar agreement between DBC and an Aboriginal Authority refers to it as may be recognized in law, entered into or amended and in force from time to time.
- 1.2.7 Nothing in this Agreement limits any branch of the GNWT, including the Ministers representing GNWT in the Agreement, or any other authority in the exercise of its constitutional or statutory powers and duties.
- 1.2.8 Nothing in this Agreement lessens or waives any commitments made by DBC or the GNWT during the Environmental Impact Review of the Gahcho Kué Project, or any recommendation contained in the report issued by the Gahcho Kué Panel.
- 1.2.9 Nothing in this Agreement abrogates or derogates from any existing aboriginal or treaty right.
- 1.2.10 Nothing in this Agreement shall be construed so as to lessen or waive any obligation or other commitment made by DBC in any Impact Benefit Agreement or similar agreement made with any Aboriginal Authority.
- 1.2.11 Unless otherwise indicated, commitments under this Agreement are continuing and ongoing throughout the Construction, Operations and Closure phases of the Gahcho Kué Project.

1.3 PRIORITY OF RIGHTS AND INSTRUMENTS

In case of conflict, to the extent of the conflict:

- a. an applicable law, regulation or Regulatory Instrument prevails over this Agreement;
- b. an Impact Benefit Agreement or similar agreement related to the Gahcho Kué Project between DBC and an Aboriginal Authority prevails over this Agreement as between those two parties.

1.4 NO PREJUDICE

This Agreement is without prejudice to the positions of the Parties respecting any:

- a. existing aboriginal or treaty rights;
- b. ongoing or future land claims or self-government negotiations affecting aboriginal peoples;
- c. constitutional changes that may occur in the NWT;
- d. changes to legislation or regulation resulting from the settlement of land claim and self-government negotiations, or resulting from constitutional changes or devolution; or
- e. existing or future Impact Benefit or similar agreements.

2. PURPOSE & GUIDING PRINCIPLES

2.1 PURPOSE OF AGREEMENT

2.1.1 The purpose of this Agreement is to establish the methods and procedures by which:

- a. the Parties will work together to maximize the beneficial opportunities, identify the impacts, and minimize and mitigate the negative socio-economic impacts arising from the Gahcho Kué Project;
- b. the implementation of commitments made regarding socio-economic issues arising from the Gahcho Kué Project and this Agreement will be monitored; and
- c. the Parties will work together to facilitate adaptive management in response to the monitoring data collected and reported by the Parties referred to in Part 8 of this Agreement in order to continually improve the implementation of this Agreement.

2.2 PRINCIPLES

The Parties will carry out this Agreement consistent with the purpose in clause 2.1 and will be guided by the following principles:

- a. co-operation;
- b. fairness;
- c. collaboration;
- d. support for the goal of sustainable development and monitoring progress towards it;

- e. respect for the rights, responsibilities and interests of each Party (including the requirement and interest of DBC in an economically viable Project); and
- f. adaptive management that is innovative, flexible and ensures feedback and remedies to achieve the goal of minimizing adverse socio-economic impacts and maximizing socio-economic benefits.

3. EMPLOYMENT PRACTICES

3.1 HIRING SUBJECT TO LAW

The hiring commitments and priorities established under this Agreement are subject to applicable law.

3.2 HIRING PRIORITIES DEFINED

In this Agreement, Hiring Priorities means giving priority to hiring members of the following groups in the following order:

- a. members of the Aboriginal Authorities;
- b. Aboriginal Persons residing in the NWT;
- c. NWT Residents who have been continuously resident in the NWT at least six months prior to being hired;
- d. all others residing in or relocating to the NWT; and then
- e. all others.

3.3 HIRING BY HIRING PRIORITIES

During Construction, Operations and Closure, DBC shall hire according to the Hiring Priorities set out in clause 3.2. DBC shall use best efforts to apply the Hiring Priorities across the entire spectrum of Project-based employment, including managerial, professional, skilled, semi-skilled and unskilled job categories.

3.4 EMPLOYMENT OBJECTIVES

- 3.4.1 DBC has predicted that the NWT Resident participation rate in the Gahcho Kué Project labour force may be similar to the NWT Resident participation rate in DBC's Snap Lake Mine, which was 27% NWT Resident Participation during Construction and is approximately 38% NWT Resident Participation during Operations at the time of this Agreement.
- 3.4.2 DBC shall, in keeping with the Hiring Priorities set out in clause 3.2, use best efforts to hire, retain and promote as many NWT Residents as possible for the Gahcho Kué Project.
- 3.4.3 DBC shall use reasonable efforts to aim to achieve:
 - a. employment of NWT Residents, including employment by Contractors, of at least 35% of the total employment throughout Construction;

- b. employment of NWT Residents, including employment by Contractors, of at least 55% of the total employment on average during Operations;
 - c. employment of NWT Residents, including employment by Contractors, of 55% of the total employment on average during Closure
- 3.4.4 Both Parties acknowledge that the achievement of NWT Resident employment is subject to the availability of NWT Residents with the required skills, training and experience and ability to pass training program entrance requirements and that NWT Residents may or may not choose to pursue employment opportunities made available by DBC at the Gahcho Kué Project.
- 3.4.5 Both Parties acknowledge that developing qualified workers for the Gahcho Kué Project is a shared responsibility of DBC, the GNWT, educational institutions, the Mine Training Society and other training partners, Aboriginal Authorities, and communities in the Local Study Area.
- 3.4.6 Both Parties acknowledge that if NWT Resident employment is less than the targets that DBC is aiming to achieve in Clause 3.4.3, then working together to understand the challenges, collaborating to address those challenges, and reporting on the efforts made together or individually to improve NWT employment is appropriate and adequate mitigation.
- 3.4.7 Both Parties acknowledge that if the employment targets are achieved at any point during Operations, then both Parties will continue to work toward further improving NWT Resident participation in the Gahcho Kué Project.

3.5 EMPLOYMENT OBJECTIVES WITH CONTRACTORS

- 3.5.1 DBC will, through the tendering and contracting process, cause its Contractors to establish the same hiring priorities as DBC's hiring priorities established in Clause 3.2. DBC will achieve this by:
 - a. requiring all Contractors to expressly state in their bids their commitment to hiring in accordance with the Hiring Priorities set out in clause 3.2;
 - b. including in bid evaluation an assessment of whether appropriate commitments to Hiring Priorities are included or planned for in the bid;
 - c. incorporating in the contract document the successful bidder's commitments to hire in accordance with the Hiring Priorities set out in clause 3.2; and
 - d. requiring all Contractors to provide all relevant information to DBC to enable DBC to fulfill the reporting requirements of this Agreement.
- 3.5.2 DBC will meet at least annually with its Contractors to review their performance, including their success in contributing to the employment of Aboriginal Persons and NWT Residents and to discuss ways to work together to develop the participation of Aboriginal Persons and NWT Residents in the Gahcho Kué Project.

3.6 EMPLOYMENT INCENTIVES

- 3.6.1** DBC will offer incentives to assist its Gahcho Kué Project employees who live in the NWT, including establishing and implementing northern benefits and relocation packages. All incentives and benefits packages will be established, managed and administered solely by DBC.
- 3.6.2** DBC will develop work schedules to accommodate traditional pursuits of Aboriginal employees in balance with the operational requirements of the Gahcho Kué Project.
- 3.6.3** To facilitate employment from all NWT Communities, DBC will establish designated Pick-Up Points in the NWT. DBC will provide return air transportation, at its expense, on employee time to its employees travelling to and from the Gahcho Kué Project site from its designated Pick-Up Points.

