

Memorandum of Understanding

This Memorandum of Understanding (this “MOU”) is made as of the 31st day of March, 2009 (“Effective Date”) between Baffinland Iron Mines Corporation (“Baffinland”) and the Qikiqtani Inuit Association (“QIA”).

WHEREAS Baffinland has proposed to develop an iron ore mine in the Nunavut Settlement Area known as the Mary River Project;

AND WHEREAS Article 26 of the Nunavut Land Claims Agreement requires an Inuit Impact and Benefit Agreement when a Major Development Project is undertaken wholly or partially on Inuit Owned Lands;

AND WHEREAS the QIA is the owner of a portion of the surface lands which will be required for the Mary River Project including the beds and banks of water bodies pursuant to section 19.2.5 of the Nunavut Land Claims Agreement;

AND WHEREAS the Mary River Project is a Major Development Project as described in Article 26.1.1 and will be constructed partly on Inuit Owned Land;

AND WHEREAS QIA is the Designated Inuit Organization under the Nunavut Land Claims Agreement for the purposes of Articles 20 and 26 and this Inuit Impact Benefit Agreement;

AND WHEREAS Baffinland wishes to ensure that the QIA receive benefits and participate in the opportunities arising from development of the Mary River Project;

AND WHEREAS Baffinland and the QIA have been negotiating an Inuit Impact and Benefit Agreement which addresses the Mary River Project as required by Article 26 of the Nunavut Land Claims Agreement;

AND WHEREAS Baffinland and the QIA have, through good faith negotiations, reached a common understanding on the economic provisions that should be incorporated into the Inuit Impact Benefit Agreement as it pertains to all aspects of the Mary River Project except shipping activities;

AND WHEREAS even though Inuit Impact Benefit Agreement sections dealing with shipping, the environment and financial participation still remain to be agreed upon, Baffinland and the QIA both desire to formally recognize this significant milestone in the negotiation of an Inuit Impact Benefit Agreement for the Mary River Project;

NOW, THEREFORE the parties have agreed as follows:

1. Purpose of MOU

- a. This MOU sets out the terms and conditions agreed to by the parties as it pertains to the economic provisions that are to be a component of the Inuit Impact Benefit Agreement.

- b. This MOU represents the results of significant negotiations as between the parties on the economic provisions that are to be a component of the MOU.

2. Economic Terms and Conditions Agreed To

- a. Baffinland and the QIA agree that they have negotiated in good faith the economic provisions attached as Schedule A to this MOU.
- b. As it pertains to Schedule A, the parties agree that it is their intent to incorporate the terms and conditions of Schedule A into the Inuit Impact Benefit Agreement which is to be finalized and formally entered into by the parties after a Project Certificate has been issued for the Mary River Project by the Nunavut Impact Review Board.
- c. The parties recognize that certain details covered in Schedule A are still being finalized. Sections of Schedule A that contain these details are identified by red font.
- d. The parties agree and acknowledge that certain sections of the Inuit Impact Benefit Agreement remain to be negotiated and are therefore not reflected in Schedule A. These sections include, but are not limited to, the following:
 - 1. Financial Provisions and Participation
 - 2. Environment
 - 3. Shipping

3. Public Announcements

- a. Except for announcements intended solely for internal distribution by Baffinland or QIA or any disclosure required by legal, accounting or regulatory requirements beyond the reasonable control of Baffinland or QIA as the case may be, all media releases, public announcements or public disclosures by Baffinland or QIA, or their respective employees or agents, relating to this MOU or its subject matter, must be coordinated with and approved in writing by such other party acting reasonably prior to the release thereof.

4. Termination

- a. Either party may terminate this MOU at any time, with or without cause, upon thirty (30) days written notice.
- b. Neither party shall be liable to the other for compensation, reimbursement or damages in respect to any termination of this MOU pursuant to paragraph 4(a).

5. Relationship of the Parties

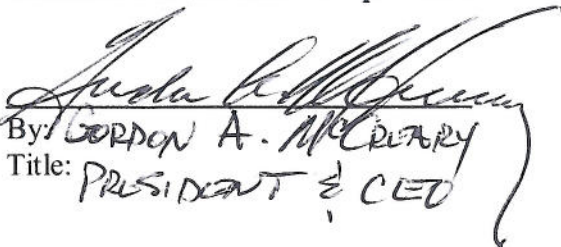
- a. Nothing set forth in this MOU or Schedule A hereto is intended to create a joint venture or partnership and neither party, including its agents, employees, and representatives, shall under any circumstances be considered to be, or hold themselves out as, employees, agents, or representatives of the other party and have no right or authority to assume or create any obligation of any kind, expressed or implied, in the name of or on behalf of such other party.

6. Miscellaneous Provisions

- a. As of the date hereof, this MOU, including the Schedule hereto, contains the entire and only agreement between the parties respecting the subject matter hereof.
- b. This MOU is binding until terminated pursuant to paragraph 4(a) but does not bind Baffinland or QIA in any way to negotiate or enter into subsequent agreements.

The foregoing is accepted, approved, and agreed to by the parties.

Baffinland Iron Mines Corporation


By: GORDON A. McCleary
Title: PRESIDENT & CEO

Qikiqtani Inuit Association


By: Thomasie Alikatutuk
Title: President

**Mary River IIBA
Economic Provisions
March 31, 2009**

TABLE OF CONTENTS

1. PREAMBLE	2
2. DEFINITIONS AND INTERPRETATION	3
3. PRINCIPLES AND OBJECTIVES	5
4. IMPLEMENTATION AND MANAGEMENT	12
6. CONTRACTING OPPORTUNITIES.....	26
7. EMPLOYMENT	41
8. INUIT EDUCATION AND TRAINING.....	55
9. WORKPLACE CONDITIONS	64
10. SUPPORT FOR COMMUNITIES	71
11. REPORTING AND RESULTS.....	74
12. ENFORCEMENT OF INUIT CONTENT REQUIREMENTS	80
13. MEDIATION AND ARBITRATION.....	82

1. PREAMBLE

WHEREAS Baffinland Iron Mines Corporation has proposed to develop an iron ore mine in the Nunavut Settlement Area known as the Mary River Project;

AND WHEREAS Article 26 of the Nunavut Land Claims Agreement requires an Inuit Impact and Benefit Agreement when a Major Development Project is undertaken wholly or partially on Inuit Owned Lands;

AND WHEREAS the QIA is the owner of a portion of the surface lands which will be required for the Mary River Project including the beds and banks of water bodies pursuant to section 19.2.5 of the Nunavut Land Claims Agreement;

AND WHEREAS the Mary River Project is a Major Development Project as described in Article 26.1.1 and will be constructed partly on Inuit Owned Land;

AND WHEREAS QIA is the Designated Inuit Organization under the Nunavut Land Claims Agreement for the purposes of Articles 20 and 26 and this Inuit Impact Benefit Agreement;

AND WHEREAS Baffinland Iron Mines Corporation wishes to ensure that the QIA receive benefits and participate in the opportunities arising from development of the Mary River Project;

AND WHEREAS Baffinland Iron Mines Corporation and the QIA have been negotiating an Inuit Impact and Benefit Agreement which addresses the Mary River Project as required by Article 26 of the Nunavut Land Claims Agreement;

AND WHEREAS Baffinland Iron Mines Corporation and the QIA have, through good faith negotiations, reached a common understanding on the economic provisions that should be incorporated into the IIBA as it pertains to all aspects of the Mary River Project except shipping activities;

AND WHEREAS even though IIBA sections dealing with shipping, the environment and financial participation still remain to be agreed upon, Baffinland Iron Mines Corporation and the QIA both desire to formally recognize this significant milestone in the negotiation of an IIBA for the Mary River Project;

NOW THEREFORE this Agreement witnesses in consideration of the terms and mutual covenants contained herein that the Parties agree as follows:

2. DEFINITIONS AND INTERPRETATION

In this Agreement and in the Schedules and Appendices attached hereto, the following terms and expressions will have the following meanings:

Agreement means this agreement and any and all schedules, appendices, amendments or extensions negotiated in furtherance of the Agreement;

Bulk Sampling means the program carried out by the Company during 2008 to deliver approximately 113,000 tonnes of iron ore to Europe;

Business Capacity and Start-Up Fund means the fund established pursuant to Article 6.3 of the Agreement to assist with business start-ups and development of capacity;

