



KOMMUNEQARFIK SERMERSOOQ



TRUE NORTH GEMS  
greenland

NAALAKKERSUISUT  
GOVERNMENT OF GREENLAND



# Impact Benefit Agreement

Under

Mineral Exploitation Licence 2014/21

June 2014

Incl. appendices valid from 2016

## Contents

Agreement and Parties	3
1. Background	4
2. Objective and Guiding Principles	5
3. Obligations and Rights of Licensee and Co-Licensees	7
4. Obligations of Licensee and its Contractors, Suppliers and Service Providers	7
5. Obligations and Targets under Appendices on Employment, Education and Training of Greenland Workers and use of Greenland Enterprises and building up and development of their Competences and Knowledge	8
6. Monitoring and Evaluation of Performance of Agreement and Implementation of Benefit and Impact Plan	8
7. Amendment of Agreement	9
8. Amendment of Appendices	9
9. Principles for Amendments of Plans under this Agreement	9
10. Human Resource and Enterprise Development	10
11. Business Development	13
12. Social and Cultural Well-being	14
13. Health	15
14. Reporting	16
15. Public Access to Documents	16
16. Confidentiality regarding Submitted Data, Information, Materials and Reports	16
17. Areas exempted from this Agreement	17
18. Remedies	17
19. Termination of Agreement and making of succeeding Agreement	17
20. Termination of Appendices	17
21. Obligations on Termination of Agreement	18
22. Liability in Damages, Insurance and Indemnification	18
23. Relationship to Acts, Rules, Exploitation Licence and other Agreements	19
24. Reimbursement of the Expenditures of the Municipality related to the IBA-negotiations	19
25. Governing Law and Relationship to other Legislation	19
26. Jurisdiction	19
27. Language	20
28. Signatures	20
Appendix 1 Basis of the Agreement.....	21
Appendix 2 Benefit and Impact Plan.....	24
Appendix 3 Monitoring and Evaluation Plan.....	33
Appendix 4 Employment of Greenland Workers.....	36
Appendix 5 Education and training of Greenland Workers.....	41
Appendix 6 Use of Greenland Enterprises .....	43
Appendix 7 List of Agreements to be offered on Greenland Terms to Greenland Enterprises .....	45
Appendix 8 Building development of competences and knowledge at Greenland Enterprises .....	46
Appendix 9 Other socio-economic and sustainability matters .....	48
Appendix 10 Definitions .....	49

## **Agreement and Parties**

This Agreement is made between:

The Licensee under the Exploitation Licence (as defined in clause 28.3 "Licensee") as represented by

True North Gems Greenland A/S  
Imaneq 33, 4<sup>th</sup> floor  
P.O.Box 990  
3900 Nuuk  
Greenland

And

Municipality of Kommuneqarfik Sermersooq  
Kuussuaq 2  
P.O Box 1005  
3900 Nuuk  
Greenland

Herein referred to as the Municipality

And

Greenland Government  
Imaneq 1A 301, P.O Box 1601  
3900 Nuuk  
Greenland

## **Structure and Purpose of the IBA Agreement including Appendices**

This chapter outlines the purpose of the Impact Benefit Agreement (IBA) and explains the structure of the IBA including the ideas behind the appendices. All definitions and abbreviations are in appendix 10.

The IBA intends to promote the cooperation between the Licensee and the Greenland Authorities for developing the ruby/sapphire project to become a sustainable and viable mining project as an integrated part of the Greenlandic society. The IBA will establish methods and procedures by which the Parties will work together to maximize beneficial opportunities for the Greenlandic population and the Licensee. The purpose of this IBA agreement is to enhance the positive impacts of the ruby/sapphire project on the Greenlandic society as a whole.

It is also the purpose of this IBA agreement to set up systems to assist TNG Greenland A/S to achieve the requirements in their Exploitation Licence to promote the use of Greenland Enterprises and Workers and building competences in the Greenlandic workforce. It is a wish in this IBA agreement to enhance and secure the involvement of relevant Greenlandic stakeholders in this process in order to integrate the project in Greenland.

The IBA is a document divided into two main sections – the IBA main legal document and appertaining appendices. The main legal IBA document frames the general objectives of the agreement and is non-negotiable. The legal part of the IBA addresses how cooperation between the Parties will be organized and which areas that will be included.

The appendices will be negotiated yearly based on monitoring and evaluation of the preceding year's performance considering the general objectives in the IBA. The appendices address the coming year's performance targets of the Parties. Based on the continuously monitoring and evaluation of the project the appendices will be updated from year to year in agreement between the Licensee and the Greenlandic Authorities. The appendices are therefore considered dynamical working documents containing concluded concrete and realistic targets, which are to be reached each year by the Licensee and the subcontractors. The procedure of continuously updating the appendices on a yearly basis supports setting achievable targets as the project evolves.

### **1. Background**

- 1.1 The Licensee has been granted an Exploitation Licence and intends to perform mineral exploration activities and related activities under the Exploitation Licence.
- 1.2 The Licensee has made a Social Impact Assessment (SIA) and submitted the updated Social Impact Assessment Report to the MLSA. The Greenland Government has approved the report.
- 1.3 Under the SIA Guidelines (which apply correspondingly to the Licensee's activities under the Licence), an Impact Benefit Agreement (IBA) shall be made and signed by the Licensee, the Municipality and the Greenland Government. The IBA shall contain general provisions for the entire licence period of the Licensee and more specific obligations, targets and plans for one or several years or other relevant periods of the licence period of the Licensee.
- 1.4 Under the SIA Guidelines, a Benefit and Impact Plan, a Monitoring Plan and an Evaluation Plan shall be set out in appendices to the agreement. The plans and their implementation and effects shall be evaluated annually. The plans shall be periodically updated, in particular in relation to developments in mineral exploitation activities, in society and in socio-economic and other matters comprised by the agree-

ment and its objective. The plans shall also be amended, when this is required by changed circumstances or by amendment of this agreement or any of its Appendices.

- 1.5 Use of Greenland Enterprises and Greenland Workers shall be promoted to the furthest extent possible by the conclusion and performance of an Impact Benefit Agreement between the Licensee, the Municipality and the Greenland Government. See sections 18(1)-(2) and (5) and section 78a of the Mineral Resources Act and article 21 of the Licence. If the Licensee employs foreign workers on the mine project it has to demonstrate, that Greenland Workers were not available to execute the job according to the Mineral Resources Act section 18.
- 1.6 The Licensee and its contractors, suppliers and service providers shall use Greenland Enterprises for contracted works, supplies and services regarding activities under the Licence. The offers shall be evaluated according to Greenlandic circumstances. However, the Greenland Government may permit the use of other Enterprises (Foreign Enterprises), if the Licensee or its contractor, supplier or service provider is able to demonstrate that Greenland Enterprises are not technically or commercially competitive. See section 18(2) of the Mineral Resources Act and article 21 of the Licence, compared with the definition of Greenland Terms in clause 28.3.
- 1.7 The matters referred to in clauses 1.5-1.6 shall be ensured to the extent that a duty thereof or an objective in that respect follows from section 18(1)-(2) and (5) and section 78a of the Mineral Resources Act and article 21 of the Licence.
- 1.8 The Licensee and its contractors, suppliers and service providers shall use Greenland Workers for activities under the Licence. However, the Greenland Government may permit the use of other workers (foreign workers), if the Licensee or its contractor, supplier or service provider is able to demonstrate that Greenland Workers with similar qualifications do not exist or are not available in Greenland. See section 18(1) of the Mineral Resources Act and article 21 of the Licence.
- 1.9 An Impact Benefit Agreement shall include provisions, which are in accordance with and ensures performance of and compliance with clauses 1.3-1.8.
- 1.10 An Impact Benefit Agreement shall include relevant provisions on training or further training of Greenland Workers and on building up competences or further development of the competences and knowledge of Greenland Enterprises.
- 1.11 The background for this agreement is set out further in Appendix 1.

## **2. Objective and Guiding Principles**

### **2.1 Objective of Agreement**

- 2.1.1 The objective of this agreement is to promote the use of Greenland Enterprises and Greenland Workers in activities under the Licence as well as to ensure and promote education and training of Greenland Workers and building up competences and development of the competences and knowledge of Greenland Enterprises.

2.1.2 The objective of this agreement is furthermore to promote and contribute to the performance of activities under the Exploitation Licence in accordance with and in pursuance of the objectives of the Mineral Resources Act, including the objectives to:

- (1) Ensure appropriate exploitation of mineral resources, see section 1(1).
- (2) Ensure mineral resource activities are performed in a proper manner as regards resource utilisation and social sustainability; see sections 1(2) and 83.
- (3) Ensure mineral resource activities are performed appropriately and in accordance with acknowledged best international practices and standards under similar conditions, see sections 1(2) and 83.
- (4) Promote sustainability and sustainable development and mineral resource activities, including social sustainability and socially sustainable development, see sections 1(2), 51, 55, 59, 76-78 and 83.

2.1.3 The objective of this agreement is further to promote and contribute to the performance of activities under the Exploitation Licence, including the objectives to:

- (1) Promote investments in projects that in overall terms will have particular importance for economic development of the society and to do so with consideration for the interests of the public.
- (2) Prevent and reduce unintentional adverse effects on the Greenland economy and the competitiveness of the industry and commerce.

2.1.4 The objective of this agreement is further to:

- (1) Mitigate (prevent and limit) negative (adverse) socio-economic and social impacts and enhance (create and increase) positive (beneficial) socio-economic and social impacts in connection with activities under the Licence.
- (2) Promote activities and measures, which contribute to creating or obtaining minimum negative impact and maximum positive impacts from the Licensee's activities under the Licence.
- (3) Set out in an agreement the Licensee's socio-economic and social obligations, procedures for their performance, procedures for monitoring and reporting of their performance, remedied for their non-performance, procedures for related cooperation between the Parties and procedures for the Parties' periodic revision and adaptation of obligations and procedures.
- (4) Establish a legal and procedural basis for the Licensee's performance of activities and provision of services and benefit in order to mitigate negative socio-economic and social impacts and enhance positive socio-economic and social impacts in relation to activities under the Licence, and
- (5) Establish a legal and procedural basis for cooperation between the Parties concerning socio-economic and social matters, and activities related to the Licensee's activities under the Licence.

2.2 Guiding principles for performance of agreement

2.2.1 The Parties shall perform and implement this agreement consistent with its objective as set out in clause 2.1 and be guided by the following principles:

- (1) Cooperation.