The NWT Pick-Up Points for the Gahcho Kué Project are:

- a. Lutsel K'e;
 - b. Gameti;
 - c. Whati;
 - d. Wekweeti;
 - e. Yellowknife for the communities of Behchoko, Dettah, Ndilo;
 - f. Hay River;
 - g. Ft. Smith;
 - h. Ft. Simpson;
 - i. Inuvik; and
 - j. Norman Wells.
- 3.6.4** DBC will provide a Travel Allowance to its Gahcho Kué Project employees who reside in an NWT community that is not a DBC designated Pick-Up Point in order assist them with the costs of return travel from their home community to the nearest DBC designated Pick-up point. The amount of the Travel Allowance is at the sole discretion of DBC.
 - 3.6.5** From time to time, DBC will re-evaluate the effectiveness of its established Pick-up Points and Travel Allowance and make adjustments to support Construction and Operations employment priorities. Additional Pick-Up Points will be selected by DBC based on the location of its workforce, requirements to recruit and retain employees, and the need to align with Construction and Operations schedules and rotations.
 - 3.6.6** DBC will provide confirmation of designated Pick-Up Points and its Travel Allowance to the GNWT annually.

3.7 EMPLOYMENT REQUIREMENTS AND STANDARDS

- 3.7.1 DBC will establish Grade Ten as a minimum standard for trainable positions, but will consider the equivalencies of individuals not meeting the minimum education requirements for a position on a case-by-case basis in order to encourage recruitment and employment of NWT Residents.
- 3.7.2 While honouring priorities related to employment and human resource development, DBC retains the right to make independent decisions, in its sole discretion, relating to qualifications for employment, terms of employment, wages, salaries, benefits, allowances, skills, training, experience, qualifications for training, promotion, demotion, or dismissal, of individual employees or Contractors during Construction, Operations and Closure.
- 3.7.3 DBC retains the right to employ officers and management and to retain professional consultants who DBC, in its sole discretion, determines to have the necessary skills, training and experience to fulfill services, duties and obligations.
- 3.7.4 Where, in the course of their duties, Gahcho Kué Project employees are required to have specific skills to operate equipment at the Gahcho Kué Project training will be provided by DBC and/or its Contractors.

4. HUMAN RESOURCE DEVELOPMENT

4.1 HUMAN RESOURCE STRATEGY

- 4.1.1 In this clause 4, "HRS" means the human resources strategy developed by DBC and submitted to the Panel which strategy includes a set of tactics aimed at ensuring DBC's recruitment, retention, training, development and management of its human resources for the Gahcho Kué Project is effective, efficient and supportive of the objective of DBC to hire and employ as many NWT Residents as possible.
- 4.1.2 DBC will implement and adaptively manage its HRS. In implementing and adaptively managing the HRS, DBC will give special emphasis to providing developmental opportunities, including training in accordance with the Hiring Priorities established in Clause 3.2.

4.2 RECRUITMENT & RETENTION STRATEGIES

DBC will use best efforts to hire as many Aboriginal Persons and NWT Residents as possible. In order to do so, DBC may use, but is not limited to using, the following methods:

- a. the programs, policies and partnerships outlined in its HRS;
- b. establish a recruitment, training and employment strategy that will include NWT recruitment plans, and the development of career plans for its Gahcho Kué Project employees who are Aboriginal Persons or NWT Residents during Construction and Operations;

- c. broadly advertise employment opportunities with the Gahcho Kué Project throughout the NWT, including postings in GNWT Department of Education, Culture and Employment Service Centres ("GNWT ECE Service Centres") and local employment offices, advertisements in NWT newspapers, postings with NWT employment agencies and through other means that will contribute to optimizing exposure of opportunities to all residents of the NWT;
- d. promote and encourage partnerships with NWT schools to create awareness and understanding of the career opportunities available at the Gahcho Kué Project as well as the training and education required to pursue these opportunities;
- e. encourage partnerships with GNWT Education, Culture and Employment ("GNWT ECE"), Aurora College, the Mine Training Society, Aboriginal organizations, regional training partnerships and other Canadian post-secondary educational institutions to establish educational , training, work experience or job placement programs;
- f. link employment initiatives to support implementation of Impact Benefit Agreements with Aboriginal Authorities;
- g. as DBC approaches Construction and Operations phases of the Gahcho Kué Project, work with GNWT ECE Service Centres, regional training partnerships and local employment offices, to ensure they are briefed on upcoming job opportunities, and on DBC key policies designed to encourage NWT Residents to choose employment or training opportunities with DBC including an overview of DBC designated Pick-Up Points and travel allowances and how these help NWT Residents access the employment opportunities at the Gahcho Kué Project site;
- h. offer scholarships to NWT Students who are attending college and university programs and work with GNWT ECE Service Centres to identify opportunities to support NWT Students in completion of high school or equivalencies and aim to have at least half of its scholarship recipients awarded to women;
- i. actively promote and encourage careers in the mining industry;
- j. deliver Leadership Development Programs for its employees;
- k. maintain a policy that supports professional development for employees; and
- l. provide Professional Development Sponsorships to NWT Students in the area of Mine Engineering, Mine Geology, Finance and Accounting, Human Resources, Safety & Health, Environmental Sciences, Metallurgy & Chemical Engineering, and Electrical Engineering, or any other discipline as deemed relevant by DBC from time to time.

4.3 DEVELOPMENT OF TRAINING PROGRAMS COLLABORATION

- 4.3.1 DBC will collaborate with the GNWT and other organizations in the development of pre-employment preparation, skill development training, on-the-job training, and re-training programs to better enable NWT Residents to take advantage of employment and advancement opportunities arising from the Gahcho Kué Project.

- 4.3.2 DBC will collaborate with the GNWT, Aboriginal Authorities and other training partners to encourage the development and delivery of training programs based on cultural value systems that include a cultural component which would introduce new employees to rotation employment and employer expectations for scheduled work.
- 4.3.3 Where the GNWT has a regional training partnership that is a forum aimed at building understanding regarding training and development requirements for NWT Residents and optimizing collaboration in the development of NWT training programs, DBC will participate in such forums.

4.4 RECRUITMENT AND TRAINING OBJECTIVES

4.4.1. DBC will:

- a. maintain its human resource office in the NWT;
- b. work with its Contractors to achieve the goal of maximizing the training of Aboriginal persons and NWT Residents in accordance with the hiring priorities established in this Agreement;
- c. link training strategies to support the implementation of Impact Benefit Agreements with Aboriginal Authorities;
- d. establish a mine orientation program for all new employees;
- e. establish a strategy for school students that encourages and promotes completion of secondary school in the Local Study Area;
- f. work with its training partners to schedule training so that potential employees completing training will be able to take immediate advantage of employment opportunities, wherever possible, at the Gahcho Kué Project and encourage its Contractors to do the same;
- g. participate in regional career fairs;
- h. develop and offer a summer student employment program and aim to have at least half of its summer placements filled by women;
- i. in respect of those Aboriginal Persons and NWT Residents who have applied on specific Project-related job opportunities and who have been identified as potential employees that DBC may be able to train for the job opportunity that has been applied for, or in respect of those existing Project employees who may have potential for promotion and advancement, conduct a training needs assessment to identify their existing education and skill levels to assess the opportunity to hire or advance them, conditional on successful completion of training programs to be provided by DBC or arranged with training partners; and
- j. train and offer advancement opportunities to its existing Gahcho Kué Project employees in accordance with the Hiring Priorities in clause 3.2 and subject to each employee's performance, training, skills, interest and the career plan developed for that employee as set out in clause 4.2.a.

- 4.4.2 DBC will use best efforts to apply the recruitment and training objectives of clause 4.4.1 across the entire spectrum of Project-based employment, including unskilled, semi-skilled, skilled, professional and management job categories.

4.5 APPRENTICE & TRADE POSITIONS and TRAINING

- 4.5.1 DBC will develop apprentice positions for Aboriginal Persons and NWT Residents in accordance with the requirements of the *Apprenticeship, Trade and Occupations Certification Act* and will fill those positions in accordance with the Hiring Priorities set out in clause 3.2.