Commercial Production means commercial production as will be defined in senior loan covenants that will be applicable to the Project;

Company means Baffinland Iron Mines Corporation and includes its assigns and successors;

Construction, Operations, and Decommissioning activities means all preparation for the removal and recovery of iron ore from the Project, including without limitation, construction, commencing from the time the Company's Board of Directors sanctions the financing of the building of the Project, and includes the abandonment and closure of the Project;

Contractor's Inuit Content Plan or CICP means the plan prepared by contractors pursuant to Article 6.12;

Country Food means traditional food used by Inuit peoples;

Education and Training Fund means the fund established pursuant to Article 8.6 of the Agreement to assist with Inuit training;

Executive Committee means the committee established pursuant to Article 3.5 to to oversee implementation of the IIBA;

GN means the Government of Nunavut;

HRSDC means the federal government department of Human Resources Skills Development Canada;

Inuit means Inuit as defined in Article 1 of the NLCA;

Inuit Impact Benefits Agreement or IIBA means an Inuit Impact and Benefit Agreement as contemplated in Article 26 of the NLCA;

Management Committee means the committee established pursuant to Article 3.5 to provide for continuous monitoring of the operation and management of the Project, particularly as it relates to implementation of the IIBA

North Baffin means the area generally encompassing the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach and Artic Bay;

NTI Inuit Firms Registry means the comprehensive list of Inuit firms maintained by the Nunavut Tunngavik Incorporated pursuant to Part 7 of Article 24 of the NLCA;

Nunavut Land Claims Agreement or NLCA means the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada made the 25th day of May, 1993;

Project means the Mary River Project as conceptually described in the Company's Development Proposal dated March of 2008, it being understood that specifics of the Project may change as further exploration, design and engineering is completed;

Qikiqtani Inuit Association or QIA means the Qikiqtani Inuit Association which is the DIO responsible for representing the interests of Inuit in matters relating to Articles 20 and 26 of the NLCA;

3. PRINCIPLES AND OBJECTIVES

3.1 Mutual Benefit

Underlying the economic provisions of this Agreement is the principle of mutual benefit for Inuit and for the Company from the Project. Benefits for Inuit should include financial participation, a comprehensive training strategy, target levels of Inuit employment, capacity building, business opportunities, and Inuit content considerations in contracting. To the extent that Inuit achieve these benefits the Company will then be able to rely on efficient, high quality Inuit firms, a well-trained local work force, Project support and stability.

3.2 Inuit Participation

3.2.1 All parties agree that Inuit must have the opportunity for equitable and meaningful participation in the Project. This objective applies in particular to Inuit from the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach, and Arctic Bay, (collectively referred to hereafter as “North Baffin Inuit”) as well as to all other Baffin Inuit as represented by the Qikiqtani Inuit Association and its subsidiary organizations Qikiqtaaluk Corporation and Kakivak Association, with respect to the Mary River iron mine Project.

3.2.2 Any and/or all of economic activity associated with the Project, including all those taking place on land as well as marine operations, will potentially be available to Inuit.

3.2.3 The parties will work together to maximize Inuit benefits from the exploitation of the iron ore resource in North Baffin. These benefits include those arising from ownership of the land, from contracting and subcontracting, from employment opportunities to all levels of employment, and from training and education.

Schedule 26-1 of the NLCA (“Matters Considered Appropriate for Inuit Benefits”) is attached as Schedule 3.1 of this Agreement for a more a specific list of benefits.

3.3 Maximization of Inuit participation over time

3.3.1 QIA and the Company agree to cooperate to build capacity to maximize Inuit participation over time. QIA and the Company will consistently encourage Inuit to maximize ownership, subcontracting, management, and employment benefits over the life of the mine. Initial thresholds will be set at levels that reflect current availability of people and skills, with increasing target levels to be established and reviewed as the Project progresses. Methods of measuring targets will be established cooperatively and measurement will occur at least annually. The targets may be adjusted annually by mutual agreement. The Company will take all

reasonable steps, acting in good faith, to meet Inuit training, employment, and contracting objectives described in this Agreement, and QIA will cooperate with the Company for that purpose.

3.4 Workplace Preparedness

- 3.4.1 Inuit will commit to meeting objectives of the IIBA, particularly in the areas of employment and training. The Company, in consultation with QIA, will work to prepare the workplace to actively encourage Inuit to work at the mine, through culturally appropriate working conditions and cross-cultural training for both Inuit managers and workers; and non-Inuit managers and workers. The Company, in consultation with QIA, will work to develop a contracting environment that actively attracts and encourages Inuit firms, both large and small, to contract and sub-contract work with the mine through appropriate support measures.

3.5 Executive and Management Committees

- 3.5.1 Committees will be set up to oversee and continuously monitor the implementation of this Agreement. Specifically, the Company and QIA agree to establish:
- a) A senior Executive Committee to oversee implementation of the IIBA; and
 - b) A Management Committee for continuous monitoring of the operation and management of the Project, particularly as it relates to implementation of the IIBA.

3.6 Best Efforts

- 3.6.1 Pursuant to Section 3.4, the Company agrees generally to use best efforts in its attempts to maximize Inuit participation throughout the life of the Project. More specifically, the Company will use best efforts with respect to Inuit participation in training and education, as per Article 8.0; Inuit employment opportunities, particularly with respect to the Minimum Inuit Employment Goal described in Section 7.14; Contracting to Inuit firms as per Section 6.6.1; and subcontracting to Inuit firms as per Section 6.7.2 and within all other contracts on the Project.
- 3.6.2 For clarity, throughout this Agreement, the term “best efforts”:
- (1) Imposes a higher obligation than a “reasonable effort”;
 - (2) Means taking, in good faith, all reasonable steps to achieve the objective, carrying the process to its logical conclusion;
 - (3) Includes doing everything known to be usual, necessary and proper for ensuring the success of the endeavour.

3.7 Contracting

- 3.7.1 The Company will maximize contracting and subcontracting opportunities for qualified Inuit firms throughout the Construction, Operations, and Decommissioning phases of the Mary River Project.
- 3.7.2 QIA recognizes that the Company is only obligated to contract with businesses that have the ability to deliver products and/or services in a timely, efficient and competitive manner. QIA further recognizes that the Company has the final decision on all contract awards.
- 3.7.3 QIA and the Company agree to cooperate in efforts to build capacity to enable as many Inuit firms as possible to achieve Designated status as described in Sections 6.4 and 6.5 below.

3.8 Employment

- 3.8.1 The Company will work with QIA, the Executive Committee, the Management Committee, and the Inuit Employment and Training Coordinators to integrate training programs with employment opportunities.
- 3.8.2 In the instance of a temporary closure or reduction in the workforce, Inuit employees will be the last to be laid off from any specific job category, with the stipulation that individual employees' skill levels must meet or exceed job requirements in that category.
- 3.8.3 Whenever possible the Company will hire Inuit into all levels of employment, from entry-level positions to senior management.

3.9 Training and Education

- 3.9.1 The Company will undertake to provide training to Inuit in all areas of the Project. All areas of the Project will be considered for training opportunities.
- 3.9.2 The Company will, in cooperation with QIA, give priority to the development of practical skills and educational qualifications that will be necessary for Inuit men and women to:
 - a) Maximize their prospects for employment in the Project workforce;
 - b) Do their jobs effectively;
 - c) Advance according to merit, abilities, and aspirations;
 - d) Contribute to the well-being of their communities; and
 - e) Reduce barriers and seek to maximize Inuit participation in the Project workforce throughout the life of the Project.

- 3.9.3 The Company and QIA recognize that training and education opportunities must begin well before the start of construction and operation phases.
- 3.9.4 The Company and QIA, through the Executive Committee, will work cooperatively to support the school system in Inuit communities, to address impacts of the Project on the education and school system, and to encourage Inuit to attain the practical skills and educational qualifications that will maximize their employment opportunities.
- 3.9.5 The Company will establish training programs for Inuit that include skills training in various jobs that may lead to certification, supervisory and management training and selected external training programs, all with the intention of qualifying Inuit employees for future skilled and supervisory positions on the Project. Additional training could be offered to, but is not limited to, Inuit Employees in such areas as business administration, accounting, environmental technology, engineering, computers, resource development planning, geology, and exploration.
- 3.9.6 Education and training will require cooperation of the Company, QIA, GN, training institutions, and North Baffin communities.