- (2) Fairness.
- (3) Respect for the rights, culture, responsibilities and interests of each Party (including the Licensee's responsibility for, and interest in, economically viable activities under the Licence).
- (4) Support for the objective of sustainability and sustainable development and monitoring of progress towards it.
- (5) Adaptive management, which is innovative, flexible and ensures feedback and remedies to achieve the objective of minimum negative impact and maximum positive impacts from the Licensee's activities under the Licence.

### **3. Obligations and Rights of Licensee and Co-Licensees**

- 3.1 The Co-Licensees, shall be jointly and severally liable for the performance of any and all obligations of the Licensee under this agreement, including the obligation to pay compensation for damage and loss caused by activities performed, or by non-performance of obligations, under this agreement.
- 3.2 Unless otherwise provided in this agreement or by applicable law, all rights of the Licensee under this agreement are held by the Co-Licensees jointly and may only be exercised and enforced by them jointly.

### **4. Obligations of Licensee and its Contractors, Suppliers and Service Providers**

- 4.1 The Licensee shall act reasonably in a manner that will provide Greenland Enterprises with a full and fair opportunity to be awarded and/or conclude agreements on a competitive basis. This shall include communicating bid requirements to Greenland Enterprises within a reasonable period of time.
- 4.2 The Licensee shall not create artificial barriers for the participation of Greenland Enterprises in activities under the Licence by designing and organising tasks, which do not suit the competences and size of Greenland Enterprises.
- 4.3 The Licensee shall appoint a senior manager as decision-maker, who shall be responsible for implementing the agreement and contact with the parties.
- 4.4 In the event mentioned in clause 4.1, the Licensee shall remain liable and responsible for the performance and fulfilment of all obligations, targets and other commitments of the Licensee under this agreement.
- 4.5 In the event mentioned in clause 4.1, the Licensee shall ensure that the contractors, suppliers or service providers also are liable and responsible for the performance and fulfilment of all obligations, targets and other commitments of the Licensee under this agreement. The Licensee shall ensure this, when the Licensee award the agreements and concludes the agreements. The Licensee shall further ensure this, when the agreements are performed or to be performed by the contractors, suppliers or service providers.
- 4.6 In the event mentioned in clause 4.1, the Licensee and its contractors, suppliers and service providers shall be liable and responsible in proportion to their share of the total contract sum (construction and operation phase) for the performance and fulfilment of all obligations, targets and other commitments of the Licensee under this agreement.

**5. Obligations and Targets under Appendices on Employment, Education and Training of Greenland Workers and use of Greenland Enterprises and building up and development of their Competences and Knowledge**

5.1 The Licensee shall initiate and implement programs to enhance and promote that Greenland Workers are given higher levels of responsibility throughout the licence period, subject to skills, qualifications, ability and experience of such Greenland Workers. These programs shall be in accordance with the programs set out in clause 10.2.

5.2 The Appendices provides terms on the following matters, which shall be construed as obligations for the Licensee for the first year after concluding this agreement or the first year after amending the Appendices in accordance with clause 8:

- (1) Use of Greenland Workers, including the number of Greenland Workers employed by the Licensee and its contractors, suppliers and service providers. See Appendix 4.
- (2) Education and training and further education and training of Greenland Workers, including the number and type of Greenland Workers educated and trained by, or with financial and other support from, the Licensee and its contractors, suppliers and service providers. See Appendix 5.
- (3) Use of Greenland Enterprises for building and construction works, supplies and services, including number, types and extent of agreements for such works, supplies and services concluded between Greenland Enterprises and the Licensee and its contractors, suppliers and service providers. See Appendix 6.
- (4) Awards and conclusion of agreements between Greenland Enterprises and the Licensee and its contractors, suppliers and service providers, including a list of agreements. See Appendix 7. Building up competences or further development of competences and knowledge of Greenland Enterprises, including the number and type of Greenland Enterprises, whose competences and knowledge are build up or further developed by, or with financial and other support from, the Licensee and its contractors, suppliers and service providers. See Appendix 8.

5.3 The Appendices provide terms on the matters stated in clause 5.2, which shall be construed as targets for the Licensee for the second and subsequent years after concluding this agreement or the second and subsequent years after amending the Appendices in accordance with clause 8.

**6. Monitoring and Evaluation of Performance of Agreement and Implementation of Benefit and Impact Plan**

6.1 The Licensee shall monitor the performance of this agreement and the implementation of the Benefit and Impact Plan and performance of obligations under it. The Licensee shall make a yearly monitoring report in accordance with this agreement and the Monitoring Plan and send the report to the other Parties.

6.2 The Licensee shall make a draft annual evaluation report in accordance with this agreement and the Evaluation Plan and send the draft report to the other Parties before the end of each year.

6.3 The Parties shall hold at least one annual evaluation meeting to discuss the draft evaluation report and any other matters proposed by any Party regarding this agreement, or its performance, or the Plans, or

their implementation or amendment. After consultation with the Greenland Authorities, the Licensee shall make a final evaluation report each year.

## **7. Amendment of Agreement**

7.1 This agreement may be amended by written agreement of all Parties.

7.2 This agreement shall be amended, when it is necessary due to substantially changed circumstances, amended or new agreements regarding use of Greenland Workers or Greenland Enterprises, including conclusion of construction agreements with Greenland Enterprises, or if it is necessary to meet requirements under the Mineral Resources Act, the Licence, or other rules of law, licence terms or provisions from time to time in force in Greenland.

7.3 An amendment of this agreement shall be set out in an addendum to this agreement. If major amendments are agreed, a new version of the agreement shall be made by the Parties.

## **8. Amendment of Appendices**

8.1 The Appendices may be amended by written agreement of all Parties.

8.2 The Appendices shall be amended, when it is necessary due to changed circumstances, amended or new agreements regarding use of Greenland Workers or Greenland Enterprises and conclusion of construction agreements with Greenland Enterprises, or if it is necessary to meet requirements under the Mineral Resources Act, the Licence or other rules of law, licence terms or provisions from time to time in force in Greenland.

8.3 Before the first of March each year the Parties shall discuss the application and effect of all the Appendices in the previous year and agree the contents of draft appendices for the following year and subsequent years.

8.4 The Greenland Authorities shall submit the draft appendices mentioned in clause 8.3 for consultation. The consultation procedure shall include local public authorities, Greenland employers' organisations and workers' organisations as well as local Greenland associations and organisations, whose articles of association aim to promote important interests in connection with social sustainability or environmental protection. In connection with the consultation, the consulted parties shall be given information, that can form the basis for comments on aspects in this agreement, that have particular significance for Greenland Enterprises, Greenland Workers or in relation to the social or environmental impacts of the activities under the Licence.

8.5 No later than May each year, the Parties shall agree on and sign all the appendices for the following and subsequent years.

## **9. Principles for Amendments of Plans under this Agreement**

9.1 Amendments of Plans under this Agreement

9.1.1 The Plans to be made by the Licensee under this agreement, which are the Benefit and Impact Plan, the Monitoring Plan and the Evaluation Plan, shall be kept updated in relation to changed circumstances and developments. The Licensee shall amend a Plan under this agreement, when this is required. It may for example be required in connection with an amendment of a mineral exploitation plan or closure plan, or with a development in mineral exploitation activities, in society or in socio-economic or other matters comprised by this agreement and its objective. The Licensee shall submit an amended Plan as soon as reasonably possible and no later than 28 days after the occurrence of the changed circumstance or development. An amendment of a Plan under this agreement shall be approved by the Greenland Authorities.

9.1.2 The Licensee shall as far as possible plan and implement changes regarding activities and Plans under this agreement in accordance with the provisions and objectives of this agreement, which would apply to corresponding initial activities and Plans under this agreement.

## **10. Human Resource and Enterprise Development**

### **10.1 Recruitment strategies**

10.1.1 Subject to the availability of Greenland Workers and the need for workers under the Licence, the Parties shall cooperate in establishing measures in furtherance of the Parties' intent to maximize the proportion of the Greenland Workers under the Licence.

10.1.2 The Licensee shall in furtherance of the attainment of the Greenland Workers composition under the Licence require its contractors, suppliers and service providers to hire Greenland Workers, subject to the availability of Greenland Workers.

10.1.3 The obligations and targets for short-term Greenland Workers will be established, reviewed in light of performance and adjusted on an annual basis under the Licence in accordance with clause 8.

10.1.4 Subject to the need for workers under the Licence, the short-term obligations and targets for Greenland Workers for each of the business units for the Licensee will be established, reviewed in light of performance and adjusted based on relevant parameters, including:

- The availability of Greenland Workers under the Licence,
- The current and upcoming phase under the Licence, and
- Other relevant parameters.

10.1.5 The Licensee shall in good time post job openings in Greenlandic, Danish and English in relevant Greenland Medias and shall provide posting information on such job openings to relevant jobportals and authorities. The licensee shall advertise all vacant jobs through job centres in Kommuneqarfik Sermer-sooq.

10.1.6 The Licensee shall determine entry requirements, including training prerequisites for all employment positions under the Licence. The Greenland Authorities shall review proposed entry requirements, including language skills, and make recommendations to the Licensee to avoid the creation of or to remove any undue barriers for the employment of Greenland Workers under the Licence.

- 10.1.7 Provisions in Appendix 4 on use of Greenland Workers, including the number of Greenland Workers hired by the Licensee and its contractors, suppliers and service providers, are obligations for the Licensee the first year after concluding this agreement or the first year after amending Appendix 4 in accordance with clause 8.
- 10.1.8 Provisions in Appendix 4 on use of Greenland Workers, including the number of Greenland Workers hired by the Licensee and its contractors, suppliers and service providers, are targets for the Licensee the second and subsequent years after concluding this agreement or the second and subsequent years after amending Appendix 4 in accordance with clause 8
- 10.1.9 Provisions on recruitment strategies are set out in Appendix 4.
- 10.2 Education proposals for Greenland Workers, training etc.
- 10.2.1 The Parties shall through joint co-operation develop skilled and productive Greenland Workers and promote the employment, integration, advancement and employee retention of Greenland Workers in all business units under the Licence. The programs and measures established by the Parties shall be designed to increase the number of Greenland Workers to be employed under the Licence.
- 10.2.2 The Municipality and the Greenland Government shall promote, support and develop the following programs and measures, including programs supporting employment related to the mining industry in general, either on their own or in cooperation with the Licensee, educational and vocational organizations, or with other third parties:
- Educational programs,
  - Vocational and technical training programs and
  - Pre-employment programs.
- 10.2.3 The Licensee shall cooperate with the Municipality and the Greenland Government in their effort to promote, support and develop such programs, particularly programs supporting employment related to the mining industry in general and under the Licence by:
- Providing information sessions on career opportunities under the Licence and in the mining industry in general.
  - Cooperating with vocational institutions, e.g. the Mining School, on the establishment and operation of mining-related vocational and technical training programs, through technical support, expertise and advice.
  - Providing positions for apprentices from the Mining School and other Greenland vocational education institutions. Cooperating with the University of Greenland and the Greenland Institute of Natural Resources to support relevant educations related to mining and mineral sector.
  - Cooperating with the Mining School and ARTEK to establish or support educations for mining engineers or other educations relevant to the mineral sector.
  - Adopting measures to provide incentives to Greenland Students to pursue studies in programs leading to careers in mining-related fields. Such procedures may include summer employment or internships.