- 4.5.2 DBC will:

- a. establish a trades training, apprenticeship and professional training sponsorship program and provide a combined minimum of 30 training, apprenticeship and professional training positions for Aboriginal Persons and NWT Residents, comprised of the following opportunities:
 - i. a minimum of 16 trades training positions, made available over the life of mine, with a minimum of 4 positions being made available within 3 years of commencing production;
 - ii. a minimum of 10 apprenticeship positions, made available over the life of mine, with a minimum of 2 positions being made available within 3 years of commencing production; and
 - iii. a maximum of 4 Professional Development Sponsorships at any given time during the life of the Gahcho Kué Project;
- b. fill the positions and carry out the commitments identified in this clause 4.5.2 in accordance with the Hiring Priorities set out in clause 3.2 of this Agreement, subject to the availability of persons who meet the requirements of any applicable legislation or rules governing such positions;
- c. organize and implement its training and apprenticeship programs so that employees completing the training will be able to use the skills acquired and time spent as credit towards certification or status recognized in the NWT under the *Apprenticeship, Trade and Occupation Certification Act*;
- d. record the details of employment and training of its employees in accordance with the requirements of the *Apprenticeship, Trade and Occupation Certification Act*; and
- e. work with the GNWT and other training partners to identify opportunities to work together to exceed the training commitments in clause 4.5.2.a. above, where possible.

- 4.5.3 The Parties may adjust the training commitments associated with clause 4.5.2.a to achieve the training objectives in a different manner, while respecting the overall commitment to make 30 training opportunities available to Aboriginal Persons and NWT Residents over the life of mine.

- 4.5.4 DBC has implemented and will maintain an NWT apprenticeship policy.
- 4.5.5 DBC has committed to contribute \$1.9 million dollars in both financial and in-kind support for the *Mining the Futures* training partnership proposal to support the training and development of NWT Residents at the Gahcho Kué Project. In the event the *Mining the Futures* training proposal is not implemented as proposed, DBC will not be responsible for carrying out the training programs contemplated in that proposal on its own and will be relieved of this commitment.

4.6 RECRUITMENT AND TRAINING OBJECTIVES WITH CONTRACTORS

- 4.6.1 DBC, through the tendering and contracting process, will:
- a. require all Contractors to outline in their bids, a plan to hire, train and develop Aboriginal Persons and NWT Resident employees in accordance with the Hiring Priorities set out in Section 3.2;
 - b. include in the bid evaluation, an assessment of the Contractors plan for the above;
 - c. incorporate into the contract document for the successful bidder, commitments to report on the employment data required by DBC to provide Project hiring and employment information by hiring priority, heritage and gender;
 - d. meet at least annually with contractors to review their performance, including their success in contributing to the employment of Aboriginal Persons and NWT Residents and to discuss ways to work together to grow Aboriginal Persons and NWT Resident participation in the Gahcho Kué Project; and
 - e. require its contractors to provide all relevant information to allow for reporting on hiring and employment according to the hiring priorities established in clause 3.2.
- 4.6.2 DBC will work with its Contractors to obtain information annually regarding their training and apprenticeships for Aboriginal Persons and NWT Residents. This information will be included in the annual report produced by De Beers and made publicly available.

4.7 LITERACY PROGRAMS

- 4.7.1 In the communities in the Local Study Area, DBC will:
- a. collaborate with those agencies that deliver literacy programs so that participants may further improve their qualifications towards employment at the Gahcho Kué Project and encourage its employees to enrol in such programs;
 - b. through its community liaison personnel, assist Aboriginal Authorities and existing local learning institutions to encourage community members, including DBC employees and employees of its Contractors to upgrade their literacy levels, including financial and computer literacy skills; and
 - c. work with the GNWT and the federal government to support and fund community-based literacy programs.

4.7.2. At the Gahcho Kué Project site, DBC will:

- a. establish and maintain a learning centre with equipment and resources to be fully funded by DBC and to include at a minimum, suitable computers and a learning centre resource library; and
- b. ensure that on-site literacy programs will be linked to its recruitment and employment strategy to permit employees to take advantage of career advancement opportunities.

4.8 GNWT SUPPORT

To maximize employment and training opportunities for NWT Residents in relation to the Gahcho Kué Project, the GNWT will, subject to and in accordance with GNWT policy and programming in effect from time to time,:

- a. designate a principal liaison from GNWT ECE for Project related education, training and employment opportunities;
- b. meet with DBC at least annually, to review GNWT program and service delivery plans to identify areas for collaboration;
- c. collaborate with DBC, Aboriginal organizations, Aurora College, the Mine Training Society and other organizations in the design of relevant literacy and training programming;
- d. collaborate with DBC and governing authorities in the communities in the Local Study Area to support the planning and delivery of community-based literacy and training programs;
- e. collaborate with DBC to plan, design or co-ordinate the delivery of employment support programs;
- f. provide funding for literacy, pre-employment training and trades-related training for GNWT approved activities;
- g. develop and distribute information on careers in the mining industry which will be made available at GNWT ECE Service Centres to high school counsellors and distributed publicly;
- h. promote and facilitate the organization of career fairs for high school students and adults;
- i. offer, through its school system, opportunities for students to take courses and participate in work experiences that prepare them for potential future employment in the mining industry;
- j. offer opportunities for DBC employees to participate at cost, at DBC's expense, in professional development programs or courses organized for the territorial public service ; and

- k. use reasonable efforts to educate, train and develop an NWT workforce that has the skills required by DBC for the Gahcho Kué Project and to make the NWT an attractive residency location for skilled workers.

4.9 PROMOTING EQUAL OPPORTUNITY

4.9.1 DBC will support and encourage the participation of women on an equal basis with men in all aspects of work related to the Gahcho Kué Project.

4.9.2 DBC will:

- a. work with the following organizations to promote women in trades and mining occupations: Skills Canada, the Native Women's Association of the Northwest Territories, the Northwest Territories Status of Women Council, Aurora College, the Mine Training Society, Aboriginal organizations and the GNWT, and will create formal projects or partnerships where appropriate;
- b. offer scholarships and awards to female NWT Students who are attending college and university programs related to mining or in discipline areas where DBC has had difficulty recruiting Aboriginal Persons or NWT Residents;
- c. incorporate into its promotional campaigns, female role models, in order to encourage young women to consider employment and training opportunities at the Gahcho Kué Project;
- d. involve female employees in company promotional activities at site and in communities as role models to encourage young women to consider employment opportunities at the Gahcho Kué Project;
- e. from time to time, offer tours of the Gahcho Kué Project directed at women potentially interested in mining industry and related career opportunities; and
- f. offer remedial training programs and personal development strategies to women working at the Gahcho Kué Project who may not possess all of the requisite skills and knowledge for particular positions.

4.10 TRANSITIONING UPON CLOSURE

4.10.1 DBC and the GNWT understand that all employees need the ability to quickly respond to manage the impact of lost employment, whether it is a temporary or permanent loss. The GNWT has programs in place to help NWT Resident employees in such circumstances.

4.10.2 While respecting and protecting the relationship DBC holds with its employees and DBC's need to implement unique retention strategies in the case of temporary closure, DBC will collaborate with the GNWT so that the GNWT can optimize its preparedness for NWT Resident employees affected by a temporary closure.

4.10.3 In the case of permanent closure, DBC will meet legislative requirements, including those set out in the *Employment Standards Act*, and will collaborate with the GNWT leading up to permanent closure to ease employee transition to new jobs.

5.0 BUSINESS DEVELOPMENT

5.1 POLICY OBJECTIVE AND IMPLEMENTATION

Wherever practical, and consistent with sound business practices, and without compromising its ability to carry out a safe, efficient and cost effective operation, DBC will implement a Northwest Territories Business Policy which is intended to maximize business and value added opportunities for NWT Businesses.