3.10 Workplace Conditions

- 3.10.1 The Company and QIA will strive to create a work place culture that respects, values and promotes the steadily increasing involvement of Inuit in the Project. Workplace conditions for the Project will be respectful to Inuit and Inuit culture, help attract and support Inuit employees, and provide a safe working and living environment.
- 3.10.2 The Company and Inuit will have had several years of on site experience during the Bulk Sampling and related preliminary activities stage of the Project. In order to benefit from this experience, the Company shall prepare a “lessons learned” report to assist it in meeting the objectives of this Article. QIA and the Company shall collaborate in the development of this report.

3.11 Inuktitut in the Workplace

- 3.11.1 The Parties support the use of Inuktitut in the work place, and agree that lack of English will not be a barrier to Inuit for employment at the Project.
- 3.11.2 The Company will encourage the establishment of Inuktitut-speaking work groups within sub-activities of the Project.

3.12 Traditional Pursuits/Hunting

- 3.12.1 In consultation with QIA, the Company will establish policies relating to Inuit visitation, wildlife harvesting, and the secure storage of firearms by Inuit employees, that are compatible with the Company's land use activities while also accommodating Inuit treaty rights pursuant to the NLCA.

3.13 Support for Communities

- 3.13.1 The Company and QIA recognize that while the Project presents Inuit communities with substantial opportunities, it is also likely to create social and cultural impacts and stresses on these communities, including families and individuals. The Company and QIA agree that mitigating existing and potential impacts, promoting community well being, and developing long-term individual and community capacity is a shared responsibility and agree to cooperate in efforts to address this challenge.
- 3.13.2 The Company and QIA agree that communities must be engaged in the development and implementation of strategies to build the capacity necessary to enable communities to deal with existing and potential impacts and to maximize benefits from the Project and to sustain those benefits beyond the life of the Project.
- 3.13.3 The Company and QIA agree that it is very difficult to measure and predict social and cultural impacts in advance of construction and operations and thus will make proactive efforts to address impacts and to capitalize on benefits as they are identified over time.
- 3.13.4 The Company and QIA recognize that efforts to address existing and potential social and cultural impacts must include capacity building and the well being of individuals, families and communities in order to sustain a productive workforce and build good relations with Inuit and Inuit communities.
- 3.13.5 The Company and QIA agree that these provisions do not impose any responsibility on the Company to assume the role of government or responsibility for social services and infrastructure.

3.14 Dispute Resolution

- 3.14.1 The Company and QIA will establish enforcement and dispute resolution processes. These processes will include consultation with, and direction from, the Management and Executive Committees and the Presidents of the Company and QIA. In instances that disputes cannot be resolved through administrative means the Company and QIA will commit first to a mediation process and then, if necessary, to binding arbitration.

3.15 Application to All Firms

- 3.15.1 The provisions of this Agreement regarding contracting, employment, education and training of Inuit, workplace conditions, and dispute resolution on the Project will also apply to all Contractors and all Subcontractors working on the Project.

SCHEDULE 3.1 Nunavut Land Claims Agreement SCHEDULE 26-1

MATTERS CONSIDERED APPROPRIATE FOR INUIT BENEFITS

(Section 26.3.1)

1. Inuit training at all levels.
2. Inuit preferential hiring.
3. Employment rotation reflecting Inuit needs and preferences.
4. Scholarships.
5. Labour relations.
6. Business opportunities for Inuit including:
 - (a) Provision of seed capital;
 - (b) Provision of expert advice;
 - (c) Notification of business opportunities;
 - (d) Preferential contracting practices.
7. Housing, accommodation and recreation.
8. Safety, health and hygiene.
9. Language of workplace.
10. Identification, protection and conservation of archaeological sites and specimens.
11. Research and development.
12. Inuit access to facilities constructed for the project such as airfields and roads.
13. Particularly important Inuit environmental concerns and disruption of wildlife, including wildlife disruption compensation schemes.
14. Outpost camps.
15. Information flow and interpretation, including liaison between Inuit and proponent regarding project management and Inuit participation and concerns.
16. Relationship to prior and subsequent agreements.
17. Co-ordination with other developments.
18. Arbitration and amendment provisions.
19. Implementation and enforceability, including performance bonds and liquidated damages clauses.
20. Obligations of subcontractors.
21. Any other matters that the Parties consider to be relevant to the needs of the project and Inuit.

4. IMPLEMENTATION AND MANAGEMENT

4.1 Objectives/Principles

- 4.1.1 The Company and QIA agree that a structure must be established that facilitates implementation of this Agreement, and that implementation of the IIBA will require continuing participation from QIA and the Company over the life of the Project.
- 4.1.2 The Company and QIA agree further that a process must be established that enables QIA to monitor the operation and management of the Project, and for the Company to get ongoing advice about Inuit concerns and interests.
- 4.1.3 Pursuant to the aims stated in Paragraphs 4.1.1 and 4.1.2 a senior Executive Committee will be established to oversee implementation of the IIBA.
- 4.1.4 Pursuant to the aims stated in Paragraphs 4.1.1 and 4.1.2 a working Management Committee will be established for continuous monitoring of the operation and management of the Project, particularly as it relates to implementation of the IIBA.
- 4.1.5 All reasonable attempts will be made to resolve at an administrative level disputes that may arise in the course of implementing this Agreement. To facilitate the dispute resolution process additional provision will be made for extraordinary meetings between the President of QIA and the President of the Company to attempt to resolve any disagreements that either the Management Committee or the Executive Committee has not been able to settle.

4.2 Executive Committee

- 4.2.1 QIA and the Company will establish a senior Executive Committee to oversee implementation of the economic, social/cultural and environmental provisions of the IIBA.
- 4.2.2 The Executive Committee will establish an annual budget in accordance with the provisions of the IIBA, establish goals and objectives consistent with the IIBA, review reports, and provide strategic advice and direction for the successful implementation of the IIBA.
- 4.2.4 The Executive Committee will have three representatives from QIA and three representatives from the Company.
- 4.2.5 The Executive Committee will have two Co-chairs, one each from QIA and the Company. The QIA Co-chair will hold a position on the Executive Committee of QIA, and the Company Co-chair will hold a position within the Company of Vice-President or higher.

- 4.2.6 The QIA members of the Executive Committee will include the QIA Co-chair, the QIA IIBA Coordinator, and one other representative appointed by QIA. The Company members of the Executive Committee will include the Company Co-chair, the Company IIBA Coordinator, and one other representative appointed by the Company.
- 4.2.7 QIA will be entitled to have Technical Advisors to attend all Executive Committee meetings. Choice of Technical Advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.
- 4.2.8 For the first two years this Agreement is in effect, the Executive Committee will meet on a quarterly basis and may hold additional meetings as necessary. In subsequent years the Executive Committee, in consultation with QIA and the Company, will establish the frequency of Executive Committee meetings.
- 4.2.9 QIA Representatives and the Technical Advisors shall be notified of the agenda, date, time and location of all regularly scheduled Executive Committee meetings at least fifteen (15) calendar days in advance of such meetings. The requirement for fifteen (15) calendar days notice shall be waived in the case of emergency situations that may arise, from time to time. Notification for emergency Executive Committee meetings may be made as soon as is practicable by Fax and email. In the event that the QIA Representatives or Technical Advisors are unable to attend any Executive Committee meetings, they shall be supplied with a report detailing the items discussed, the conclusions reached and the actions taken, within fifteen (15) calendar days.
- 4.2.10 Formal decisions of the Executive Committee will be decided by a qualified majority vote requiring agreement of at least five of the six Executive Committee members.
- 4.2.11 QIA Representatives and the Technical Advisors will be subject to complete confidentiality with regard to all discussions and the content of Executive Committee meetings and shall enter into confidentiality agreements satisfactory to the Company.

4.3 Executive Committee - Cost of Operation

- 4.3.1 The Company and QIA will develop an annual Implementation budget for the Executive Committee for the first full year the Committee is in operation, which will be included in Schedule 4.1 below. In subsequent years the Company and QIA IIBA Coordinators will develop an annual budget for the Executive Committee for submission to the Executive Committee by January 1 of each year that this Agreement is in effect.
- 4.3.2 The Company will be responsible for operational costs of the Executive Committee, including costs for Technical Advisors, and Executive Committee

obligations cited in this Agreement and summarized in the Annual Implementation Budget in Schedule 4.1.