- 10.2.4 The Licensee is responsible for internal training programs and measures delivered by the Licensee or by third parties on behalf of the Licensee.
- 10.2.5 When relevant and where the size of the group requires it, the Licensee's internal training programs shall be available in Greenlandic, Danish and English, unless such delivery is not feasible.
- 10.2.6 When the Licensee establish professional development programs, the Licensee shall inform the Greenland Authorities of the programs available to Greenland Workers in order for the Greenland Authorities to identify other existing training programs and measures, if any, offered by third parties, including Greenland educational organizations. The Parties may, from time to time, establish joint training programs and measures for specific needs or purposes for activities under the Licence.
- 10.2.7 The Greenland Authorities shall cooperate in seeking access to funding from third parties for training programs and measures and to obtain the assistance of training institutions.
- 10.2.8 The Licensee shall identify adequate workplace measures, including training programs, intended to promote the integration, advancement and retention of Greenland Workers employed under the Licence.
- 10.2.9 The Parties shall, whenever feasible and relevant, participate in the delivery of the measures developed by the Licensee, which are designed to promote the integration, advancement and retention of Greenland Workers.
- 10.2.10 Where relevant, the Licensee shall provide language training to facilitate communication related to the activities under the Licence.
- 10.2.11 The Licensee shall provide the Greenland Authorities with information that identifies advancement opportunities and related job requirements for Greenland Workers under the Licence. The Parties shall cooperate with the Licensee and provide training, when relevant and feasible for the advancement of Greenland Workers, either on their own, in cooperation with Greenland educational and vocational organizations, or with other third parties.
- 10.2.12 The Parties shall cooperate to encourage Greenland Workers to seek out and apply for advancement opportunities under the Licence.
- 10.2.13 The Licensee shall develop individual career plans for each Greenland Worker permanently employed under the Licence. The career plans shall include provisions on relevant training of the Greenland Workers and on advancements opportunities. The Licensee shall, furthermore, offer training and advancement opportunities.
- 10.2.14 The Licensee shall prepare a recruitment strategy in order to retain Greenland Labour.
- 10.2.15 The Licensee shall seek to educate Greenland Workers as foremen in relation to the activities under the Licence.
- 10.2.16 Provisions on education and training of Greenland Workers are set out in Appendix 5.
- 10.3 The Licensee will allocate DKK 250.000 in 2014 and 2015 and DKK 1.000.000 each year from 2016 and until the decommissioning of the mine to educational funds. The purpose of these funds is to improve skilled and unskilled workers job opportunities in relation to mining, including related fields within engi-

neering, administration, economics, health, safety and environment and social aspects etc. Funds up to 50 % can be used for the training program of True North Gems Greenland, if it is conducted in cooperation with official education institutions in Greenland. The expenses of True North Gems Greenland related to the 2 annual courses or workshops stated in Appendix 9 can be paid through these funds. The financial means of the fund cannot be used for the fulfilment of the obligations in Appendix 5.

#### 10.4 Promotion of women's participation

10.4.1 The Parties shall support and encourage the participation of women on an equal basis in all aspects of the work performed under the Licence.

10.4.2 The Licensee shall take measures to ensure:

- Promotion of women's understanding of job opportunities in the mining industry.
- Offering training programs directed towards development of women's skills and knowledge for specific positions in the mining industry.
- Skilled female role models for work performed under the Licence.
- Advertising campaigns encouraging women to apply for vacant positions under the Licence.
- Scholarships for female Greenland Students, who are attending college and university programs related to mining.

#### 10.5 Promotion of artisanal cutters and polishers.

The Licensee shall take measures to further develop the competences of artisanal cutters and polishers for example by providing facilities and corundum, hands on training and cutting and polishing courses etc.

### 11. Business Development

#### 11.1 Obligations under Licence

11.1.1 The Licensee shall ensure that its contractors, suppliers and service providers submit annual reports based on the Licensee's policies. Such reports shall include information on the number of positions offered to Greenland Workers, the number of Greenland Workers employed by the contractors, suppliers and service providers, a description of the training offered to Greenland Workers, the number of Greenland Workers laid-off or dismissed, and the Greenland Enterprises engaged as subcontractors.

#### 11.2 Quantitative obligations and targets for use of Greenland Enterprises.

11.2.1 The Licensee shall provide business opportunities under the Licence for Greenland Enterprises. Furthermore, the Licensee shall encourage and facilitate the development of Greenland Enterprises in the context of the Licence, while ensuring competitiveness by using competitive Greenland Enterprises during all phases of activities under the Licence.

11.2.2 The Licensee undertakes to:

- Provide the Parties with information on its contracting policies and procedures.
- Confirm that the list of the future works, supplies and services provided to the Parties remains relevant, accurate and complete throughout the duration of the Licence.

- Notify the Parties of work, supplies and service requirements under the Licence in a timely manner.
- Inform the Parties of anticipated or actual works, supplies, services or related business opportunities by providing annually a list of the contracts to be awarded by the Licensee for the following year to the Parties.
- Seek business proposals and bids from Greenland Enterprises, which are competitive and in conformity with this agreement in light of contracting policies of the Licensee.

11.2.3 Quantitative obligations and targets for use of Greenland Enterprises are set out in Appendix 6.

11.3 Mentorship, knowledge-transfer and joint ventures for local businesses are described in Appendix 8.

11.3.1 The Licensee shall encourage the formation of alliances and joint ventures between Foreign Enterprises and Greenland Enterprises in order to promote the competences of local businesses as described in Appendix 8.

## **12. Social and Cultural Well-being**

12.1 The Licensee shall respect and promote Greenland society and culture

12.2 The Licensee shall provide:

- On-site measures allowing Greenland Workers to remain connected with their culture by:
  - Constructing and maintaining a cultural site, where traditional Greenlandic food can be stored and prepared by Greenland Workers for their personal use.
  - Providing for opportunities for traditional Greenlandic food to be served in the cantinas through supply/buying meat and fish from local hunters and fishermen.
  - Establishing and delivering programs promoting healthy lifestyle activities and the prevention of alcohol and substance abuse. The Greenland Authorities shall participate in the delivery of such programs.
  - Organizing, in cooperation with the Greenland Authorities, an annual Greenland cultural day for the Greenland Workers and the foreign workers.
  - Securing normal internet access and cell phone coverage at normal cost.
  - Providing cross-cultural training to both Greenland Workers and foreign workers. Off-site measures allowing the Greenland people and people in Qeqertarsuatsiaat to remain informed about the activities under the Licence.
  - Participating in interviews and bulletins for regional and local radio broadcasting to inform the Greenland Residents about the activities under the Licence.
  - Producing and distributing newsletters all over Greenland with information on activities under the Licence.
  - Cooperating with Greenlandic institutions and Authorities on re-establishing the local center for gemstone production in Qeqertarsuatsiaat, Greenland.
  - Developing a communication strategy and a website to enhance the information to the public. Furthermore the communication shall amongst others be executed in social medias and so on. The information shall be available in Greenlandic.
  - Cooperating with the village of Qeqertarsusatsiaat and the Greenland Government on establishing courses in cutting and polishing.

- Appointing a Liaison Officer from its management team, who will be responsible for contact and communication amongst others with the public and the community council. The Village Council of Qeqertarsuatsiaat will also appoint a contact person, so that Citizens and other stakeholders can contact these contact persons, if they want to make any complaint, or if they have concerns or other matters to be addressed.
- In cooperation with the Qeqertarsuatsiaat community council working for enhancing local engagement in the project activities.
- Cooperating with the Municipality and the Greenland Government on establishing programs for networks of Greenland families with individuals employed under the Licence.
- The Licensee shall use its best efforts to organize work schedules for employees at the Mine site in ways, which are appropriate and fair for both Licensee and employees.
- The Licensee shall develop a reinsertion program for Greenland Workers after mine closure, which includes that the Licensee in good time before the final closure of the mine shall do its best efforts to assist, or in other ways help employees in finding a new job in Greenland.
- The Licensee shall make sure that as a minimum a certificate of employment is issued for each employee at decommissioning of the mine.

12.3 The Licensee will allocate DKK 100.000 in 2014 and 2015 and DKK 250.000 from 2016 and until the decommissioning of the mine to social and cultural funds. The purpose of these funds is to promote and support local culture and sport initiatives and activities etc. to benefit especially the local citizens of Qeqertarsuatsiaat, Kommuneqarfik Sermersooq. The cost of True North Gems Greenland related to the local center for gemstone production in Qeqertarsuatsiaat, Greenland stated in clause 12.2 can be paid through these funds.

12.4 Integration in local community, including social wellbeing initiatives

12.4.1 Provisions on integration in local community, including social wellbeing initiatives, are set out in Appendix 9.

### **13. Health**

13.1 Monitoring of health impact

13.1.1 The Greenland Government already monitors and assesses public health through a basic study carried out every 4th year focusing on Greenland Government's key public health areas – mental health and wellbeing, alcohol, violence, diet, physical activity, smoking and sexually transmitted diseases (STD). To prevent unwanted health and social consequences of activities under the Licence in Qeqertarsuatsiaat and Paamiut the Licensee shall contribute to extended studies specifically directed towards public health in Qeqertarsuatsiaat and Paamiut. The Greenland Government has established an independent expert council (Economic Council) to monitor the economic cycle, the sustainability of economic policy and financing of welfare services.

13.1.2 The Greenland Government will use external experts to carry out the health study and to analyse the collected information and results.