5.2 PURCHASING OBJECTIVES

- 5.2.1 While actively pursuing and demonstrating fair and open competition for the acquisition of goods and services for the Gahcho Kué Project, DBC will source procurement needs from NWT Businesses as much as possible, during Construction, Operations and Closure.
- 5.2.2 While placing special emphasis and priority on developing business opportunities with Aboriginal and NWT businesses, DBC will expect all contractors for the Gahcho Kué Project to meet the following general criteria:
 - a. cost competitiveness;
 - b. quality;
 - c. ability to meet the technical specifications of prescribed goods and services;
 - d. ability to supply and deliver the goods and services;
 - e. timely delivery;
 - f. safety, health, and environmental records and program descriptions;
 - g. Degree of Aboriginal participation; and
 - h. Degree of NWT participation.
- 5.2.3 Using reasonable efforts and guided by its NWT Business Policy, DBC will aim to achieve the following, subject to the availability of NWT Businesses who have the required skills, experience, interest and ability to conform to the criteria in 5.2.2 above:
 - a. purchases of goods and services through or from NWT Businesses during Construction to be at least 30% of the total annual value of goods and services purchased associated with Construction;
 - b. purchases of goods and services through or from NWT Businesses during Operations will be at least 60% of the total annual value of goods and services purchased associated with Operations; and
 - c. purchases of goods and services through or from NWT Businesses during Closure will be at least 60% of the total annual value of goods and services purchased associated with Closure;
- 5.2.4 Maximizing the procurement objectives undertaken by DBC as set out in clauses 5.2.1, 5.2.2 and 5.2.3 of this Agreement is subject to the availability of NWT Businesses with the required skills, experience, interest and competitive pricing.

5.3 PURCHASING PRIORITY

- 5.3.1 DBC will place a special emphasis on developing business opportunities with businesses in the following order or priority:
- a. Aboriginal Businesses in the Local Study Area;
 - b. NWT Businesses; then
 - c. Other Canadian Businesses.
- 5.3.2 DBC will cause its Contractors to make commitments similar to those set out in this clause 5.3.1.
- 5.3.3 DBC retains the right in its sole discretion, to make decisions relating to qualifications for Contractors, the assessment of tenders or proposals against DBC selection criteria, and the terms and conditions of any contract awarded to the successful bidder.

5.4 BUSINESS OPPORTUNITIES MANAGEMENT:

DBC will:

- a. designate a DBC employee with the responsibility to act as a liaison between DBC, the GNWT, Aboriginal Authorities, and NWT businesses (DBC is solely responsible for selection of this position, which position, which position will remain throughout mine Construction, Operations and Closure);
- b. prepare a business development strategy for Aboriginal Authorities, and communicate the scope and scale of business opportunities and Gahcho Kué Project requirements in a timely and effective manner;
- c. identify the Gahcho Kué Project components during Construction, Operations, and Closure that should be targets for a business development strategy;
- d. identify possible opportunities for joint ventures with NWT and Aboriginal businesses;
- e. maintain a NWT business policy that supports the objectives and commitments in this Agreement;
- f. share business-related expertise with NWT mine-related business initiatives;
- g. develop a flexible contracting approach by size and scope to match the capacity of Aboriginal businesses and NWT businesses, where feasible;
- h. prepare a business opportunities forecast to identify foreseeable procurement requirements of the Gahcho Kué Project, and provide it to Aboriginal businesses and NWT businesses annually;
- i. make available business opportunity information related to DBC business objectives and service requirements that will enable the completion of business plans or proposals by Aboriginal Businesses or NWT Businesses in seeking development support services through existing public and private sector programs; and

- j. ensure broad communication of business opportunities to Aboriginal Businesses, NWT Businesses, and business-industry associations in the NWT.

5.5 INTERPRETATION REGARDING FINANCING

Nothing in this Agreement commits DBC to provide nor restricts it from providing financing or other economic incentives to NWT Businesses in relation to the Gahcho Kué Project.

5.6 GNWT SUPPORT

To support long term economic and business opportunities for NWT Residents, in relation to the Gahcho Kué Project, the GNWT will, subject to and in accordance with GNWT policy and programming in effect from time to time:

- a. designate a principal liaison from the GNWT Department of Industry, Tourism and Investment ("GNWT ITI"), for Project-related community economic and business opportunities;
- b. co-ordinate, through the principal liaison identified in clause 5.6.a, the activities of GNWT that support Project-related community economic and business opportunities;
- c. collaborate with DBC or governing authorities in the Local Study Area and NWT Communities to facilitate co-ordinate business development planning and delivery of business development programs relevant to the Gahcho Kué Project;
- d. meet with DBC at least annually to review GNWT program and service delivery plans to identify areas for collaboration;
- e. provide DBC information on business development programs delivered by the GNWT;
- f. provide DBC with information available to the GNWT on its Business Incentive Policy, which is accessible to DBC;
- g. maintain a registry of businesses eligible under the GNWT Business Incentive Policy, which is accessible to DBC; and
- h. support development by providing NWT Businesses with access to programs for:
 - i. aboriginal capacity building;
 - ii. business development projects;
 - iii. business creation or expansion;
 - iv. business skills
 - v. market development and product promotion;
 - vi. planning and other development costs;
 - vii. pilot or other demonstration projects; and
 - viii. small business.

6.0 SOCIAL WELL BEING

6.1 HEALTH SYSTEM

- 6.1.1 DBC will ensure that all DBC employees who are non-NWT residents, as defined in the *Medical Care Act* (NWT) and the *Hospital Insurance and Health and Social Services Administration Act* (NWT), carry health care insurance from their home province or territory and that their insurance will provide them with Canada health care coverage while working in the NWT.
- 6.1.2 DBC will, through the tendering and contracting process, require its Contractors to meet the obligation in clause 6.1.1 for consistency.
- 6.1.3 DBC will have health care coverage in place for its foreign employees through DBC's global medical assistance program.
- 6.1.4 DBC will, for consistency with clause 6.1.3, through the tendering and contracting process require its Contractors to provide their foreign employees with health care coverage.
- 6.1.5 DBC will reimburse the GNWT for any medical costs, including inter-community medical transportation costs that the GNWT may incur for non-NWT resident employees that it cannot recover from a non-NWT resident's health care plan, third party coverage, or from Workers' Safety and Compensation Commission of the NWT and Nunavut. DBC will, through the tendering and contracting process, cause its Contractors to meet this obligation for consistency.
- 6.1.6 DBC will ensure that all DBC employees are aware that any elective (non-acute) procedures for non-NWT residents may require prior approval from the non-resident's home provincial/territorial health care plan. DBC will, through the tendering and contracting process, cause its Contractors to meet this obligation for consistency.
- 6.1.7 DBC acknowledges that the Department of Health and Social Services ("GNWT H&SS") recommends the following vaccinations as part of the Adult Immunization Standards, which include at a minimum: Varicella; Measles, Mumps and Rubella; Influenza; Diphtheria; Tetanus; and Hepatitis A & B as well as a baseline tuberculosis skin test and/or chest x-ray. DBC will make its employees and Contractors aware of the vaccinations recommended by the Department of Health and Social Services, the associated risks if an employee chooses to not be vaccinated in accordance with the recommendations of the GNWT H&SS and of the authority which public health officials have under the *Public Health Act*.
- 6.1.8 DBC will require verification that all DBC employees and Contractors working at the Gahcho Kué Project site have completed a DBC mandatory vaccination schedule prior to commencing work. DBC vaccination requirements shall include Tetanus as well as a baseline tuberculosis skin test and/or chest x-ray and these will be required prior to commencement of employment. DBC will, through its tendering and contracting process, cause its Contractors to meet this obligation for consistency.

- 6.1.9. DBC will cause vaccination records for its employees and Contractors working at the Gahcho Kué Project site to be confidentially maintained and updated.
- 6.1.10 DBC acknowledges the authority of the Chief Public Health Officer under the *Public Health Act* to acquire personal health information of employees.
- 6.1.11 DBC will ensure compliance with the *Public Health Act*.
- 6.1.12 Prior to the commencement of construction, DBC and the GNWT H&SS will discuss and enter into mutually acceptable protocol arrangements regarding the treatment and transportation of employees.