4.4 Management Committee

- 4.4.1 QIA and the Company will establish a joint Management Committee to monitor on-going operation and management of the Project, particularly as it relates to implementation of the IIBA.
- 4.4.2 The Management Committee will report to the Executive Committee.
- 4.4.3 The Management Committee will monitor implementation on a continuous basis and review progress on the Project in order to provide information to the QIA and the Company through the Executive Committee.
- 4.4.4 The Management Committee will have four representatives from QIA and four representatives from the Company.
- 4.4.5 QIA representatives will include the QIA IIBA Coordinator, the QIA Inuit Employment and Training Officer, and two other individuals to be appointed by QIA. Company representatives will include the Company's IIBA Coordinator, the Company's Inuit Employment and Training Officer, and two other individuals appointed by the Company. One of the Company's appointed representatives will hold a senior level position in the operation of the mine.
- 4.4.6 QIA shall be entitled to have Technical Advisors to attend all Management Committee meetings. Choice of Technical Advisors shall be at the discretion of QIA, such persons being reasonably acceptable to the Company.
- 4.4.7 For the first two years this Agreement is in effect, the Management Committee will meet at least monthly and may hold additional meetings as necessary. In subsequent years changes to the frequency of meetings, if proposed by the Management Committee, require the approval of the Executive Committee.
- 4.4.8 The Management Committee will operate on the basis of consensus.
- 4.4.9 Members of the Management Committee will report to their respective employers as required, and the Committee will provide the Executive Committee with quarterly summary reports of its activities, as well as a formal annual report.

4.5 Management Committee - Cost of Operation

- 4.5.1 The Company and QIA will develop an annual budget for the first full year of operation of the Management Committee, which will be included in Schedule 4.1. In subsequent years the Company and QIA IIBA Coordinators will develop an annual budget for the Management Committee for submission to the Executive Committee by January 1 of each year that this Agreement is in effect.
- 4.5.2 The Company will be responsible for costs of the Management Committee, including costs for Technical Advisors and Management Committee obligations cited in this Agreement as per Schedule 4.1.

4.6 Decision-making and Dispute Resolution

- 4.6.1 For clarity, the decision-making and dispute resolution process will have the following five steps:
 - 4.6.1.1 The Management Committee will make decisions by consensus.
 - 4.6.1.2 The Executive Committee will generally make decisions by consensus; Formal decisions will be decided by a qualified majority vote requiring agreement of at least five of the six Executive Committee members.
 - 4.6.1.3 In instances in which the Management Committee is not able to reach consensus on a given issue, and the Executive Committee does not achieve a qualified majority, the Presidents of QIA and the Company may be requested by the Executive Committee to convene a meeting to discuss and attempt to resolve the dispute.
 - 4.6.1.4 If the Presidents are not able to resolve said dispute, the matter will be put forward for mediation, as delineated in Article 13.
 - 4.6.1.5 If mediation is not successful the matter will go to arbitration, as delineated in Article 13.

4.7 Role of the Executive Committee – Economic Provisions

- 4.7.1 The IBA Executive Committee established under Paragraph 4.1.3 will perform the following functions in connection with the economic and financial provisions of this Agreement:
 - a) Assess expected Project workforce requirements and projected availability of Inuit seeking employment on the Project;
 - b) Establish Minimum Inuit Employment Goal, as per Section 7.14;

- c) Review the extent to which the annual Minimum Inuit Employment Goal (MIEG) for the Project has been met and assess actions taken or needed to meet the MIEG;
- d) Review and approve quarterly and annual reports of the Management Committee;
- e) Review the list of Inuit education and training opportunities, as per section 8.5.3.
- f) Review contract award issues;
- g) Maintain a list of Designated Baffin Inuit Firms;
- h) Review the list of Designated Baffin Inuit Firms and Designated Inuit Firms on an annual basis;
- i) Review annually the list of contracts awarded by the Company in the previous calendar year to assess Inuit content in contracting.
- j) Review the list of potential positions for Inuit employees on an annual basis as per Section 7.12.2.
- k) Review, at the beginning of each calendar year, the list of contracts the Company anticipates awarding in the coming year, to identify contracts for which Designated Baffin Inuit Firms or Designated Inuit Firms may be eligible.
- l) Make recommendations to the Company and QIA on appropriate actions to enhance results.
- m) Consider other items of mutual concern related to the implementation of this Agreement, raised by either Party.

4.8 Role of the Management Committee – Economic Provisions

4.8.1 The Management Committee established under Paragraph 4.1.4 will perform the following functions in connection with the economic and financial provisions of this Agreement:

- a) Share information regarding progress of training initiatives, employment targets, and contract awards.
- b) Regularly update data to be supplied to the Executive Committee for reporting purposes, as outlined in Paragraph 9.1.1
- c) Communicate any operational concerns of the Company and QIA as they relate to implementation of this Agreement.
- d) Bring forward items of concern from one Party or the other to the Executive Committee.
- e) Make recommendations to the Executive Committee on appropriate actions to enhance results.

- f) Consider other items of mutual concern related to the implementation of this Agreement, raised by either Party.
- g) Any other items as directed by the Executive Committee.

4.9 Role of Executive Committee – Social and Cultural Provisions (“Support for Communities”)

- 4.9.1 The Executive Committee will review a report to be submitted annually by QIA on the use of the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat Fund.
- 4.9.2 No less than six months (6) prior to the end of the initial six (6) year period, the Executive Committee will review the performance of the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat in order to discuss renewal for additional three-year terms, recognizing the possibility the Fund may operate through the life of the Project.

4.11 Annual IIBA Implementation Budget

- 4.11.1 The Company and QIA will prepare a draft annual Implementation Budget, included below as Schedule 4.1.
- 4.11.2 Upon the coming into force of an IIBA for the Project, the Executive Committee, supported by the Management Committee, will prepare and approve an IIBA Implementation Budget for the portion of the fiscal year that remains.
- 4.11.3 For years subsequent to the first fiscal year the Executive Committee, supported by the Management Committee, will prepare and approve an IIBA Implementation Budget.
- 4.11.4 The annual Implementation Budget will include, but is not limited to:
 - a) Contributions from QIA and the Company towards IIBA implementation;
 - b) Any additional sources of revenue for IIBA implementation;
 - c) Operating costs of the Management Committee;
 - d) Operating costs of the Executive Committee;
 - e) One meeting per year of the President of QIA and the President of the Company;
 - f) Salaries/fees for:
 - i) The QIA and Company IIBA Coordinators;
 - ii) The support function described in Section 4.15
 - iii) Administration of the Business Capacity and Start-Up Fund
 - iv) The QIA and Company Inuit Employment and Training Coordinators;
 - g) Operating costs of:
 - i) The Business Capacity and Start-Up Fund;

- ii) Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat;
- iii) The education and training fund;
- iv) A scholarship fund;
- v) Workplace orientation programs;

4.12 Annual IIBA Implementation Report

- 4.12.1 The Company will prepare an Annual IIBA Implementation Report that will summarize all reports generated by the Project and by the Management Committee on environmental issues, social and cultural objectives, financial provisions and participation, Inuit training and employment, contracts and economic benefits.
- 4.12.2 Reports to be submitted by all parties are listed and described in Article 11.0 (“Reporting and Results”).

4.13 IIBA Coordinators

- 4.13.1 The Company will fund QIA to hire and train an IIBA Coordinator to coordinate IIBA reporting and monitoring activities on behalf of QIA, to act as QIA liaison with the Company IIBA Coordinator, to co-chair the Management Committee, and to sit on the Executive Committee.
- 4.13.2 The funding requirements for the IIBA Coordinators will be established by the Executive Committee as part of its annual budget process.
- 4.13.2 The QIA IIBA Coordinator will report to the Executive Director of QIA.
- 4.13.3 In consultation with QIA the Company will hire and train an IIBA Coordinator to coordinate IIBA reporting and monitoring activities on behalf of the Company, to act as Company liaison with the QIA IIBA Coordinator, to co-chair the Management Committee, and to sit on the Executive Committee.
- 4.13.4 The Company IIBA Coordinator will report to the Company’s senior human resources executive or designate.
- 4.13.5 A draft job description for the IIBA Coordinator position is in Schedule 4.2.