## **14. Reporting**

- 14.1 The Licensee shall promptly submit to the Greenland Authorities statistics and other relevant information on the labour force, which the Licensee and its contractors, suppliers and service providers have hired pursuant to the Licence, including information from the annual reports from the Licensee's contractors, suppliers and service providers.
- 14.2 The Greenland Authorities may lay down rules concerning the reporting of activities and obligations performed under this agreement, including specifications of the types of data etc., which shall be included in the reporting under clause 14.1. The Licensee shall provide further information concerning activities and obligations under this agreement, if requested by the Greenland Authorities.
- 14.3 All data, information, materials and reports obtained or prepared by the Licensee or by others for its use and pertaining to activities or obligations under this agreement shall be kept by the Licensee until the termination of this agreement. At the end of the said periods, the original data etc., or one set of copies thereof, shall be submitted to the Greenland Authorities free of charge. Each Co-Licensee may retain copies of all data etc. for its own use.
- 14.4 All costs and expenses connected with obtaining, preparing and submitting data etc. under this agreement shall be paid by the Licensee.

## **15. Public Access to Documents**

- 15.1 Public access to documents under this agreement shall be decided in accordance with the principles of the Greenland Parliament Act no. 9 of 13 June 1994 on Public Access to Documents on Public Files.
- 15.2 Applications for public access to documents under this agreement shall as far as possible be answered within 28 days.
- 15.3 Costs related to applications for public access to documents under this agreement shall be paid by the applicant. The Greenland Government can demand prepayment of such costs.
- 15.4 Applications for public access to documents under this agreement are processed by the Greenland Government.

## **16. Confidentiality regarding Submitted Data, Information, Materials and Reports**

- 16.1 Except for business confidential matters (which, for the avoidance of doubt, shall include the estimated values of any contracts with third party service providers) and data of a personal character, all data, information, materials and reports submitted or provided by the Licensee to the MIMR and the MLSA or the Municipality under this agreement are public. However all reports shall be discussed with the Licensee before being made public.

**17. Areas exempted from this Agreement**

17.1 This Agreement does not include legal, financial or commercial consultancy or advice.

**18. Remedies**

18.1 The Licensee shall conclude and perform this agreement in accordance with the Mineral Resources Act and the Exploitation Licence.

18.2 If non-performance of an obligation under this agreement is not due to Force Majeure, the Greenland Government may, among others, order the Licensee to suspend all activities under the Licence or revoke the Exploitation Licence in accordance with the provisions in the Mineral Resources Act and the Exploitation Licence.

**19. Termination of Agreement and making of succeeding Agreement**

19.1 This agreement shall be valid for the same period as the Licence and shall not be terminable within this period.

19.2 The Parties shall act in accordance with good faith and fair dealing and the objective and guiding principles of this agreement (as set out in clause 2) in connection with the negotiation and making of the succeeding agreement. The succeeding agreement shall be in accordance with the objective and guiding principles of this agreement (as set out in clause 2).

19.3 Notwithstanding termination pursuant to clause 19.1, this agreement shall remain in force to the extent and for the period necessary to affect a final accounting and settlement of any payments and claims under this agreement.

19.4 If the Licence has been terminated, this agreement can be terminated with reasonable notice.

19.5 Notwithstanding any other provisions of this agreement, the provisions of clauses 2, 3, 5, 15, 19.2-19.3, 20, 22, and 25 shall continue to be in force and apply after the termination of this agreement.

19.6 If failure of basic assumptions occurs, a Party can require re-negotiation of this agreement. The Parties shall act in accordance with good faith and fair dealing and the objective and guiding principles of this agreement (as set out in clause 2) in connection with the re-negotiation of the agreement. An amended or succeeding agreement shall be in accordance with the objective and guiding principles of this agreement (as set out in clause 2). If the Parties do not reach an agreement this agreement does not terminate.

**20. Termination of Appendices**

20.1 The Appendices shall be valid for the same period as this agreement and are not terminable within this period, unless it is done by mutual agreement. The obligations and targets of the Appendices are to be renegotiated annually for the subsequent year.

## **21. Obligations on Termination of Agreement**

- 21.1 The termination of this agreement shall not release the Licensee from performing any obligations under applicable laws, rules or provisions or under the Exploitation Licence, other licences or any continued obligations under this agreement.
- 21.2 After the termination of this agreement, the Licensee shall keep all data, information, materials and reports obtained or prepared by the Licensee or by others for its use and pertaining to activities or obligations under this agreement. The data etc. shall be kept for a period of at least one year. Before such data etc. is destructed or disposed of, it shall be offered to the MIMR or the MLSA free of charge.
- 21.3 The exercise by the MIMR or the MLSA of its right to take over data etc. under clause 21.2 may be postponed, if an agreement is made between the Licensee and the MIMR or the MLSA regarding satisfactory safekeeping of and third-party access to the said data etc.

## **22. Liability in Damages, Insurance and Indemnification**

- 22.1 In case the Licensee has not fulfilled an obligation or commitment and this is not due to Force Majeure, the Licensee shall pay compensation to the Greenland Authorities, if the Greenland Government requests payment of compensation. The Greenland Government shall act objectively, reasonably, proportionally and transparently in determining, whether compensation shall be paid and any amount of compensation payable. In determining an amount of compensation payable, the Greenland Government shall take into consideration the cost of fulfilling the unfulfilled obligation or commitment and allow for expenses, that would be incurred by having a third party fulfil the obligation or commitment for the Greenland Government. Payment of such compensation shall be made no later than 30 days after the Greenland Government has made the request for payment of compensation. When the compensation has been paid, the Licensee shall have no other obligation with respect to the unfulfilled obligation or commitment.
- 22.2 The Licensee shall indemnify the MIMR, the MLSA, the Greenland Government and the Municipality for any claims made by third parties against the MIMR, the MLSA, the Greenland Government or the Municipality as a consequence of activities performed or of non-performance of obligations under this agreement, to the extent the non-performance is not due to Force Majeure. This is subject to the requirement, that the Licensee was given an opportunity in due time to participate in the defence against any such claim and that the matter was decided by:
- (1) A settlement approved by the Licensee,
  - (2) A final judgment, or
  - (3) An arbitral award, provided that the third party making the claim was entitled to refer the dispute to arbitration prior to the occurrence of the damage or loss.

**23. Relationship to Acts, Rules, Exploitation Licence and other Agreements**

- 23.1 In case of any conflict or difference in content or effect between this agreement and the Mineral Resources Act, any rule or provision issued under the Mineral Resources Act, the Exploitation Licence, or any other applicable law, rule or provision, the latter (the Mineral Resources Act) shall control and prevail.
- 23.2 In case of any conflict or difference in content or effect between this agreement and any approval or other decision made by the Greenland Government, the MIMR or the MLSA in relation to any activity under the Exploitation Licence, the approval or decision shall control and prevail.
- 23.3 In case of any conflict or difference in content or effect between this agreement and any agreement between a Municipality and the Licensee or any Co-Licensee, this agreement shall control and prevail. This shall apply irrespective of whether one or more Co-Licensees are parties to the other agreement and even though the MIMR, the MLSA and the Greenland Government are not parties to the other agreement.

**24. Reimbursement of the Expenditures of the Municipality related to the IBA-negotiations**

- 24.1 The Licensee shall reimburse the Municipality's reasonable costs in relation to the IBA-negotiations.
- 24.2 The Licensee shall also reimburse the Municipality's reasonable costs in relation to the annual participation in the follow-up and implementation of the IBA.
- 24.3 The Licensee is entitled to request the Municipality to make a budget of the expected expenses for each calendar year in relation to 24.1 and 24.2.
- 24.4 The reimbursement of the Municipality's costs may not exceed 150.000 DKK pr. year.
- 24.5 The amount of expenditures of the Municipality related to the IBA-negotiations will be evaluated after year 1.

**25. Governing Law and Relationship to other Legislation**

- 25.1 This agreement shall be subject to, governed by and construed in accordance with the rules of law from time to time in force in Greenland, including Greenland law and Danish law.
- 25.2 This agreement shall not restrict the general right of the Greenland Government to levy taxes and fees, amend tax and fee legislation or lay down rules or provisions concerning activities or obligations under this agreement.
- 25.3 This agreement does not exempt the Licensee from obtaining licences, including prospecting, exploration and exploitation licences, approvals and permits, which are required pursuant to the Mineral Resources Act or other legislation.

**26. Jurisdiction**

26.1 Any dispute arising out of or in connection with this agreement shall be determined by the Greenland or Danish courts with jurisdiction in Nuuk, Greenland. The said courts shall have exclusive jurisdiction over any such dispute. The Court of Greenland in Nuuk, Greenland, shall be the court of first instance.

**27. Language**

27.1 This agreement has been drawn up in the English language. Greenlandic and Danish copies will be made publically available.

**28. Signatures**

28.1 This agreement may be made in any number of counterparts and each such counterpart shall be deemed an original agreement for all purposes. However, no Party shall be bound by this agreement unless and until all Parties have signed a counterpart. For the purpose of assembling counterparts into documents with signatures on each signature page, the MIMR and the MLSA is authorised to detach signature pages from counterparts and, after the signature pages have been signed by the Parties, attach the signed signature pages to counterparts.

Greenland Government  
Ministry of Industry and Mineral Resources

Municipality  
Kommuneqarfik Sermersooq



Name: Jens-Erik Kirkegaard  
Title: Minister of Industry and Mineral Resources

16/6-14

Date:



Name: Asii Chemnitz Narup  
Title: Mayor of Kommuneqarfik Sermersooq

16/6-14

Date:

Licensee  
True North Gems Greenland A/S



Name: Bent Olsvig Jensen  
Title: Managing Director of True North Gems Greenland A/S

16/6-14

Date:

\*\*\*\*\*

## Appendix 1 Basis of the Agreement

### A.1.1 Licence Area

True North Gems Greenland plans to set up a corundum mine with the necessary infrastructure and facilities for processing of ore onsite. The corundum deposit is located on and under a peninsula in the lake Ukkaata Qaava. The lake does not have an official name, but the name Ukkaata Qaava has been suggested. The lake is situated approximately 230 meters above sea level and approximately 3 km from the fjord Tasiusaa. The access to Tasiusaa from the fjord Tasiusarsuaq is through a narrow and shallow “Inner channel”, and the access to Tasiusarsuaq from the open sea is through another shallow narrowing named the “Outer channel”. The peninsula, where the mine is located, divides the lake into two basins.