6.2 WELLNESS INITIATIVES

- 6.2.1 DBC and the GNWT recognize that the health and wellness of individuals and families is fundamental to the social and economic sustainability of communities.
- 6.2.2 In order to promote a healthy and stable workforce, DBC will assist employees living in the NWT to perform well in their jobs and help them to address potential effects of the Gahcho Kué Project by working with the GNWT to address issues of individual and family wellness as follows:
 - a. designate a DBC representative as the principal liaison to the GNWT H&SS for Project related health and wellness initiatives who, while ensuring confidentiality regarding Employee Assistance Programs (EAP) and employee participation in those programs, will provide information and meet twice annually with the GNWT H&SS designated liaison to review the following:
 - i. the services offered by DBC under its EAP;
 - ii. a list of alternative services and programs that DBC has been made aware of by Aboriginal communities or others and that DBC has informed its EAP Service provider about to enable the inclusion of culturally sensitive services for DBC employees and their families;
 - iii. EAP utilization data and the utilization made of each service;
 - iv. the programs and plans supported in NWT Communities by DBC and initiatives planned in the year ahead to address issues of wellness for its employees;
 - v. a summary of the programs and plans supported in communities in the Local Study Area, as well as initiatives planned for the year ahead to address issues of wellness for its employees; and
 - vi. initiatives focusing on outcomes relevant to clauses 6.2.2 (b, c, d, e, f and g).
 - b. support initiatives and resources for addressing alcohol and substance abuse problems for DBC employees;
 - c. collaborate with the GNWT H&SS regarding initiatives being undertaken by DBC or the GNWT with Aboriginal Authorities or NWT communities from which De Beers is drawing its employees to address substance abuse issues with the aim of improving the health and wellness of NWT Residents;

- d. collaborate with the GNWT H&SS designated liaison to ensure effective and recognized substance abuse, family violence and domestic abuse programs are made available for Gahcho Kué Project employees;
- e. carry out ongoing prevention and awareness programs on-site and collaborate with the GNWT H&SS designated liaison and, where available with trained alcohol and substance abuse, family violence and domestic abuse counselors, to ensure ongoing prevention and awareness program delivery;
- f. collaborate with the GNWT H&SS designated liaison to provide ongoing family counseling services (which may include, for example, family and relationship counseling, stress management, anger management, support services for women and single mothers, child care services and parenting training) for mine employees and their immediate family;
- g. provide on-site information regarding the existence of support services in NWT Communities available to encourage full use of such services while off-site;
- h. work with GNWT ECE to implement financial management training in adult learning centres for employees and their families located in NWT communities and at the Mine Site; and
- i. provide opportunities for employees to participate in financial management training within the first year of employment.

6.2.3 In addition, DBC will:

- a. make available to all employees via a toll-free telephone number an EAP service and will provide information to its EAP service provider regarding support services in the NWT that are available including those that offer culturally relevant service alternatives;
- b. maintain a first aid facility in accordance with Division 4 of the *Mine Health and Safety Regulations* and ensure that medical personnel are on call at the Gahcho Kué Project site 24 hours per day and 7 days per week during the life of the mine;
- c. in collaboration with Aboriginal Authorities and GNWT, disseminate information to employees and in communities related to awareness prevention areas such as: substance abuse, sexually-transmitted infections and family violence;
- d. ensure that foods provided at the Gahcho Kué Project site, whether provided by DBC directly or by a Contractor, promote healthy living, and are particularly appropriate for those who have or are at risk for developing diabetes;
- e. provide recreation activities, facilities and equipment at the Gahcho Kué Project site;
- f. implement and maintain a harassment policy and an alcohol-free and drug-free workplace policy at the Gahcho Kué Project site;

- g. actively manage those employee pension plans for which it is responsible, in a prudent and competent manner so as to preserve and protect those pension plans to the best of its ability; and
- h. provide access to communications links from the Gahcho Kué Project site where DBC will provide the equipment and telecommunications access but the user will pay for long distance connection charges.

6.3 GNWT SUPPORT

To support the well-being of NWT Residents in relation to the Gahcho Kué Project, the GNWT will, subject to and in accordance with GNWT policy and programming in effect from time to time:

- a. designate a principal liaison from GNWT H&SS for Project related health and wellness initiatives;
- b. collaborate with DBC or governing authorities in the Local Study Area and NWT Communities to facilitate the planning and delivery of community-based mental health and additions programs and wellness programs;
- c. collaborate with DBC or governing authorities in the Local Study Area and NWT Communities in the design of community mental health and additions programs and wellness programs;
- d. provide funding for mental health and additions programs and wellness programs for approved activities;
- e. meet with DBC at least twice annually to discuss GNWT program and service delivery plans to identify areas for collaboration; and
- f. make available information on mental health, additions and wellness programs to DBC for sharing with their employees.

7.0 CULTURAL WELL-BEING

7.1 WORKING TOGETHER

DBC will work with communities in the Local Study Area and the GNWT to promote cultural preservation and sustainability and to address cultural issues.

7.2 PROMOTING CULTURAL PRESERVATION AND UNDERSTANDING

7.2.1 DBC will:

- a. support the promotion of traditional cultural practices of the communities in the Local Study Area;
- b. work with community, governments, educational institutions and agencies to promote use of resources in local schools that promote the culture and traditions of communities located in the Local Study Area;
- c. provide cross-cultural training to all on-site-staff;

- d. in collaboration with communities in the Local Study Area, and in accordance with DBC policy for social investment, sponsor community celebrations that promote cultural practices;
- e. provide traditional foods on site when commercially available;
- f. provide and maintain space at the mine site for spiritual and cultural pursuits; and
- g. provide core policies in Chipewyan and Tlicho, as well as English and French.

8.0 MONITORING and REPORTING

8.1 REPORTING BY PARTIES

Each Party will prepare an annual report outlining its efforts during the previous calendar year to fulfill its commitments under this Agreement and the specific information set out in this clause 8.

8.2 DBC REPORTS

8.2.1. DBC shall, in coordination with its Contractors, produce an annual report. In addition to the information set out in clause 8.1, the annual report may include a compilation of individual reports issued during or prior to Gahcho Kué Project phases. The DBC annual report will include but not be limited to data collection, analysis and projections on the following:

- a. hiring by Hiring Priority and job category, as defined by this Agreement and DBC respectively, in total numbers and percentage of total hires;
- b. hiring by NWT community in total numbers and percentage of total hires;
- c. total employment in person years by Hiring Priority and job category in total numbers and percentage of the workforce;
- d. total employment in person years by NWT community in total numbers and percentage of the workforce;
- e. participation in and results of training activities described in clauses 4.5.2.a
- f. a report on the gross value of goods and services purchased during the calendar year by category of purchase in relation to each phase of the Gahcho Kué Project and the purchase priorities outlined in clause 5.3.1. Purchases will be calculated based on the gross value of all purchases of goods and services produced in the NWT and goods and services produced outside of the NWT that are purchased through NWT Businesses;
- g. a business forecast and assessment for the upcoming year in accordance with clause 5.4.h;
- h. allocation of scholarships to Aboriginal Persons and NWT Residents by gender and the study topic;
- i. participation of Aboriginal Persons and NWT Residents in summer employment opportunities;

- j. Pick-Up Point locations for the previous year;
 - k. a report on healthy living food options available at the Gahcho Kué Project site, whether provided by DBC directly or by its Contractors; and
 - l. activities related to clauses 7.2.1(a) to (f).
- 8.2.2 The DBC annual report shall contain information relating both to DBC's progress in fulfilling its commitments under this Agreement and will include reporting on employment and training by gender.