4.14 Support function

- 4.14.1 QIA and the Company recognize that the Management Committee may require additional technical or professional support to fulfill its mandate.
- 4.14.2 QIA and the Company further recognize that the QIA may require additional technical or professional support to
 - a) Analyze reports and other data in order to assist the QIA IIBA Coordinator and QIA members of the Management and Executive Committees to fulfill their duties; and
 - b) Act in an advisory capacity to the QIA members on the Management and Executive Committees.
- 4.14.3 QIA may acquire the technical or professional support outlined in 4.15.2 either by hiring an employee directly or by engaging contract support for various issues.
- 4.14.4 The Executive Committee will establish annual budgets for the support function as part of its annual budget process.
- 4.14.5 The Company will fund both the Management Committee support function and the QIA support function.
- 4.14.6 The QIA support function will report to the QIA IIBA Coordinator. The Company support function will report to Company IIBA Coordinator.

SCHEDULE 4.1 IMPLEMENTATION BUDGET FRAMEWORK

	Cash	Non-Cash	Total
Funding			
Cash and Non-Cash			
Baffinland			
QIA	0		
Other	0	0	
Interest		0	
	0	0	
Expenses			
General Administration	0		
Meetings and Travel			
Reports and Communications		0	
Salaries		0	
Consulting Services			
Management Committee		0	
Executive Committee		0	
QIA		0	
Programs and Initiatives			
Business Capacity and Start-up Fund	250,000	0	
Ilagiiktunut Nunalinnullu Kiinauiat Fund	750,000	0	
Education and Training Fund	975,000	0	
Scholarship Fund	25,000	0	
Workplace Orientation Programs	0		
Inuit Human Resource Strategy	0		
(Additional Programs/Initiatives as Per Non Completed Section of IIBA)			
	2,000,000	0	
Excess of Revenue over Expenses		0	
Balance at Beginning of Year		0	
Balance at End of Year		0	

1. Implementation Budget for Year 1 on assumption of a full-calendar year

Schedule 4.1 - Budget Support Table

REVENUES/EXPENSES						IIBA Reference
CASH			IN-KIND			
Co.	QIA	Other	Co.	QIA	Other	

General Administration							
General Administration Expenses	✓			✓	✓		
Legal Fees and Audit	✓			✓	✓		
Meetings and Travel				✓	✓		
4 meetings of Executive Committee	✓						4.3.2
12 meetings of Management Committee	✓						4.5.2
Reports and Communications ¹	✓			✓	✓		11
Salaries							
QIA IIBA Coordinator	✓						4.14.1
50% of 1FT position to administer Business Capacity and Start-up Fund	✓						6.3.5
QIA Employment and Training Coordinator	✓						7.9.3
Company Employment and Training Coordinator	□			✓			7.9.1
% of Salary & Benefits (Executive Committee)				✓	✓		4.2
% of Salary & Benefits (Management Committee)				✓	✓		4.4
30% of 1FT position to administer Ilagiktunit Nunalinnullu Fund	✓			□	□		X.2.8
Consulting Services							
Executive Committee	✓						4.5
Management Committee	✓						4.15.5
QIA	✓						4.15.5
Programs and Initiatives²							
Business Capacity and Start-up Fund	✓			✓	✓		6.3.4
Ilagiktunit Nunalinnullu Fund	✓			✓	✓		X.2.3
Education and Training Fund	✓			✓	✓		8.6.1
Scholarship Fund	✓			✓	✓		8.7.2
Workplace Orientation Programs				✓	✓		8.10
Inuit Human Resource Strategy				✓	✓		7.11

1. QIA is establishing a consolidated list of reports. Management Committee to establish a communications strategy

2. Additional Programs/Initiatives will be added as per non-completed sections of the IIBA

SCHEDULE 4.2 JOB DESCRIPTIONS - IIBA COORDINATORS

JOB DESCRIPTION

JOB TITLE: Baffinland IIBA Coordinator

DATE:

REPORTS TO: Human Resources Director, Baffinland **LOCATION:**

JOB SUMMARY

The Baffinland IIBA Coordinator position will be a crucial link between QIA and the Company. The IIBA Coordinator will be responsible for making sure the IIBA is implemented on behalf of the Company, and will sit on both the Management Committee and the Executive Committee.

REPORTING RELATIONSHIPS

Under the direction of the Baffinland Human Resources Director, in consultation with the Mine General Manager, the Baffinland IIBA Coordinator is responsible for overseeing the daily administration and implementation of the IIBA between the Qikiqtani Inuit Association (QIA) and the Company. The IIBA Coordinator will work closely with the Executive Committee, the Management Committee, Training and Employment Coordinators, Kakivak Association, the Qikiqtani Employment and Training Consortium, and the Environmental Monitoring Committee to ensure that all aspects of the IBA are being implemented.

DUTIES & ESSENTIAL JOB FUNCTIONS

- Coordinate IIBA reporting and monitoring activities on behalf of Baffinland;
- Act as Baffinland's liaison with the QIA IIBA Coordinator;
- Co-chair the Management Committee, and to sit on the Executive Committee.
- Prepare reports for the Management and Executive Committees, as well as any other reports required the IIBA requires to be prepared by this position;
- Supervise the Support Function as per Section 4.15 of the IIBA;
- Supervise the Baffinland Inuit Employment and Training Coordinator;
- Supervise any other staff as may from time to time be hired by Baffinland to assist with IIBA implementation;
- Develop an action plan for activities and procedures of QIA and the Company related to employment of Inuit, Inuit Human Resource Strategy, workplace conditions, contracting opportunities of the Project, water compensation, and wildlife compensation.
Administer the Inuktitut in the workplace policy;
- With the QIA IIBA Coordinator prepare annual budget requirements for implementing the IIBA.

- Provide support to Baffinland members of the Management and Executive Committees

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Demonstrate good oral, interpersonal, written communication and organizational skills.
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

PREFERRED

- Bilingual in Inuktitut and English;
- A member in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

JOB DESCRIPTION

JOB TITLE: QIA IIBA Coordinator

DATE:

REPORTS TO: EXECUTIVE DIRECTOR, QIA

LOCATION:

JOB SUMMARY

The QIA IIBA Coordinator position will be a crucial link between QIA and the Company. The IIBA Coordinator will be responsible for making sure the IIBA is implemented on behalf of QIA, and will sit on both the Management Committee and the Executive Committee.

REPORTING RELATIONSHIPS

Under the direction of the QIA Executive Director, in consultation with the QIA Director of lands, the QIA IIBA Coordinator is responsible for overseeing the daily administration and implementation of the IIBA between the Qikiqtani Inuit Association (QIA) and the Company. The IIBA Coordinator will work closely with the Executive Committee, the Management Committee, Training and Employment Coordinators, Kakivak Association, the Qikiqtani Employment and Training Consortium, and the Environmental Monitoring Committee to ensure that all aspects of the IBA are being implemented.

DUTIES & ESSENTIAL JOB FUNCTIONS

- Coordinate IIBA reporting and monitoring activities on behalf of QIA;
- Act as QIA liaison with the Company IIBA Coordinator;
- Co-chair the Management Committee, and to sit on the Executive Committee.
- Prepare reports for the Management and Executive Committees, as well as any other reports required the IIBA requires to be prepared by this position;
- Supervise the Support Function as per Section 4.15 of the IIBA;
- Supervise the QIA Inuit Employment and Training Coordinator;
- Supervise any other staff as may from time to time be hired by QIA to assist with IIBA implementation;
- Develop an action plan for activities and procedures of QIA and the Company related to employment of Inuit, Inuit Human Resource Strategy, workplace conditions, contracting opportunities of the Project, water compensation, and wildlife compensation.
Administer the Inuktitut in the workplace policy;
- With the Company IIBA Coordinator prepare annual budget requirements for implementing the IIBA.

- Provide support to QIA members of the Management and Executive Committees

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Demonstrate good oral, interpersonal, written communication and organizational skills.
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

PREFERRED

- Bilingual in Inuktitut and English;
- A member in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

6. CONTRACTING OPPORTUNITIES

6.1 Objectives/Principles

- 6.1.1 In accordance with the principle cited in Section 1.1.2 of this IIBA that any and/or all of economic activity associated with the Project will be available to Inuit, the Company will maximize contracting and subcontracting opportunities for qualified Inuit firms throughout the Construction, Operations, and Decommissioning phases of the Mary River Project.
- 6.1.2 QIA recognizes that the Company is only obligated to contract with businesses that have the ability to deliver products and/or services in a timely, efficient and competitive manner. QIA further recognizes that the Company has the final decision on all contract awards.
- 6.1.3 QIA and the Company agree to cooperate in efforts to build capacity to enable as many Inuit firms as possible to achieve Designated status as described in Sections 6.4 and 6.5 below.