A.1.1.1 The installations and facilities in the licence area will comprise:

- a. An open pit mine, which during the course of 9 years will open to a size of about 200 m x 150 m and a depth of up to 70 m.
- b. A camp with room for up to 60 people in the construction phase and about 48 in the production phase.
- c. The camp is equipped with a power generator, water source, wastewater processing. The camp is located near the fjord.
- d. A harbour with a pier outside the Inner Channel.
- e. A processing facility close to the mine for crushing, screening, washing and sorting of ore into a raw concentrate (“dirty rough”).
- f. A helicopter landing pad, fuel depot, and storage of explosives.
- g. The necessary roads to connect the installations and facilities.
- h. A quarry is needed to provide building materials for the first roads and buildings. Later in the project, the excess material from the mine may be used.

#### A.1.1.2 Process description in the Licence Area

The mine is designed for an expected lifetime of 9 years, with a possibility for extension (subject to approval by the Government of Greenland). The table below shows the latest estimation for the annual amount of ore expected to be mined for each of the 9 years:

Year	Tonnes
2015	2,849
2016	12,745
2017	16,560
2018	22,792
2019	22,820
2020	23,564
2021	26,142
2022	31,118
2023	31,178

*Source: "TETRA TEC EBA (March 2015)"*

To ensure a safe working environment in the mine, the water level in the lake will be lowered by 10 meters. This will be done by excavating a new channel parallel to the existing outflow from the western basin. The ore is located in a relatively small zone, and approximately 2.97 million tonnes (corresponding to 94 %) of the extracted material of approximately 3.17 million tonnes is waste rock. The ore will be crushed to gravel-size, and after the corundum has been removed, the remainder (tailings) will also be deposited in the lake. The water used for processing will be taken from the lake or from a stream that flows into the lake. All material will be deposited in the eastern basin, so that the western basin shall function as a type of settlement basin, before outflow to the fjord through a stream of approximately 2 km length.

The closure plan indicates that buildings, machines and scrap shall be removed and the lake's water level shall be reestablished (which entails that the mine shall be flooded by the lake) by filling the established channel with rocks and concrete. Furthermore, roads and established open spaces shall be removed, and the surface of the ground loosened to facilitate the reestablishment of natural vegetation.

### **A.1.2 The facilities in Nuuk**

Furthermore different facilities will be established in Nuuk among others for further processing, cleaning and sorting of the corundum.

A.1.2.1 The facilities in Nuuk will comprise:

- a. Offices for True North Gems Greenland's headquarters in Greenland.
- b. A facility for cleaning the raw corundum with hydrofluoric acid.
- c. Sorting, packing and shipping of the cleaned raw corundum.

### **A.1.3 Possible further processing in Greenland**

A.1.3.1 No later than 1 July 2017 the licensee shall forward a study to the Government on the possible feasibility of cutting and polishing in Greenland that can be done by TNGG.

A.1.3.2 If a decision based on the study (see A.1.3.1) is made that further processing will be conducted in Greenland then the contents of the IBA will have to be updated to adequately reflect these activities.

## Appendix 2 Benefit and Impact Plan

<b>A.2.1 Employment during construction phase (direct)</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
Engagement of Greenlandic workforce from the beginning of the construction phase.	Training course at the School of Minerals and Petroleum.	A.2.1.1 During construction phase there will be training of the engaged Greenlandic workforce in order to continue the engagement in the operation phase and to ensure a high degree of Greenlandic employment when entering the operation phase;	A.2.1.5 The workforce will include 70% of Greenlandic personnel
	SIK has prepared proposals for training initiatives for the mining and oil sector.	A.2.1.2 Undertake an assessment of training needs;	
		A.2.1.3 Develop a pre-employment and on-the-job training programme for the required job categories;	
		A.2.1.4 Develop local sensitive rotation schemes, human resources development program and benefit packages to make Aappaluttoq an attractive work place for Greenlandic workers.	

<b>A.2.2 Employment during operation phase (direct)</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
During operation phase TNGG estimates a seasonal workforce of approximately 80 people at Aappaluttoq including 20 in Nuuk.	Training course at the School of Minerals and Petroleum	<p>A.2.2.1 Prepare a description of the requirement for the different job categories for the operation phase;</p> <p>A.2.2.2 Undertake an assessment of training needs;</p> <p>A.2.2.3 Develop a job training programme for the required job categories;</p> <p>A.2.2.4 Job advertisement in Greenlandic medias;</p> <p>A.2.2.5 Design and implementation of an intense recruitment campaign in Qeqertarsuatsiaat, Paamiut and Nuuk, including advertising, community meetings, open day events, etc.</p> <p>A.2.2.6 Contact and coordination with labour organization SIK and employment office for advertising the available job positions and identifying potential workers;</p> <p>A.2.2.7 Evaluate the possibility of making agreements with the School of Minerals and Petroleum for allocating a number of seasonal job positions as internship for advanced students;</p> <p>A.2.2.8 Discuss with the Municipality and the School of Minerals and Petroleum the possibility of involving TNGG's Greenlandic employees in training courses during the non-working season.</p>	A.2.2.9 The goal is for the workforce to engage 80% of Greenlandic personnel in the project after 3 years

<b>A.2.3 Business opportunities</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
<p>During operation TNGG will outsource activities of transport of goods and staff will mainly be by boat between the mine site and Qeqertarsuatsiaat and Nuuk, probably also from Paamiut. The service of the camp may be tendered and is expected to involve approximately 6 workers involving:</p> <ul style="list-style-type: none"> <li>• Camp manager</li> <li>• Chef</li> <li>• Cleaners</li> </ul> <p>The catering service of the camp requires local provision of food and consumables.</p>	<p>GE's (Grønlands Erhverv) initiatives to promote local business for mining companies (network workshops).</p>	<p>All measures are based on the condition that they are economically viable, or cost competitive, or non-detrimental to the overall cost of the contract</p> <p>A.2.3.1 Preferential contracting practices for Greenlandic contractors (locally based in first place and secondly in Greenland) for logistics, transport of staff and goods, fuel etc. including sensitive elaboration of tender documents, specifications, etc.</p> <p>A.2.3.2 Unbundling of contracts for services and supplies to camp where no cost hindrance to the project;</p> <p>A.2.3.3 Preferential purchase of local goods and services to the mine camp and Nuuk operations: Security, laundry, catering, office supplies, IT maintenance, etc.</p> <p>A.2.3.4 TNG's Greenlandic company, TNGG, to become member of Greenlandic Employers Association (GE) and participate in the initiatives of local business actors;</p> <p>A.2.3.5 Organize and participate in open days to inform, identify and attract potential services and goods suppliers and possible workforce;</p> <p>A.2.3.6 Requirement in contract with the providers of catering services to supply local/traditional food;</p> <p>A.2.3.7 Agreements with local fishermen and hunters for the provision of fish and meat to the canteen;</p> <p>A.2.3.8 Engaging the local grocery store in Qeqertarsuatsiaat in providing some of the regular food and consumables for the canteen and camp in general.</p>	<p>A.2.3.9 Transport will be outsourced to local businesses and Service of the camp will also be outsourced to local businesses</p>

<b>A.2.4 Conflict/synergies with other economic sectors</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
The project will have potential impact on other economic sectors in the local community e.g. fishing and hunting, small-scale mining, and jewellers and handcrafters		<p>A.2.4.1 Participatory design and implementation of information and communication procedures with the community in Qeqertarsuatsiaat and small-scale miners close to concession areas;</p> <p>A.2.4.2 Public and accessible information on concession limits, exploration activities and restrictions on the access and use of the area;</p> <p>A.2.4.3 Design and implementation of a grievance mechanism agreed with the community representatives in order to register, identify and solve potential nuisances and problems with the community in Qeqertarsuatsiaat;</p> <p>A.2.4.4 Participation of TNGG experts in general support on divulgation and training activities related to gemmology, etc. organised by private (i.e. Mineralogical Society of Greenland) and official initiatives (municipality, university etc.);</p> <p>A.2.4.5 Formal collaboration/coordination with the School of Minerals and Petroleum on vocational and professional education planning and implementation;</p> <p>A.2.4.6 Consider the support of a training of trainers programme targeting local people with skills and experience both on polishing/faceting and training, preferable Greenlandic speaking, interested and committed to train others;</p> <p>A.2.4.7 Quantitative and qualitative monitoring of impacts on jewellery and handicraft.</p>	

<b>A.2.5 Education</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
The project will Improve the level of education in Greenland, both with regard to development of general skills and specific training.		<p>A.2.5.1 Develop a recruitment programme for both the unskilled and skilled workforce, in collaboration with strategic allied;</p> <p>A.2.5.2 Involve the School of Minerals and Petroleum in the training and recruitment program;</p> <p>A.2.5.3 On-the-job training of staff on specific duties, safety etc.</p> <p>A.2.5.4 Dedicated, local based Human Resource Manager to develop and follow up on recruitment, training and career development of staff</p> <p>A.2.5.5 Active participation of TNGG experts on capacity building initiatives in the field of gemmology and mining;</p> <p>A.2.5.6 Early development of a reinsertion programme for workers after mine closure.</p>	A.2.5.7 The proposed Mitigations measures will even further stimulate the improvement of education in Greenland, both with regard to general development of general skills and specific training.