8.3 GNWT REPORTS

- 8.3.1 GNWT shall produce an annual report in accordance with clause 8.1. The annual report may include a compilation of individual reports issued during the year. The data shall be collected in a manner that would be useful for analysis of the Gahcho Kué Project's impacts on NWT communities. This may be limited to reporting data by affected communities in aggregation or through the use of multi-year averages. The annual report will include but will not be limited to data collection and analysis on the following:
- a. average income;
 - b. proportion of high income earners;
 - c. income assistance cases;
 - d. employment;
 - e. employment participation rate;
 - f. registered businesses, bankruptcies and start-ups;
 - g. number of people 15 years and older with less than grade 9;
 - h. number of people 15 years and older with high school diploma;
 - i. percent of work force engaged in traditional activities, by age group;
 - j. ratio of home-language use to mother tongue, by major age groups;
 - k. injuries, by age group;
 - l. lone-parent families;
 - m. number of mothers and children referred to shelters;
 - n. police-reported crimes, according to the following categories: violent, property, drug-related, other;
 - o. communicable diseases (sexually-transmitted infections, tuberculosis); and
 - p. children in care.
- 8.3.2 GNWT will also report annually on participation and results in training activities described in clause 4.8.

8.3.3 The GNWT annual report need not necessarily relate solely to the Gahcho Kué Project.

8.4 Public Release of the Reports

8.4.1 The Parties shall, to the extent practicable, prepare the required annual reports by June 1 in each year, and make them publicly available on that day.

8.4.2 Each Party shall provide the other Party with a copy of its annual report at least thirty days in advance of its public release.

8.4.3 On making its annual report publicly available, each Party shall ensure that copies are also provided to the Aboriginal Authorities and to the communities in the Local Study Area on the same date.

8.5 Employee Survey

DBC agrees to provide access to DBC employees on the Gahcho Kué Project site to the GNWT to enable it to conduct a survey for the purpose of measuring the socio-economic impacts of the Gahcho Kué Project. The survey shall be conducted not more than once annually, at such times and on such terms as are mutually acceptable to the GNWT and DBC.

8.6 PERSONAL, PROPRIETARY AND COMMERCIAL SENSITIVE INFORMATION

8.6.1 DBC will use best efforts to collect from its employees and Contractors any personal information that may be required to provide the data necessary to compile and provide its reports, subject to and in compliance with the *Protection of Personal Information and Electronic Documents Act* (Canada) or other applicable legislation.

8.6.2 DBC shall not be required to report or disclose information of a proprietary or commercially sensitive nature.

8.6.3 The Parties will, to the extent possible, report data in a manner that does not disclose personally identifiable information.

8.6.4 The reporting by DBC in clause 8.2.1.a and 8.2.1.b shall be subject to the information that employees of DBC and its Contractors agree in writing to provide in accordance with the *Protection of Personal Information and Electronic Documents Act* (Canada).

8.6.5 The Parties agree that, to the extent possible without breaching confidentiality, proprietary interests, commercial interests or intellectual property rights, information will be summarized so that it can be shared in public forums and reports.

8.6.6 GNWT shall only collect or disclose data subject to and in accordance with the applicable legislation, and shall decline to disclose data that would be likely to identify individuals.

9.0 ADAPTIVE MANAGEMENT

9.1 PURPOSE

Adaptive management is the method by which:

- a. the implementation of commitments made by the Parties regarding socio-economic issues arising from the Gahcho Kué Project and this Agreement will be considered, discussed and publicly reported; and
- b. the Parties will work together to maximize the beneficial opportunities, identify the impacts, and minimize and mitigate any negative impacts arising from the Gahcho Kué Project.

9.2 ENGAGEMENT BETWEEN THE PARTIES

9.2.1 The Parties shall meet regularly and at multiple levels in order to review and discuss the results of activities and programs undertaken by both Parties, and to identify challenges and opportunities for collaboration intended to improve socio-economic performance.

9.2.2 In particular, the following meetings shall occur:

- a. The DBC Chief Operating Officer shall meet annually with the GNWT Deputy Ministers of ITI, ECE and H&SS;
- b. DBC representatives shall meet with and appear annually before representatives of the Legislative Assembly of the NWT. Such meetings shall be arranged by the GNWT;
- c. working level representatives from DBC and GNWT ECE, H&SS and ITI shall meet at least twice per year; and
- d. such other meetings or sharing of information as the Parties may mutually agree on.

9.2.3 Each Party may, at any time, offer suggestions or recommendations to the other Party that are intended to improve socio-economic performance and better implement the purposes and principles of this Agreement.

9.2.4 A record of all meetings will be formalized between the Parties, including documentation regarding recommendations for adaptive management measures discussed by the Parties, and all action items agreed to between the Parties.

9.3 COMMUNITY ENGAGEMENT

9.3.1 On providing their reports to the Aboriginal Authorities and the communities in the Local Study Area pursuant to clause 8.4, the Parties shall invite the Aboriginal Authorities' and the communities' comments, concerns and recommendations respecting the socio-economic impacts of the Gahcho Kué Project.

- 9.3.2 The Parties shall make themselves available to jointly meet at least once per year with representatives of each community in the Local Study Area and of the Aboriginal Authorities to discuss the results in the annual reports in order to provide an opportunity for input into discussions regarding the efforts of the Parties to address socio economic impacts. Each party shall bear its own costs for attending these meetings, while any costs associated with community participation in these meetings will be shared equally by the Parties.

9.4 FOLLOW-UP

- 9.4.1 The purpose of this section is to set up a follow-up process through which the principles of adaptive management can be applied in the event there are deficiencies in implementing any commitments set out in this Agreement or any negative impacts that were unforeseen or of a magnitude greater than predicted in the Environmental Impact Review.
- 9.4.2 Each Party will respond to formalized concerns or recommendations received from Aboriginal Authorities or communities in the Local Study Area within 90 days after receipt thereof. Such response may take the form of a written response, an action plan or the adoption of or revision to an initiative or program.
- 9.4.3 The Parties will also consider proposals from the Aboriginal Authorities and communities in the Local Study Area for specific projects or initiatives relating to the Gahcho Kué Project's socio-economic impacts.
- 9.4.4 The Parties will work together to include, in their respective annual reports, reference to any recommendations for adaptive management responses made to each other or received from the Aboriginal Authorities or communities in the Local Study Area regarding how the Parties can improve the Gahcho Kué Project's socio-economic contributions or mitigate any negative socio-economic impacts. Each Party shall include a summary of how recommendations for adaptive management responses were addressed in its annual report.

10.0 GNWT OBLIGATIONS SUBJECT TO ACT AND JURISDICTION

10.1 GNWT EXPENDITURES SUBJECT TO FINANCIAL ADMINISTRATION ACT

Expenditures by GNWT contemplated under this Agreement are subject to section 46 of the *Financial Administration Act* which provides, "It is a condition of every contract made by or on behalf of the Government requiring an expenditure that an expenditure pursuant to the contract will be incurred only if there is a sufficient uncommitted balance in the appropriated item for the fiscal year in which the expenditure is required under the contract."

10.2 DEVOLUTION

In the event that jurisdiction or regulatory authority relating to the Gahcho Kué Project or any aspect of the Project, is transferred or devolved as a result of constitutional change, devolution transfer agreement, treaty, self-government or land claim agreement, or otherwise, the Parties shall negotiate, in good faith, to amend this Agreement where necessary to reflect such transfer or devolution, while maintaining the purposes and principles of this Agreement.

11. REPRESENTATION

DBC represents and warrants that it is the operator of the Gahcho Kué Project.

12. COMMENCEMENT, SUSPENSION AND TERMINATION

12.1 COMMENCEMENT OF AGREEMENT

12.1.1 This Agreement comes into effect immediately upon all of the following conditions being satisfied:

- a. execution of this Agreement by DBC and the GNWT;
- b. delivery by DBC to the GNWT of a certified copy of a resolution duly adopted by the Joint Venture Management Committee approving and authorizing DBC to execute this Agreement; and
- c. delivery by DBC to the GNWT of a copy of DBC's written notice to the federal Minister of Aboriginal Affairs and Northern Development Canada of its intention to proceed with the Gahcho Kué Project.

12.1.2 Nothing in this Agreement, whether express or implied, shall be construed as creating or recognizing any obligation on the part of DBC or the GNWT arising prior to the delivery of DBC's written notice in 12.1.1.c above.