6.2 List of Contracting Opportunities

- 6.2.1 The Company and QIA have reviewed the types of contracts to be performed for the Mary River Project during the Construction, Operations, and Decommissioning phases to identify opportunities to which Inuit firms will be given preference.
- 6.2.2 Inuit firms will be eligible for consideration for contracting opportunities in the following general areas:
- Recruitment
 - Training
 - Road and airstrip construction
 - Accommodation complex construction
 - Communications systems
 - Power plant
 - Water supply
 - Open pit and underground equipment
 - Site preparation at mine
 - Railway construction
 - Port construction and operation
 - Ongoing remediation
 - Mine decommissioning
 - Sea freight shipping
 - Air transportation fixed wing, helicopter
 - Catering, housekeeping, janitorial services
 - Security Services

- Health and medical services
- Road maintenance
- Diamond drilling
- Transportation of ore
- Fuel storage, handling & distribution
- Environmental research, monitoring, baseline studies
- Explosives

A comprehensive list of contracts for which Inuit are eligible is provided in Schedule 6.1.

6.3 Business Start-ups and Capacity Building

- 6.3.1 QIA and the Company recognize that many Inuit Firms, and in particular smaller Inuit Firms from communities in the Baffin Region, lack capital, experience and capacity to bid on or carry out contracts for the Project.
- 6.3.2 In order to address the shortfalls referred to in paragraph 6.3.1 the Company will:
- a) Assist Inuit Firms to develop capacity in the bidding process.
 - b) Identify opportunities to break down large contracts into smaller components to improve the capacity of Inuit to bid on and carry out contracts.
 - c) Encourage Contractors to break down large Subcontracts into smaller components to improve the capacity of Inuit firms to bid and the ability of Inuit firms to bid on and carry out contracts.
 - d) Help QIA or a QIA subsidiary organization establish a Business Capacity and Start-Up Fund to assist Designated Baffin Inuit Firms to assist with business start-ups and development of capacity in the following areas:
 - i) Locating start-up capital and financing
 - ii) Management development
 - iii) On-going business management
 - iv) Financial management
 - v) Contracts and procurement
 - vi) Human resources management
- 6.3.3 QIA and its subsidiary organizations will administer the Business Capacity and Start-Up Fund and provide start-up and capacity building assistance to Inuit Firms in communities in the Baffin Region, as per Subsection 6.3.2(c)

- 6.3.4 Beginning the date this agreement comes into effect, and up to the start of commercial production the Company will contribute \$250,000 annually to support the Business Capacity and Start-Up Fund. Subsequent contributions will be established by the Executive Committee as part of the annual budget process.
- 6.3.5 The Company will fund up to 50% of a position at QIA or one of its subsidiary organizations to administer the Business Capacity and Start-Up Fund. The Executive Committee will establish funding requirements for this position as part of its annual budget process.
- 6.3.6 The QIA Inuit Employment and Training Officer will submit an annual report to the IIBA Executive Committee documenting the activities and spending of the Business Capacity and Start-Up Fund.
- 6.3.7 The QIA Inuit Employment and Training Officer will develop an annual program and budget for the Business Capacity and Start-Up Fund, to be submitted for approval to the IIBA Executive Committee at least three months prior to the start of the calendar year.
- 6.3.8 QIA and the Company, through the Executive Committee, will review the use and utility of the Fund annually, and may mutually agree to continue the Fund; amend the Fund's terms and/or objectives; temporarily discontinue the Fund; or terminate the Fund.

6.4 Designated Inuit Firms

- 6.4.1 An "Inuit firm" means an entity that complies with the legal requirements to carry on business in the Nunavut Settlement Area, and which:
- a) Complies with the definition of an "Inuit firm" in Article 24 of the Nunavut Land Claims Agreement, meaning it is
 - i) A limited company with at least 51% of the companies voting shares beneficially owned by Inuit, or
 - ii) A cooperative controlled by Inuit, or
 - iii) An Inuk sole proprietorship or partnership.
 - b) Is enrolled on the NTI Inuit Firms Registry;
 - c) Carries out the majority of its business in the Nunavut Settlement Area.
- 6.4.2 Based on information in the NTI Inuit Firms Registry the Company and QIA, through the Executive Committee, will maintain an up to-date list of all Nunavut Inuit firms that appear to be capable of providing goods and/or services to the Project. Such firms will be referred to as "Designated Inuit

Firms”.

- 6.4.3 In the contracting process the Company will request Inuit firms that wish to enter into contracts with the Company to furnish sufficient information to enable the Company to assess the qualifications of such firms. The Company may also communicate directly with Inuit firms regarding their experience and qualifications.
- 6.4.4 For services that normally require bonding, an Inuit firm from the Baffin Region must be bondable in order to be considered as a Designated Baffin Inuit Firm.
- 6.4.4 The Executive Committee will review the list of Designated Inuit Firms on an annual basis.
- 6.4.5 The Executive Committee will establish a process by which firms not currently included on the Designated Inuit Firms list may apply for consideration as a Designated Inuit Firm.
- 6.4.6 The list of Designated Inuit Firms will be a public document.

6.5 Designated Baffin Inuit Firms

- 6.5.1 Based on information from the NTI Inuit Firms Registry the Company and QIA, through the Executive Committee, will maintain an up to-date list of Inuit firms from the Baffin Region that appear to be qualified for contracts or subcontracts. Such companies will be referred to as “Designated Baffin Inuit Firms”.
- 6.5.2 During the contracting process the Company may request Inuit firms from communities in the Baffin Region to furnish either directly to the Company or indirectly through QIA to the Company, sufficient information to enable the Company to assess the qualifications of such firms. In the contracting process the Company may also communicate directly with Inuit firms from the Baffin Region regarding their experience and qualifications.
- 6.5.3 For services that normally require bonding, an Inuit firm from the Baffin Region must be bondable in order to be considered as a Designated Baffin Inuit Firm.
- 6.5.4 The Executive Committee will review the list of Designated Baffin Inuit Firms on an annual basis.
- 6.5.5 The Executive Committee will establish a process by which firms not currently included on the Designated Baffin Inuit Firms list may apply for consideration as Designated Baffin Inuit Firms.
- 6.5.6 The list of Designated Baffin Inuit Firms will be a public document.

6.6 Contract Award Procedures - General

- 6.6.1 The Company agrees to make best efforts to maximize Inuit participation in contracting for the goods or services on the “List Of Contract Opportunities” cited in Paragraph 6.2.2 and Schedule 6.1, as well as in subcontracts for these same contracts, required during the Construction, Operations, and Decommissioning phases of the Project.
- 6.6.2 Pursuant to Section 6.6.1, the Executive Committee will review annually the list of contracts awarded by the Company in the previous calendar year to assess Inuit content in contracting. Further, at the beginning of each calendar year the Executive Committee will review the list of contracts the Company anticipates awarding in the coming year, to identify contracts for which Designated Baffin Inuit Firms or Designated Inuit Firms may be eligible.
- 6.6.3 The three main types of contracts the Company will utilize on the Project will be negotiated contracts, requests for proposal, and invitational tenders.

6.7 Existing Contracts

- 6.7.1 QIA recognizes that the Company entered into a limited number of contracts for activities taking place after the Bulk Sample Project is completed before QIA and the Company had reached agreement on contracting provisions within the IIBA. Major contracts awarded in this time period include:
- a) AMEC Americas Limited - engineering, procurement, and construction management.
 - b) Fednav Limited – with respect to the ocean transportation of iron ore, provide ship management services, technical assistance with respect to the port design / operation, the regulatory process and design of the dedicated ships to service the project.
 - c) Knight Piesold Consulting – environmental baseline consulting, geotechnical engineering, rock mechanics, traditional knowledge study management, environmental impact statement, alternative energy pre-feasibility studies.
 - d) Canarail Consultants Inc. – multi year contract to complete basic and detailed engineering for the railway, including associated infrastructure, as well as technical input into procurement system with respect to materials, rolling stock, maintenance of way equipment.
- 6.7.2 The Company commits to make best efforts to maximize Inuit subcontracting in all the above-noted contracts, and has notified each company awarded such contracts that it will be required to abide by the Inuit content provisions of the IIBA, including evaluation processes described in Section 6.10 below.