<b>A.2.6 Public service and development plans (Existing infrastructure and plans)</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
The project will have potential impact on infrastructure through e.g. waste and housing	Local and national plans and programmes	<p>A.2.6.1 Assess the type and quantity of waste potentially produced and consider alternative waste disposals methods;</p> <p>A.2.6.2 Avoid in all cases municipal housing and use private rental</p> <p>A.2.6.3 For short term accommodation in Qeqertarsuatsiaat consider a frame contract with the local providers of existing private accommodation facilities where expected services and approximated time plan will be specified;</p> <p>A.2.6.4 Discuss with the community and authorities a framework for the use of charter boats directly related to the project.</p>	

<b>A.2.7 Social aspects (Social conflicts)</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
The project will have potential impact and risk for exacerbations of existing social problems in the local community		<p>A.2.7.1 Appoint a Greenlandic speaking Human Resources and Community Relations person based part-time in Qeqertarsuatsiaat to handle recruitment, opportunities for local business and ensure timely information and open dialogue with the community;</p> <p>A.2.7.2 Develop and implement an agreed Grievance Mechanisms to receive, register and handle complaints from the community;</p> <p>A.2.7.3 Extend alcohol and intoxicant prohibition policies and contractual conditions to all service providers while on duty for the company, particularly freight and passenger boats to Qeqertarsuatsiaat and the mine site;</p> <p>A.2.7.4 Develop a programme and allocate resources to facilitate and support alcohol and drug counselling to staff and their families;</p> <p>A.2.7.5 Support local initiatives and campaigns related to prevention and treatment of abuse and social health problems (Paarisa and others);</p> <p>A.2.7.6 Support local initiatives aiming to improve the integral development and living conditions of children, teenagers and young people;</p> <p>A.2.7.7 Include indicators of social health in the social monitoring program;</p> <p>A.2.7.8 Keep an open constructive dialogue with local and municipal authorities in order to find coordinated and timely solutions if social problems may arise or increase.</p>	

<b>A.2.8 Health (Occupational health and risk of accidents)</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
The risks of accidents are mainly associated with shipping of goods and concentrate and transportation of staff.	Regulations which promote instruction and supervisions in order to reduce the accidents and to focus on a health and safety working environment.	<p>A.2.8.1 Strict implementation of Health &amp; Safety (HS) plans as developed for construction and operation;</p> <p>A.2.8.2 Contractual requirements to providers of shipping and transport services (Air Greenland, charter boats for staff, etc) regarding safety measures, response time, etc. in order to minimise risk of accidents, appropriate and timely response in case of accidents, emergency evacuation from mine site, etc.</p> <p>A.2.8.3 Pre-notification of operations, exploration activities or similar and traffic of vessels to local authorities and community in Qeqertarsuatsiaat, hunting and fishing groups and users of area;</p>	

<b>A.2.9 Cultural and natural resources</b>			
Description of Impact	Existing mitigation	Proposed mitigation	Impact after mitigation
Overall the mining activities will have little impact on local use of natural resources		<p>A.2.9.1 As recommended by the National Museum, if possible avoid sites with cultural remains, keeping a minimum of 20 m around the archaeological structures for preservation;</p> <p>A.2.9.2 During construction and operation, clear vegetation around the archaeological sites potentially affected and mark them clearly to raise awareness and avoid destroying them by accident.</p>	

## Appendix 3      Monitoring and Evaluation Plans

### A.3.1 Reporting

- A. 3.1.1      During the construction phase and throughout the entire life of the project, the Licensee and/or the Licensee's contractors, suppliers and service providers must report back to the Greenland Authorities concerning the fulfilment of the commitments in this agreement including the appendices.
- A. 3.1.2      These reports shall be in the form of
- a. Monitoring reports
  - b. Draft for an annual monitoring and evaluation report
  - c. A final version of the annual monitoring and evaluation report
- A. 3.1.3      No later than one month prior to the annual assessment of the Cooperation regulated by the agreement and the agreement's targets, the Licensee and/or the licensee's contractors, suppliers and service providers must submit a monitoring and evaluation report to allow an objective assessment of the agreement's annual targets
- A. 3.1.4      The report (mentioned in A. 3.1.3) shall include the following data and information in the project:
- a. Mineral recourse activities conducted pursuant to licence 2014/21.
  - b. Employment in the project of Greenland Workers including period of employment, employment procedures, information of recruitment of Greenland Workers, data on percentage of women employed, and percentage of education as well as qualification requirements for jobs (see among others appendix 4)
  - c. Education and training of Greenland Workers (see among others appendix 5)
  - d. Purchase of services and non-technical services from Greenland Enterprises, joint partnerships between Greenland Enterprises and Foreign Enterprises, value of contracts awarded to Greenland and Foreign Enterprises and companies respectively. ( See among others appendices 6,7, and 8)
  - e. The amount of tax revenues generated to the Greenland Authorities.
  - f. Any other topic regulated by the provisions in the agreement including any provisions stipulated in any of the appendices to the agreement.

- A. 3.1.5 At the request of the Greenland Authorities to the agreement, the Licensee and/or the Licensee's contractors, suppliers, and service providers shall submit and include in the reports (see A.3.1.2) further information and data regarding conditions relevant to this agreement.

**A.3.2 Duty to submit documentation on request**

- A. 3.2.1 At request of any of the parties to the agreement (Greenland Government and the municipality) shall the Licensee and/or the Licensee's contractors, suppliers and service providers submit the following documentation:
- A.3.2.1.1 Documentation of contracts signed with Greenland Enterprises with information about with whom the contracts have been concluded, including information on joint venture or other types of sub-contracts and any percentage shares in joint ventures for Greenland Enterprises.
  - A.3.2.1.2 Documentation of education and qualification requirements for jobs, documentation of educational background and other qualification requirements for employees in Greenland and Foreign Enterprises.
  - A.3.2.1.3 Documentation of recruitment process for employment of Greenland Workers.
  - A.3.2.1.4 Documentation of the share of Greenland apprentices and trainees in the individual contracts.
  - A.3.2.1.5 Documentation of training and education programmes for Greenland Workers.
  - A.3.2.1.6 Education and trainee plans for potential employees at the mine and associated facilities as described in Appendix 5.
  - A.3.2.1.7 Documentation of initiated training of potential Greenland Workers as mentioned in Appendix 5
  - A.3.2.1.8 Any other documentation for fulfilling any provisions in the agreement including any provisions stipulated in any of the appendices to the agreement.
- A. 3.2.2 The Parties to the agreement may ask for further information and documentation, where this is deemed reasonably necessary.

### **A.3.3 Monitoring and Evaluation**

- A. 3.3.1 The Information, Data, Reports and Documentation (see A.3.1 and A.3.2) received from the Licensee and/or the Licensee's contractors, suppliers and service providers will be monitored by the Parties to the agreement.
- A. 3.3.2 Once a year the Agreement and the Appendices to this cooperation agreement will be evaluated. The Licensee and/or the Licensee's contractors, suppliers and service providers will prepare the draft for the annual monitoring and evaluation report (see A.3.1.2.b).
- A. 3.3.3 The Parties (including representatives from Qeqertarsuatsiaat village council) to the agreement will hold evaluation meetings at least every 12 months to discuss developments in the achievement of targets based on the submitted data, Documentation and reports.
- A. 3.3.4 Based on the annual Draft for the Monitoring and Evaluation Report from the Licensee and/or the Licensee's contractors, suppliers and service providers, the Parties to the agreement will hold meetings to determine targets in the Appendices for the subsequent year.
- A. 3.3.5 After consultation with Greenland Authorities, the Licensee shall make a final monitoring and evaluation report (see A.3.1.2.c)

## Appendix 4 Employment of Greenland Workers

A.4.1 The numbers and proportions of Greenland Workers stated in this Appendix are determined based on working hours per year for one person.

### **A.4.2 Hiring Priorities**

A.4.2.1 In this agreement hiring priority shall be given to the Greenland Workers.

A.4.2.2 The Licensee shall regularly arrange meetings regarding job opportunities with residents in Qeqertarsuatsiat, Paamiut and Nuuk.

### **A.4.3 Overall Targets for Employment of Greenland Workers in the lifetime of the activities under the Licence**

A.4.3.1 At all times the Licensee will do its utmost to ensure that employment of Greenland Workers by the Licensee and its contractors, suppliers and service providers will be at least 70 % of the total workforce in connection with the performance of building and construction.

A.4.3.2 At all times the Licensee will do its utmost to ensure that employment of Greenland Workers by the Licensee and its contractors, suppliers and service providers will be at least 70 % of the total workforce on an annual basis in the first year of operation under the Licence, increasing to 80 % in year 3.

A.4.3.3 At all times the Licensee will do its utmost to ensure that employment of Greenland Workers including employment by the Licensee and its contractors, suppliers and service providers will be at least 75 % of the total employment on an annual basis throughout closure at the mine site and associated facilities.

A.4.3.4 The Licensee and its contractors, suppliers and service providers will work actively for acceptable lengths of rotations for the Greenland Workers.

### **A.4.4 Numbers and types of Greenland Workers set annually to be employed by the Licensee and its Contractors, Suppliers and Service Providers:**

#### **A.4.4.1 Construction phase:**

A.4.4.1.1 To the extent that there is not sufficient Greenland Workers, the Greenland Authorities may make recommendations to educational institutions, the Licensee and/or the Licensee's contractors, suppliers and service providers as to how the number of Greenland Workers who can meet the job qualifications can be increased through training, education and upgrading of skills.

A.4.4.1.2 The Greenland Authorities may also ask for information that substantiates the background for the requirements for the necessary qualifications for each job category.

A.4.4.1.3 The Greenland Authorities may based on the recommendations mentioned in A.4.4.1.1 and information mentioned in A.4.4.1.2, make recommendations for education and training initiatives etc. to ensure the greatest possible employment for Greenland Labour.

A.4.4.1.4 Recruitment Strategy:

- a. The Licensee must prepare a local recruitment strategy, which ensures workers from Qeqertarsuatsiaat, Paamiut and Nuuk the possibility for employment in the project.
- b. The Licensee must actively promote information on the mining industry and its career opportunities.
- c. The Licensee must actively collaborate with local educational institutions.
- d. The Licensee must actively collaborate with municipalities.
- e. The Licensee must actively collaborate with the Labour market parties.

A.4.4.1.5 The Licensee must present documentation of recruitment activities, recruitment barriers identified and results of the recruitment activities.

A.4.4.1.6 The Licensee and/or the Licensee's contractors, suppliers and service providers have an overall obligation to ensure that the obligations mentioned in 4.4.1 are met, and therefore they should actively assess, how they can contribute to the achievement of the targets.

A.4.4.1.7 At all times the Licensee will do its utmost to ensure that employment of Greenland Workers including employment by Greenlandic contractors will be at least 70 % of the total employment in year 1 of the construction phase.

#### **A.4.4.2 Operating Phase:**

A.4.4.2.1 The Licensee shall hold a pre-job seminar and advertise vacant positions on its own behalf and on behalf of the Licensee's contractors, suppliers and service providers.

A.4.4.2.2 The Licensee and its operator shall cooperate with SIK regarding employment.

A.4.4.2.3 The Greenland Authorities can require information that substantiates the background for the requirements for the necessary qualifications for each job or other barriers, which hinder Greenlandic workforce employed at the mine and associated facilities.

A.4.4.2.4 Recruitment Strategy:

- a. The Licensee must Prepare a strategy, which ensure workers in Qeqertarsuatsiaat, Nuuk and Paamiut the possibility to be employed at the mine and associated facilities actively, to promote information on the mining industry and its career opportunities.
- b. The Licensee must actively collaborate with local educational institutions.
- c. The Lincensee must actively collaborate with municipalities.
- d. The Lincensee must actively collaborate with the Labour market parties.

A.4.4.2.5 The Licensee must present documentation of recruitment activities, recruitment barriers identified and results of the recruitment activities.