12.2 TERMINATION OF AGREEMENT

This Agreement terminates upon completion of Closure or as otherwise agreed by the Parties. DBC shall give as much written notice as possible to GNWT and to communities in the Local Study Area regarding the expected start date of Closure, whether or not as a result of an event of clause 13.

12.3 SUSPENSION OF OPERATIONS

DBC may, subject to compliance with the legislative requirements, including those set out in the *Employment Standards Act*, suspend Operations as it sees fit and during such period of suspension DBC shall be relieved of its obligations under this Agreement, providing it gives written notice to GNWT in advance of the suspension.

13 MATTERS BEYOND REASONABLE CONTROL

13.1 Neither Party will be liable for delay in performing its obligations under this Agreement if and to the extent it cannot perform the obligation because of an event that is beyond its reasonable control and was not reasonably foreseeable when the Agreement was made. This event includes the following: act of God, outbreak of hostilities, act of terrorism or civil commotion, industrial action, epidemic, fire, explosion or other accidental damage, exceptionally severe weather conditions, failure of equipment, failure of power or telecommunication lines, and any delay caused by another Party.

- 13.2 If market conditions beyond the reasonable control of DBC or an event in clause 13.1 render or threaten to render the Gahcho Kué Project uneconomic, DBC may request the GNWT to consider whether to amend this Agreement, providing sufficient detail to allow the GNWT to take into account the financial viability of the Project and the socio-economic impact and benefits of sustaining the Project.

14 DISPUTE RESOLUTION

14.1 APPLICATION OF ALTERNATIVE DISPUTE RESOLUTION PROCESS

- 14.1.1 If a dispute arises out of or in connection with this Agreement (including any question regarding its existence, validity or termination) or the legal relationships established by it, the Parties agree to use the dispute resolution process in this clause 14.
- 14.1.2 Despite clause 14.1.1, disputes relating to any of the following matters may be submitted at any time to the jurisdiction of the courts:
- a. questions or legal relationships arising out of or in connection with devolution or constitutional change;
 - b. questions of law;
 - c. protection of confidential information or property or rights on an interim basis.
- 14.1.3 Despite clause 14.1.1, this clause 14 does not prevent or excuse the Parties from participating in any regulatory process concerning the Gahcho Kué Project, including this Agreement.

14.2 EFFICIENCY, COSTS, DISCLOSURE AND CONFIDENTIALITY

- 14.2.1 The Parties agree to use all reasonable efforts to:
- a. conduct any dispute resolution procedures in this clause 14 as efficiently and cost effectively as possible;
 - b. provide timely disclosure of all relevant facts, information and documents to facilitate negotiations and mediation under this clause 14.
- 14.2.2 During negotiation, whether or not mediated, under this clause 14, all discussions and documents prepared or disclosed for the purpose of facilitating negotiations, shall be "without prejudice" and shall be treated by each Party as confidential, unless the Parties otherwise agree, and except as required to be disclosed by law.
- 14.2.3 The Parties may resolve or revoke a dispute by mutual agreement at any time. Disputes resolved by negotiation or arbitration under clauses 14.3, 14.4, or 14.5, respectively, shall be recorded in writing and signed by the authorized representatives of the Parties.
- 14.2.4 Subject to the discretion of an arbitrator or judge to award costs under the *Arbitration Act*, the Parties shall share equally the costs of mediation and arbitration, but each Party shall pay its own costs for representation and attendance.
- 14.2.5 If there are more than one related disputes ongoing involving the Parties, the disputes may be combined during the mediation or arbitration process, as the case may be.

14.3 NEGOTIATION

A Party may serve the other Party with a written notice of a dispute and request a conference be held promptly. A conference (which may be conducted by phone or electronic means) to attempt to negotiate a resolution shall be held within 14 days of receipt of such notice, with each Party represented by individuals with decision-making authority.

14.4 MEDIATION

If within 21 days after such conference, or such further period as may be agreed by the Parties in writing, the Parties have not resolved their dispute, the Parties may jointly agree to submit the dispute to mediated negotiation with the assistance of a trained, experienced and neutral mediator appointed by the Parties, or failing agreement, by the ADR Institute of Canada Inc. and administered under its National Mediation Rules.

14.5 ARBITRATION

14.5.1 If the Parties have not settled the dispute by mediation within 60 days after the end of the mediated negotiation period referred to in clause 14.4, or such further period agreed by the Parties in writing, either Party may refer the dispute to arbitration under the *Arbitration Act* (NWT). The Parties agree:

- a. the tribunal will consist of a single arbitrator, who is to be a practising barrister and solicitor or a retired judge;
- b. the place of arbitration will be Yellowknife, Northwest Territories, unless the Parties agree to another location or to use any alternate means of communication as may be permitted under the *Arbitration Act*;
- c. the arbitrator may adopt the ADR Institute of Canada Inc.'s National Arbitration Rules, to the extent allowed under the *Arbitration Act*.

14.5.2 The Parties consent to any documents in any arbitration proceedings being served in accordance with clause 14 (notices). Nothing in this Agreement affects the right to serve documents in any other manner permitted by law.

14.5.3 It is the wish of the Parties that an arbitrator not award monetary damages of any kind.

14.5.4 A decision of an arbitrator may be appealed if monetary damages of any kind are awarded or for any reason set out in the *Arbitration Act*. Appeals are subject to the provisions of the *Arbitration Act*.

15 NOTICES

15.1 A notice given under this Agreement must be in writing and signed by or on behalf of the Party giving it and must be:

- a. delivered personally;
- b. sent by pre-paid, recorded delivery or registered post or (in the case of a notice sent outside Canada by registered airmail); or
- c. sent by fax and confirmed by telephone or by mailing a copy within 24 hours.

The notice must be delivered or sent to the address and for the attention of the relevant person set out in clause 15.3.

15.2 A notice is deemed to have been received:

- a. if delivered personally, at the time of delivery;
- b. in the case of pre-paid, recorded delivery or registered post, 3 days after the date of posting;
- c. in the case of registered airmail, 5 days after the date of posting;
- d. in the case of fax, at the time of transmission. If notice is sent by fax outside of regular business hours (meaning 8:30 am to 5:00 pm Monday to Friday on a day that is not a public holiday in the place of receipt), notice is deemed to have been received when business next starts in the place of receipt.

15.3 The addresses for written notice are:

DBC: De Beers Canada Inc.

300 – 5102 50th Ave.

Yellowknife, NT X1A 3S8

Attention: Chief Operating Officer

Telephone: 867-766-7300

Fax number: 867-766-7347

GNWT: Government of the Northwest Territories

P.O. Box 1320

Yellowknife, NT X1A 2L9

Attention: Deputy Minister, Industry, Tourism and Investment

Telephone: 867-920-8048

Fax number: 867-873-0563

Or such other address as may be notified in writing by a Party.

16 GENERAL PROVISIONS

16.1 APPLICABLE LAW

This Agreement, and all further documents executed under it, shall be governed by and interpreted in accordance with, and any arbitration or court proceedings shall apply, the laws of the Northwest Territories and the federal laws of Canada applicable in the Northwest Territories.

16.2 OBLIGATIONS SEVERAL, NOT JOINT

An obligation assumed by more than one Party under this Agreement is several and each Party is liable only for its own performance or for the loss or damage arising from its own breach of the obligation.

16.3 FURTHER ASSURANCES

Each Party will promptly execute and deliver all such documents, and do all such things, as from time to time may be reasonably required to perform this Agreement.

16.4 ENUREMENT

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, successors and permitted assigns.

16.5 ASSIGNMENT

16.5.1 DBC cannot assign its rights or obligations under this Agreement, in whole or in part, without the prior consent of the GNWT, which may not be unreasonably withheld.

16.5.2 The assignment of DBC's rights and obligations under this Agreement will be effective only if the proposed assignee

- a. agrees in writing to assume all of DBC's rights and obligations under this Agreement; and
- b. is also the assignee of DBC's rights and obligations under the Regulatory Instruments.