6.7.3 Upon reaching agreement on the contracting provisions of the IIBA the Company agrees to follow the contracting provisions as set out below.

6.8 Negotiated Contracts

6.8.1 The Company may negotiate a contract directly with a Contractor when:

- a) A Designated Baffin Inuit Firm is eligible for and interested in the contract, and the Company is satisfied that it is able to get fair value from the contract through a direct negotiation; or
- b) No Designated Baffin Inuit Firm is eligible or interested to participate in a given contract, or if negotiations with a Designated Baffin Inuit Firm are not successful, and a Designated Inuit Firm is available, and the Company is satisfied that it is able to get fair value from the contract through a direct negotiation;
- c) A specific contract calls for a contractor or supplier to be selected on the basis of specialized experience, or specialized technical or commercial capabilities;
- d) The Company encounters an out-of-the-ordinary situation, and does not have sufficient time to contract through a request for proposals or an invitational tender;
- e) The Company encounters an emergency.

6.8.2 Except in instances arising from Sections 6.8.1 d) or 6.8.1 e), the Company will notify QIA and the Executive Committee at least forty-five (45) days in advance of entering into direct negotiations for contracts.

6.8.3 In situations that that may arise from emergency or time-limiting situations as per Sections 6.8.1 d) or 6.8.1 e), the Company will notify QIA and the Executive Committee immediately on identifying the need to negotiate a contract pursuant to Sections 6.8.1 d) or 6.8.1 e).

6.8.4 Notwithstanding exceptions that may arise from emergency or time-limiting situations, the Company will allow a period of up to ninety (90) days for negotiations to be completed, from the commencement of such direct negotiations with a Designated Baffin Inuit Firm or Designated Inuit Firm, as the case may be.

6.8.5 The Company will make all reasonable efforts to ensure that contract negotiations with a Designated Baffin Inuit Firm or Designated Inuit Firm proceed in a timely and fair manner and that the Designated Baffin Inuit Firm or Designated Inuit Firm is given ample opportunity to present and justify its proposal.

6.8.6 The Management Committee, with the approval of the Executive Committee, will establish a Minimum Inuit Employment Goal (MIEG) for each negotiated

contract, and any other Inuit content such as inputs/purchases from Inuit firms that the Management Committee deems appropriate to the contract.

- 6.8.7 Taking into account levels of Inuit content established pursuant to Paragraph 6.8.6, Contractors submitting proposals for negotiated contracts will be required to submit a Contractor's Inuit Content Plan, as described in Section 6.12 below.

6.9 Requests for Proposal and Invitational Tenders

- 6.9.1 QIA recognizes that the Company may frequently tender contracts through a competitive process. Reasons the Company may choose a competitive contracting process include, but are not limited to, the following:
- a) No Designated Baffin Inuit Firm or Designated Inuit Firm is eligible for and interested in directly negotiating the contract;
 - b) The Company and a Designated Baffin Inuit Firm or Designated Inuit Firm are not able to resolve a contract negotiation pursuant to good faith negotiations within the allotted time;
 - c) The Company is not satisfied that it is able to get fair value from the contract through a direct negotiation;
- 6.9.2 In cases that direct negotiations with an Inuit firm have been unsuccessful, the Designated Baffin Inuit Firm or Designated Inuit Firm with which the Company has been negotiating will be invited to submit a tender or proposal.
- 6.9.3 In the event that the Company chooses a competitive contracting process, the Company will whenever possible, and within a reasonable period prior to the need for any such goods and/or services, follow the process as defined below:
- 6.9.3.1 Where two or more Designated Baffin Inuit Firms are eligible for and interested in a given contract, and the Company is satisfied that it is able to get fair value from the contract through a request for proposal or invitational tender limited to Designated Baffin Inuit Firms, Designated Baffin Inuit Firms will be given the first right of proposal or will be the only companies invited to tender on said contract;
 - 6.9.3.2 Where two or more Designated Inuit Firms are eligible for and interested in a given contract, including the case where there is only one Designated Baffin Inuit Firm and one or more Designated Inuit Firms, and the Company is satisfied that it is able to get fair value from the contract through a request for proposal or invitational tender limited in some way to Inuit firms, such Inuit Firms will be given the first right of proposal or will be the only companies invited to tender on said contract;
 - 6.9.3.3 In circumstances in which the Company is not satisfied that it is able to get fair value from the contract through a request for proposal or invitational tender limited in some way to Inuit Firms, the company will request proposals or invite tenders from any interested firm.
- 6.9.4 In circumstances in which the Company chooses to contract by invitational

tenders or requests for proposal, preference will be given to companies that maximize Inuit content. As applicable the Company will use the evaluation grid shown in Paragraph 6.11.7 below, which outlines preference for Baffin Inuit content in contracting, or the evaluation grid shown in Paragraph 6.11.8 below, which outlines preference for Inuit content in contracting.

- 6.9.5 The Management Committee, with the approval of the Executive Committee, will establish a Minimum Inuit Employment Goal (MIEG) for each contract. The Company will use the evaluation grid in Paragraph 6.11.7 below to adjust bids for Inuit content.
- 6.9.6 Contractors submitting proposals for contracts will also be required to submit a Contractor's Inuit Content Plan, as described in Section 6.12 below.
- 6.9.7 The Company will notify QIA and the Executive Committee at least forty-five (45) days in advance of requesting proposals or inviting bids for contracts.

6.10 Reporting

- 6.10.1 The Company will provide, and will require all Contractors and Subcontractors to provide the Management Committee with quarterly reports that demonstrate the extent of compliance with Inuit content for work done by the Company, or for Contracts and related Subcontracts. The first such report will be due within 30 days of signing the contract.

6.11 Bid evaluation criteria

- 6.11.1 The Company, in requesting bids for supply of goods and/or services for the Project, will include in the tender forms provisions requiring bidders to adhere to Inuit content requirements, which will be evaluated in contract proposals for invitational tenders.
- 6.11.2 Inuit content in contract proposals will be evaluated and bids adjusted based on factors such as
 - a) Degree of Baffin Inuit ownership;
 - b) Inuit employment relative to Article 7 "Employment" and specifically Section 7.14 "Target levels of Inuit employment" ;
 - c) Proportion of wages to be paid to Inuit;
 - d) Total purchases from Baffin Inuit firms;
 - e) Participation of Baffin Inuit and/or Baffin Inuit Firms, that such bidder would engage directly or as subcontractors;
 - f) The training of such Inuit and/or Inuit firms in the supply of goods or the performance of services;
 - g) Location of head office in Baffin region.

- 6.11.3 Proposals and tenders for contracts must attain the threshold Minimum Inuit Employment Goal (MIEG) established in Section 7.14 “Target levels of Inuit employment”.
- 6.11.4 Any proposal that does not achieve the MIEG established for a given contract will be deemed non-compliant.
- 6.11.5 Proposals that do not include an assessment of potential Inuit and Baffin Inuit content will be deemed non-compliant.
- 6.11.6 Inuit content in all proposals represents the cumulative Inuit content of the Contractor and all Subcontractors named in a given proposal, and must correspond with factors a) to g) in Paragraph 6.11.2
- 6.11.7 The Inuit content portion of the evaluation grid for competitive tenders will take the following format for contracts on which Designated Baffin Inuit Firms only are bidding:

Inuit Content Components	Point Value	Inuit Content Factor
Degree of Baffin Inuit Ownership	Minimum 40	.4
Degree of Baffin Inuit Employment (including subcontractors)	Minimum 40	.4
Proportion of Wages Accruing to Baffin Inuit	Flexible	
Total Purchases/Inputs from Baffin Inuit firms	Flexible	
Head Office in Baffin Region	Flexible	
Total Point Value and Total Inuit Content Factor	100	1.0

- 6.11.8 The Inuit content portion of the evaluation grid for competitive tenders will take the following format for contracts on which Designated Inuit Firms only are bidding, and for contracts open to non-Inuit firms:

Inuit Content Components	Maximum Point Value	Inuit Content Factor
Degree of total Inuit Ownership	Minimum 25	.25
Degree of Inuit Employment (including subcontractors)	Minimum 40	.40
Proportion of Wages Accruing to Inuit	Flexible	
Total Purchases/Inputs from Inuit firms	Flexible	
Head Office in Nunavut	Flexible	
Total Point Value and Total Inuit Content Factor	100	1.0

- 6.11.9 Inuit content will count for not less than 25% (Bid Adjustment Factor of .25) of the over-all cost evaluation All tenders received would be evaluated for their Inuit Content Component and points would be assigned according to the above rating schedule resulting in a Total Point Value and Total Inuit Content Factor.