A.4.4.2.6 In the agreement between the Parties and the Licensee and/or the Licensee's operator, contractors, suppliers and service providers, in order to retain labour, the Greenland Authorities may recommend conditions such as duration of shifts and flexibility in workdays in relation to Greenlandic festival days within the closest family (confirmations etc.).

A.4.4.2.7 The Licensee and/or the Licensee's operator, contractors, suppliers and service providers have an overall obligation to ensure that the obligations mentioned in the A.4.4.2.8 and A.4.4.2.9 are met, and therefore they should actively assess how they can contribute to the achievement of the targets.

A.4.4.2.8 Minesite and associated facilities:

At all times the Licensee will do its utmost to ensure that employment of Greenland Workers including employment by Greenlandic contractors will be at least 70 % of the total employment on an annual basis in year 1 of the operational phase at the mine site and associated facilities.

A.4.4.2.9 Sorting facility:

At all times the Licensee will do its utmost to ensure that employment of Greenland Workers including employment by operator and contractors will be at least 40 % of the total employment on an annual basis the first year and after three years it will be 80 % throughout operations at the sorting facility in Nuuk.

#### **A.4.4.3 Closure**

A.4.4.3.1 The Licensee and/or the Licensee's operator, contractors, suppliers and service providers have an overall obligation to ensure that the obligations mentioned in A.4.4.3.2, in A.4.4.3.3 and in A.4.4.3.4 are met and therefore they should actively assess how they can contribute to the achievement of the targets.

A.4.4.3.2 Minesite and associated facilities:

At all times the Licensee will do its utmost to ensure that employment of Greenland Workers including employment by Greenlandic contractors will be at least 75 % of the total employment on an annual basis throughout closure at the mine site and associated facilities.

A.4.4.3.3 Sorting facility

At all times the Licensee will do its utmost to ensure that employment of Greenland Workers will be 70 % throughout closure at the sorting facility in Nuuk.

A.4.4.3.4 At closure the Licensee shall support the employees in finding a new job. As a minimum a certificate of employment shall be issued within reasonable time upon closure.

**A.4.5 Tentative List of jobs to be offered to Greenland Residents (construction and production phase):**

A.4.5.1 Jobs in year 1

<b>Job category</b>	<b>Job period</b>
<b>Mine:</b>	
Mine Manager	12 months
Camp Manager	12 months
Engineer	12 months
Geologist	12 months
Supervisors	12 months
Excavator operators	12 months
Dozer operators	12 months
Truck operators	12 months
Driller	12 months
Blaster	12 months
Loader operator	12 months
Crusher-operator	12 months
Jigs-operator	12 months
Process Plant Sorters	12 months
Mechanics	12 months
Electricians	12 months
Apprentices	12 months
Administrative staff	12 months
Chef	12 months
Kitchen staff	12 months
Cleaning staff	12 months
<b>Nuuk Facility</b>	
Administrative staff	12 months
Rough Handlers	12 months
Sorters	12 months
Apprentice	12 months

A.4.5.2 Expected jobs in year 2 and 3

<b>Job category</b>	<b>Job period</b>
<b>Mine:</b>	
Mine Manager	12 months
Camp Manager	12 months
Engineer	12 months
Geologist	12 months
Supervisors	12 months
Excavator operators	12 months
Dozer operators	12 months
Truck operators	12 months
Driller	12 months
Blaster	12 months
Loader operator	12 months
Crusher-operator	12 months
Jigs-operator	12 months
Process Plant Sorters	12 months
Mechanics	12 months
Electricians	12 months
Apprentices	12 months
Administrative staff	12 months
Chef	12 months
Kitchen staff	12 months
Cleaning staff	12 months
<b>Nuuk Facility</b>	
Administrative staff	12 months
Rough Handlers	12 months
Sorters	12 months
Apprentice	12 months

## Appendix 5 Education

### **A.5.1 Overall Obligations and Targets for Education and Training of Greenland Workers in the Construction Phase**

- A.5.1.1 The Licensee and its Mine operator shall recruit and initiate pre-employment training of potential Greenland Workers as crusher operators for the processing plant, and as sorters of corundum at least one month before commissioning the plant and sorting facilities.
- A.5.1.2 The Licensee shall conduct a training needs assessment of potential employees from Qeqertarsuatsiaat that will identify the existing education and skills levels among the potential workforce in Qeqertarsuatsiaat.
- A.5.1.3 The Licensee and its operator may offer people from Qeqertarsuatsiaat applying for certain positions the chance to take a prior learning assessment.
- A.5.1.4 The Licensee and/or the Licensee's operator, contractors, suppliers and service providers will plan and conduct upgrading of skills and retraining courses for Greenland Workers in cooperation with education institutions as well as with local and national authorities.
- A.5.1.5 Through requirements in the agreed documents, the Licensee must ensure to what extent apprenticeships and internships are guaranteed and are included in the evaluation of the agreed documents.

### **A.5.2 Obligations for the Licensee, the Mine operator and the contractors for employment of apprentices during operation:**

- A.5.2.1 On an annual basis the following apprenticeships will be open to Greenland Residents:
  - A.5.2.1.1 At least 1 apprenticeship position for administration
  - A.5.2.1.2 At least 4 apprenticeships such as mechanics, mineworkers, electricians and similar from e.g. vocational training institutions will be open to Greenland Residents, and
  - A.5.2.1.3 If available 1 apprenticeship position as gemmologist should be offered to a Greenland Resident.
  - A.5.2.1.4 Furthermore at least 2 internships for Greenland Residents from other educational institutions, universities, ARTEK or similar should be made available.
- A.5.2.2 Annually, specified numbers and types of Greenland Workers to be given education, training, and further education with financial and/or other support from the Licensee and its construction contractors, suppliers and service providers or public authorities and their institutions has to be agreed.

**A.5.3 Education and Training of Greenland Workers:**

A.5.3.1 The target for such pre-employment training is either:

A.5.3.1.1 No less than two Greenland Workers are trained and to be used as foremen at the mine site, and associated facilities.

A.5.3.1.2 No less than 5 sorters and other positions, which need specific requirements at the mine site, and in Nuuk sorting facilities, shall start pre-employment training (*in-service-courses*).

A.5.3.2 The Licensee and its operator shall in cooperation with the Greenland Authorities and labour market parties plan and foresee implementation of training and education programs for new employees at various positions at the mine site, its facilities and at the Nuuk facilities.

A.5.3.3 The Licensee and its operator must train and offer advancement opportunities to Greenlandic employed at the project throughout its lifetime.

A.5.3.4 Notwithstanding any of the foregoing, the Licensee and its operator shall decide, who will be capable of fulfilling a position, including as foreman.

## Appendix 6 Use of Greenland Enterprises

### **A.6.1 Obligations for the use of Greenland Enterprises by the Licensee and its Contractors, Suppliers and Service Providers**

- A.6.1.1 The Licensee and its operator will do its utmost to purchase services, goods etc. from Greenland Enterprises for at least 75 % of the annual value of goods and services purchased associated with construction of the mine.
- A.6.1.2 During the operating phase, the Licensee and its operator will do its utmost to make purchases amounting to at least 70 % of the total annual value of services, goods etc. from Greenland Enterprises.
- A.6.1.3 The Licensee and its operator will do its utmost to purchase services, goods etc. from Greenland Enterprises for at least 70 % of the annual value of goods and services purchased associated with closure of the mine.
- A.6.1.4 The Licensee shall make commitments to provide opportunities for local Greenland Enterprises by procuring and using Greenland Enterprises provided that the Greenland Enterprises are competitive in a technical and commercial matter.
- A.6.1.5 The Licensee shall regularly arrange meetings regarding subcontracting opportunities with Greenland Enterprises in Qeqertarsuatsiaat, Paamiut and Nuuk.

### **A.6.2 Procurement Principles and Business Opportunity Management**

- A.6.2.1 The Licensee, and/or the Licensee's operator, will host a pre-contractor seminar for Greenland Enterprises about general and specific requirements, and potential tendering procedures etc.
- A.6.2.2 The Licensee and its operator shall establish and implement procurement principles to enhance local Greenland Enterprises participation through:
- A.6.2.2.1 Full and fair opportunity and first consideration to participate on a competitive basis for the supply of goods and services to the project through a competitive bidding process and utilisation of transparent evaluation criterias:
- a. Cost competitiveness.
  - b. Quality.
  - c. Ability to supply and deliver the goods and services to be provided.
  - d. Timely delivery.
  - e. Safety and environmental record.
  - f. Apprentice positions.

A.6.2.2.2 Ensuring that the size and scope of available contracts matches the capacity of Greenland Enterprises where feasible.

A.6.2.2.3 The Licensee and its operator will take measures to maximize project related business opportunities for Greenland Enterprises and prepare an annual business opportunities forecast, which will identify the reasonably foreseeable procurement requirements of the project.

A.6.2.2.4 The Licensee and its operator will identify possible opportunities for joint venture partnerships when appropriate.

A.6.2.2.5 Ensuring broad communications of business opportunities to Greenland Enterprises and Medias.

A.6.2.3 The Licensee and its operator retain the right in its sole discretion to make decisions relating to qualifications for subcontractors against the Licensee and its contractors' selection criterias.

## Appendix 7 List of Agreements to be offered on Greenland Terms to Greenland Enterprises

### A.7.1 Annually reviewed list of contracts signed with Greenland Enterprises:

#### A.7.1.1 Year 2

No.	Contract package	Greenland Enterprises awarded contracts	Joint venture	Other contract
1	Construction	LNS-Greenland	X	
2	Civil	LNS-Greenland	X	
3	Mine Operation	LNS-Greenland	X	
4	Security	ISS-Greenland		X
5	Boat Charter	N/A		Not yet
6	Cleaning	N/A		Not yet
7	Fuel	Polar Oil		Not yet
8	Transport by sea	Blue Water Shipping		X
9	Transport by air	Air Greenland		X
10	Tele Communication	Tele Greenland		X

#### A.7.1.2 Expected year 3 and 4

No.	Contract package	Greenland Enterprises awarded contracts	Joint venture	Other contract
1	Construction	LNS-Greenland	X	
2	Civil	LNS-Greenland	X	
3	Mine Operation	LNS-Greenland	X	
4	Security	ISS-Greenland		X
5	Boat Charter	N/A		Not yet
6	Cleaning	N/A		Not yet
7	Fuel	Polar Oil		Not yet
8	Transport by sea	Blue Water Shipping		X
9	Transport of gem stones	Mittarfeqarfiit		Not yet
10	Transport by air	Air Greenland		X
11	Tele Communication	Tele Greenland		X

## Appendix 8 Building development of competences and knowledge at Greenland Enterprises

### **A.8.1 Overall Targets for building and developing Competences and Knowledge of Greenland Enterprises during the period of activities pursuant to the Licence**

- A.8.1.1 The Licensee recognizes that the availability of competitive and competent Greenland Enterprises' capability is a key element in the development and long term success of the project.
- A.8.1.2 The Licensee shall develop and from time to time update lists of potential requirements for supply of services and commercial services for the construction and operation phases of the project.
- A.8.1.3 The Licensee, and Labour market parties shall work together to identify potential Greenland Enterprises' capabilities and workforce gaps and thereby provide recommendations to Greenland Authorities.
- A.8.1.4 The Licensee commits to using best efforts to maximize Greenland Enterprises' participation in contracts.
- A.8.1.5 The Licensee shall encourage the formation of appropriate alliances of Foreign Enterprises and Greenland Enterprises to enhance Greenland Enterprises' ability to compete for the supply of goods and commercial services of the project.