16.5.3 Where the conditions in this clause 16.5 are met, DBC shall be released from its obligations under this Agreement.

16.6 NO AGENCY, PARTNERSHIP

Nothing in this Agreement creates a relationship of agency, partnership, fiduciary, joint venture or similar relationship between any of the Parties.

16.7 WAIVER

A waiver of any right under this Agreement is only effective if it is in writing, and only applies to the circumstance for which it is given.

16.8 AMENDMENT

16.8.1 This Agreement may be amended from time to time by agreement in writing between all the Parties.

16.8.2 In the event that a title, department or position referred to in this Agreement is changed, the relevant Party will notify the other Party of the new title, department or position and all references to the former term shall be deemed to be references to the new term.

16.9 SURVIVAL OF CLAUSES

The terms of this Agreement that, by their nature extend beyond the withdrawal of a Party from this Agreement or a term of this Agreement, shall survive any termination or expiration of this Agreement.

16.10 SIGNING IN COUNTERPART

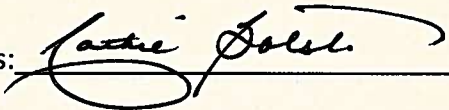
This Agreement may be signed in counterparts, which may be exchanged by fax. Each signed counterpart will be deemed an original and all of which together shall constitute one and the same agreement.

16.11 SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction or an arbitrator to be invalid, unenforceable or illegal, in whole or part, then that provision (or part thereof) shall be deemed to be severed and the remaining provisions continue in full force and effect. In such event, the Parties will expeditiously negotiate in good faith to amend this Agreement to substitute for any invalid, unenforceable or illegal provision, a valid, enforceable and legal provision that achieves to the greatest extent possible the same result that would have been achieved by the invalid, unenforceable or illegal provision.

IN WITNESS WHEREOF, this document has been executed for and on behalf of the Parties by their duly authorized representatives on the dates below.

DE BEERS CANADA INC.

Witness: 

Printed: Cathie Bolstad


By: 
Glen Koropchuk
Chief Operating Officer

Title: Director External + Corporate Affairs

Date: 28/6/2013

Minister of Industry, Tourism and
Investment

Witness: Sanya Sanders


By: 
The Honourable David Ramsay

Printed: Sanya Sanders

Date: June 28th / 13

Minister of Health and Social Services

Witness: Lisa Cardinal

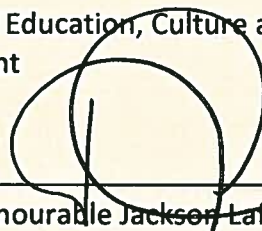
By: 
The Honourable Tom Beaulieu

Printed: Lisa Cardinal

Date: June 28 / 13

Minister of Education, Culture and
Employment

Witness: Ashley Green

By: 
The Honourable Jackson Lafferty

Printed: Ashley Green

Date: June 28, 2013

APPENDIX A: DEFINITIONS

"Aboriginal Authority" includes the following:

- a. Tlicho Government,
- b. Yellowknives Dene First Nation,
- c. Lutsel K'e Dene First Nation,
- d. Deninu Kué First Nation,
- e. North Slave Métis Alliance, and
- f. Northwest Territory Métis Nation.

"Aboriginal Business" means a business which

- a. complies with the legal requirements to carry on business in the NWT;
- b. meets one of the following criteria:
 - (i) is a limited liability company with at least 51 percent of the company's voting shares beneficially owned by one or more Aboriginal persons resident in the NWT;
 - (ii) is a co-operative with at least 51 percent of the co-operative's voting shares beneficially owned by Aboriginal persons resident in the NWT;
 - (iii) is a sole proprietorship, the proprietor of which is an Aboriginal person resident in the NWT; or
 - (iv) is a partnership, the majority interest in which is owned by one or more Aboriginal persons resident in the NWT and in which the majority of benefits, under the partnership agreement, accrue to such Aboriginals; and
- c. complies with all of the following criteria:
 - (i) maintains a permanent place of business in the NWT;
 - (ii) maintains a manager, who is an NWT Resident; and
 - (iii) undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT.

"Aboriginal Person" means an Indian, Inuit or Métis individual, who resides in the NWT and who:

- a. originated in the Northwest Territories; or
- b. is a descendant of an Indian, Inuit or Métis individual originating in the Northwest Territories.

"Closure" means the period of time between termination of commercial production and regulated termination of the Gahcho Kué Project in compliance with applicable legislation.

"Construction" means the period in time from the commencement of this Agreement to commencement of commercial production for the Gahcho Kué Project.

“Contractor” means each and every contractor and sub-contractor used by DBC for the Gahcho Kué Project.

“Gahcho Kué Project” means the Project as described in the Project Description submitted by DBC as chapter 3 of its Environmental Impact Statement to the Mackenzie Valley Environmental Impact Review Board on December 23, 2010, with such refinements or alterations as have been submitted since the Project Description, have been considered in the Environmental Impact Review, or may be required by responsible authorities or regulatory authorities. For greater certainty, GNWT and DBC agree to extend this definition to include any future modifications or additions to the Project as per the terms and conditions contained in this Agreement.

“Hiring Priorities” has the meaning given to it in clause 3.2.

“Local Study Area” means the Local Study Area referenced in Figure 12.1.2 in Section 12 of DBC’s Gahcho Kué Environmental Impact Statement submitted to the Panel, and which includes the following communities:

- a. Gameti,
- b. Wekweeti,
- c. Whati,
- d. Behchoko,
- e. Yellowknife,
- f. Dettah,
- g. Ndilo,
- h. Fort Providence,
- i. Kakisa,
- j. Enterprise,
- k. Hay River,
- l. Fort Resolution,
- m. Fort Smith, and
- n. Lutsel K’e.

“NWT Business” means:

- a. an Aboriginal Business; or
- b. a business which complies with the legal requirements to carry on business in the NWT and complies with all of the following criteria:
 - (i) maintains a permanent place of business in the NWT;
 - (ii) maintains a manager who is an NWT Resident;
 - (iii) undertakes the majority of its management and administrative functions (related to its operations in the NWT) in the NWT; and
 - (iv) is a business in which NWT Residents have substantial management authority or in which NWT Residents have a significant ownership or working interest.

"NWT Resident" means any individual who makes a representation or provides evidence that is, in either case, reasonably relied upon by DBC or its Contractors that he or she primarily resides in a self-contained domestic establishment (other than a residence at a remote work site) in the NWT, when not in full time attendance at an educational institution outside the NWT. In addition, unless the context indicates otherwise, **"NWT Resident"** includes Aboriginal Persons.

"NWT student" means a person who qualifies for student financial assistance under the *Student Financial Assistance Act* (NWT).

"Operations" means the period of time between Construction and Closure.

"Panel" means the 'Gahcho Kué Panel' established by the Mackenzie Valley Environmental Impact Review Board in May 2007.

"Party" means an entity that has executed this Agreement.

"Pick-up Point" means the location from which DBC, at its cost, provides transportation to and from the Gahcho Kué Project for its Gahcho Kué Project employees.

"Professional Development Scholarship" means the support provided by DBC for NWT Students under DBC's NWT Post-Secondary Education Support Program Policy. It includes financial assistance during the student's degree program, summer employment opportunities to gain progressive work experience during summer breaks and an offer for full-time employment in the discipline that the student has been studying, or in a related field, at a DBC worksite. The sponsorship is subject to the student signing an agreement with DBC regarding the terms and conditions of the sponsorship and to the student achieving the results at school and at work required as per DBC policy.

"Regulatory Instrument" means any authorization, licence, lease or permit required under any legislation required for the carrying out of the Gahcho Kué Project.

"Travel Allowance" means the allowance that DBC makes available to its Gahcho Kué Project employees through its NWT policies in order to assist them with the costs of travel from their home communities to the nearest DBC Pick-Up Point.