### **A.8.2 The Construction Phase:**

- A.8.2.1 The Contractor will host seminars to provide consultancy to, and make opportunity for joint venture and partnerships matching between, international companies and Greenland Enterprises during the construction phase if appropriate.
- A.8.2.2 The Licensee will work together with the Greenland Authorities, Labour market parties and Greenland Enterprises to identify barriers preventing Greenland Enterprises from getting involved in fulfilling contract work, as well as to tailor courses and necessary certification.

### **A.8.3 The Operating Phase:**

- A.8.3.1 The Licensee will work together with the Greenland Authorities, Greenlandic employers' organisations and Greenland Enterprises to identify barriers preventing Greenland Enterprises from getting involved in fulfilling contract work, as well as to tailor courses and necessary certification.

A.8.3.2 The Licensee will work together with a local approved selling agent to facilitate the sale of corundum to local artisans and individuals, who wish to purchase material produced from the Aappaluttoq deposit.

A.8.3.3 The officially approved agent will have a contract with the Licensee and be in the position to market stones of both rough and polished corundum accompanied by a certificate of authenticity.

**A.8.4 Annual Targets for building and developing the competences and knowledge of Greenland Enterprises**

A.8.4.1 Obligations for [second year]:

During the construction phase 1 Greenland Enterprise will have entered into joint venture. The Greenland Enterprises percentage of the contracts will account for a minimum of 90% of construction contracts. The target is to build up competences and knowledge in the Greenland Enterprises through the joint ventures.

## Appendix 9 Other socio-economic and sustainability matters

- A.9.1 The purpose of this Appendix is to list cultural and social initiatives to be supported and promoted by the Licensee.
- A.9.2 The Licensee shall address specific conditions such as:
  - A.9.2.1 Open house arrangements for employees' families and citizens of Qeqertarsuatsiaat.
  - A.9.2.2 Network building among employees' families.
  - A.9.2.3 Sporting/cultural events in the Municipality.
  - A.9.2.4 Offering at least 2 workshops or courses in cutting and polishing of corundum and offer the appropriate facilities and instructors for these workshops or courses in Qeqertarsuatsiaat on an annual basis during the entire operation phase of the mine. The workshops or courses will be held based on attendency.
  - A.9.2.5 Offering corundum for local sale within different quality categories of both rough corundum and cut and polished corundum at market prices according to the demand from local businesses, gemstone polishers, stone collectors, local artisans and handicrafts etc. and the Greenlandic population in general.

## Appendix 10 Definitions

### 1.1 Definitions, Interpretation and Appendices

#### 1.2 Definitions

In this agreement, the following terms and expressions shall have the following meanings, unless the context otherwise requires:

"Agreement"	Means this agreement, including any appendices to it.
"Appendices"	Means the appendices stated in clause 28.3. .
"Appendix"	Means any appendix to this agreement.
"Benefit and Impact Plan"	Means the Benefit and Impact Plan which shall be made and implemented by the Licensee and approved by the MIMR or the MLSA and which is set out as a draft in Appendix 2 to this agreement.
"Co-Licensee"	Means a Co-Licensee under the Exploitation Licence (a holder of a share of the Exploitation Licence).
"Co-Licensees"	Means (as applicable in the context) all or several of the Co-Licensees, jointly.
"Construction agreement"	Means an agreement on construction.
"DKK"	Means Danish kroner.
"Evaluation Plan"	Means the evaluation plan which shall be made and implemented by the Licensee and approved by the MIMR or the MLSA and which is set out as a draft in Appendix 3 to this agreement.
"Exploitation Licence"	Means exclusive licence no. 2014/21 for exploitation of minerals in areas at Aappaluttoq in West Greenland.
"Force Majeure"	Means an impediment which excuses a Party's non-performance as follows: A Party's non-performance is excused if the Party proves that the non-performance is due to an impediment beyond the Party's control and that the Party could not reasonably have avoided or overcome the

impediment or its consequences. A Party's non-performance is only excused to the extent and as long as it is due to Force Majeure.

"Foreign Enterprise"	Means an Enterprise which is not a Greenland Enterprise.
"Foreign Enterprises"	Means several of Enterprises which is not a Greenland Enterprise.
"Fundamental"	Means, as regard non-performance, that a non-performance is Fundamental Non-performance, as defined in clause 28.3.
"Fundamental Non-performance"	Means non-performance of an obligation under this agreement if (1) strict or timely performance of or compliance with the obligation is of the essence of this agreement and its objectives, or (2) the non-performance substantially deprives an aggrieved Party of what it was entitled to expect, unless the non-performing Party did not foresee and could not reasonably have foreseen that result, or (3) the non-performance is intentional and gives an aggrieved Party reason to believe that it cannot rely on the non-performing Party's future performance.
"Greenland"	Means the island of Greenland with surrounding islands, including the continental shelf, but not beyond a distance of 200 nautical miles from the baseline from which the maritime and fishing territory is calculated.
"Greenland Authorities"	Means the Government of Greenland and Kommuneqarfik Sermersooq.
"Greenland Enterprise"	Means an Enterprise which fulfills all of the following requirements: <ol style="list-style-type: none"><li>(1) The Enterprise is an Enterprise and is registered under the legislation applying to such Greenland-based Enterprises.</li><li>(2) The Enterprise is based in Greenland.</li><li>(3) The Enterprise has a real connection to the Greenland society through its carrying out of business activities in Greenland. The determination whether the Enterprise has a real connection to the Greenland society is among others based on its carrying out of business activities, including prior activities and concrete planned future activities, in Greenland.</li><li>(4) The Enterprise has full control over its assets, which among other things means that the Enterprise has not suspended its payments and is not in bankruptcy or in a similar situation.</li></ol>
"Greenland Enterprises"	Means several of Enterprises which each fulfills all of the requirements

stated for Greenland Enterprise.

"Greenland Government"	Means the Government of Greenland, the executive power of the Greenland Self-Government.
"Greenland Labour"	Means Greenland Workers
"Greenland Resident"	<p>Means a person who:</p> <ol style="list-style-type: none"><li>(1) Was born in Greenland and had permanent residence in Greenland for the first 5 years of his or her life, or</li><li>(2) Has had permanent residence in Greenland in the last 2 years or 7 years of the last 10 years, or</li><li>(3) Is married to, or proves to have lived in a civil partnership at least 1 year with, a person who satisfies condition (1) or (2) or is employed by a public or private employer (authority or business) in Greenland in accordance with Greenland law, or</li><li>(4) Otherwise has a particular connection to Greenland, as may be decided by the Greenland Government.</li></ol> <p>In no. (2) above, "permanent residence" includes residence outside Greenland for educational purpose and the person concerned satisfied the conditions for obtaining public grants under the Greenland education grant and loan scheme when the education began.</p>
"Greenland Student"	Means a student who is also a Greenland Resident in accordance with the definition on Greenland Resident defined in clause 28.3.
"Greenland Terms"	Means (in relation to awards of and conclusions of construction agreements) customary or corresponding terms in Greenland, including in particular within any Greenland market for the same, corresponding or similar services.
"Greenland Worker"	Means a Worker who is also a Greenland Resident in accordance with the definition on Greenland Resident defined in clause 28.3.
"Greenland Workers"	Means several of the Greenland Workers defined in clause 28.3.
"IBA"	Means the Impact Benefit Agreement.

"Labour market parties"	Means Workers unions and employer associations or similar organisations.
"Licence"	Means the Exploitation Licence defined in clause 28.3.
"Licence Area"	Means the licence area set out in the Exploitation Licence.
"Licensee"	Means the Licensee under the Exploitation Licence.
"MIMR"	Means the Ministry of Industry and Mineral Resources, Greenland Government.
"MLSA"	Means the Mineral Licence and Safety Authority, Greenland Government.
"Mineral Resources Act"	Means Greenland Parliament act no. 7 of 7 December 2009 on mineral resources and mineral resource activities (Mineral Resources Act), including subsequent amendments.
"Monitoring Plan"	Means the monitoring plan which shall be made and implemented by the Licensee and approved by the MIL or the MLSA and which is set out as a draft in Appendix 3 to this agreement to this agreement.
"Non-Construction Agreement"	Means an agreement which is not a construction agreement and which covers work, supplies or services concerning the Licensee's performance of activities under the Licence.
"Parties"	Means (as applicable in the context) the Licensee, the Municipality and the Greenland Government or several of them.
"Party" or "Greenland Party"	Means (as applicable in the context) the Licensee, the Municipality or the Greenland Government or any one of them.
"Plan"	Means (as applicable in the context) the Benefit and Impact Plan, the Monitoring Plan, the Evaluation Plan or any one of these plans.
"Plans"	Means (as applicable in the context) the Benefit and Impact Plan, the Monitoring Plan, the Evaluation Plan or several of these plans.
"SIA Guidelines"	Means the Greenland Authority Guidelines for Social Impact Assess-

ments for mining projects in Greenland (latest version) which shall apply to the Licensee's activities under the Exploitation Licence.

"Social Impact Assessment Report"

Means the Social Impact Assessment report approved by the Greenland Government on the 3<sup>rd</sup> of March 2014 concerning the Licensee's planned activities under the Exploitation Licence.

### **1.3 Interpretation**

1.3.1 In this agreement, "including" means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. The word "include" and its derivatives shall be construed accordingly.

### **1.4 Appendices**

1.4.1 All Appendices to this agreement constitute an integral part hereof and shall be deemed to be incorporated in this agreement.