The base bid submitted by participating firms will be reduced by an amount calculated as follows:

Inuit Content discount (eg. of 25 percent) multiplied by the Inuit Content Factor multiplied by the base bid (i.e. $.25 \times \text{Factor} \times \text{Base Bid}$) equals the amount that would be subtracted from the base bid to achieve the adjusted bid price.

A sample contract with bid adjustment calculations is appended as Schedule 6.2.

- 6.11.10 Contract proposals may include commercial terms, cost competitiveness, continuity of supply, quality of work, and timeliness. Point weighting of criteria will be established at the sole discretion of the Company. The contractor with the highest number of points will be awarded the contract.
- 6.11.11 Inuit content specified in any contract awarded through this process must be attained. If not, contractors will be subject to enforcement provisions cited in Article 12.

6.12 Contractor's Inuit Content Plan

- 6.12.1 As part of the contracting process, for all contract tenders or proposals over \$500,000 Contractors must submit a Contractor's Inuit Content Plan (CICP) containing details on Inuit Content Components and a description of how the Contractor intends to achieve, maintain and optimize Inuit Content.

6.13 Explanation for non-award

- 6.13.1 If a Designated Baffin Inuit Firm or a Designated Inuit Firm is not awarded a contract the Company will provide an explanation in writing to any firm that submitted a contract proposal.

6.14 Annual Review

- 6.14.1 The Executive Committee will review all contracts listed in Schedule 4.1, as well as the lists of Designated Inuit Firms and Designated Baffin Inuit Firms annually, in consultation with QIA and the Company.

6.15 Enforcement

- 6.15.1 Enforcement provisions related to Inuit content within all contracts are in Article 12.0 ("Enforcement of Inuit Content Requirements").

6.16 Mediation and Arbitration

- 6.16.1 If a dispute cannot be resolved through good faith negotiations between the parties within a reasonable time, the parties agree that such dispute shall be

submitted to a mediator appointed by the parties for mediation pursuant to procedures described in Article 13 (“Mediation and Arbitration”)

- 6.16.2 Pursuant to Article 12, if QIA and the Company disagree on any question of fact or mixed question of law and fact related to the interpretation, implementation or operation of this Agreement, either Party may by written demand refer the dispute to arbitration in accordance with the provisions specified in Article 13 (“Mediation and Arbitration”).
- 6.16.3 The Parties acknowledge that mediation is the preferred initial avenue for settling disputes and that mediation will be attempted in good faith prior to demand for an arbitration process under Article 13.

**SCHEDULE 6.1 COMPREHENSIVE LIST OF CONTRACTS FOR WHICH
INUIT ARE ELIGIBLE**

SCHEDULE 6.2 - SAMPLE BID ADJUSTMENT CALCULATIONS

Section 6.11.9 of the IIBA requires that, for the purpose of comparing bids in a competitive process, contract bids can be adjusted to account for Inuit content. This form of bid adjustment is frequently used in contracting when the contracting authority wants to assess orders of value beyond the lowest price. The adjusted price is compared with competitors' bids when the contracting authority is determining which firm will win a contract. Two examples follow.

EXAMPLE 1

In a simple example, Firm A achieves 100% Inuit content on a \$10,000,000 contract. The firm could get a downward adjustment of 25%:

$$\begin{aligned} & \$10,000,000 - (25\% \text{ of } \$10,000,000) \\ & = \$10,000,000 - \$2,500,000 \\ & = \$7,500,000 \end{aligned}$$

Assume this firm is competing with Firm B that bid \$9,000,000 but achieved 0% Inuit content, so got no bid adjustment.

Firm A, with its bid adjusted to the nominal price of \$7,500,000 would be awarded the contract. For clarity, it must be pointed out that the Company is still obliged to pay Firm A its original true bid price of \$10,000,000.

Example 1 is oversimplified for the sake of illustrating the bid adjustment model. Example 2 below uses the evaluation grids in Sections 6.11.7 and 6.11.8. from the IIBA to demonstrate a more realistic bidding situation, in which firms fall short of 100% Inuit content and "Inuit content" is broken down into subcomponents.

EXAMPLE 2

For this example, maximum point values in the evaluation grid from Section 6.11.7 will be set as shown below.

Firm A, a non- Inuit firm, bids **\$10,000,000** on a contract. Assume **Firm A** achieves:

- 0% Baffin Inuit ownership x .4 Inuit Content Factor = 0.0
 - 30% Baffin Inuit Employment x .4 Inuit Content Factor = .12
 - 25% of wages accruing to Baffin Inuit x .1 Inuit Content Factor = .025
 - 0% Total purchases/inputs from Baffin Inuit firms Inuit Content Factor = 0.0
 - The company's head office is outside Nunavut. Inuit content factor = 0.0
- .145

Inuit Content Components	Max Point Value	Max Inuit Content Factor	Firm A Point Value	Firm A Inuit Content Factor
Degree of Baffin Inuit Ownership	40	.4	0	0
Degree of Baffin Inuit Employment (including subcontractors)	40	.4	12	.12
Proportion of Wages Accruing to Baffin Inuit	10	.1	2.5	.025
Total Purchases/Inputs from Baffin Inuit firms	5	.05	0	0
Head Office in Baffin Region	5	.05	0	0
Total Point Value and Total Inuit Content Factor	100	1.0	14.5/100	.145

Firm B, a 51/49 Baffin Inuit-owned joint venture, bids **\$11,000,000**. Assume **Firm B** achieves:

- 51% Baffin Inuit ownership x .4 Inuit Content Factor = .20
 - 60% Baffin Inuit labour x .4 Inuit Content Factor = .24
 - 50% of wages accruing to Baffin Inuit x .1 Inuit Content Factor = .05
 - 20% purchases/inputs from Baffin firms x .05 Inuit Content Factor = .01
 - Head office is in Iqaluit = 100% Inuit Content Factor = .05
- .55

Inuit Content Components	Max Point Value	Max Inuit Content Factor	Firm B Point Value	Firm B Inuit Content Factor
Degree of Baffin Inuit Ownership	40	.4	20	.20
Degree of Baffin Inuit Employment (including subcontractors)	40	.4	24	.24
Proportion of Wages Accruing to Baffin Inuit	10	.1	5	.05
Total Purchases/Inputs from Baffin Inuit firms	5	.05	1	.01
Head Office in Baffin Region	5	.05	5	.05
Total Point Value and Total Inuit Content Factor	100	1.0	55/100	.55

Using a 25% bid adjustment factor as per Example 1, Firm A's \$10,000,000 bid would be adjusted as follows:

$$\begin{aligned} &.145 \times (25\% \text{ of } \$10,000,000) \\ &= .145 \times (\$2,500,000) \\ &= \$362,500. \end{aligned}$$

Firm A's bid would be adjusted to:

$$\$10,000,000 - \$362,500 = \underline{\$9,637,500}$$

Using a 25% bid adjustment factor as per Example 1, Firm B's \$11,000,000 bid would be adjusted as follows:

$$\begin{aligned} &.55 \times (25\% \text{ of } \$11,000,000) \\ &= .55 \times (\$2,750,000) \\ &= \$1,512,500 \end{aligned}$$

Firm B's bid would be adjusted to:

$$\$11,000,000 - \$1,512,500 = \underline{\$9,487,500}$$

Firm B's adjusted bid is the lowest; Firm B would be awarded the contract for its true bid price of \$11,000,000.

7. EMPLOYMENT

7.1 Objective

- 7.1.1 Whenever possible the Company will hire Inuit into all levels of employment, from entry-level positions to senior management.
- 7.1.2 The Company will work with QIA, the Executive Committee, and the Inuit Employment and Training Coordinator to integrate training programs with employment opportunities.
- 7.1.3 In the instance of a temporary closure or reduction in the workforce, Inuit employees will be the last to be laid off from any specific job category, with the stipulation that individual employees' skill levels must meet or exceed job requirements.

7.2 Application to All Firms

- 7.2.1 The provisions of this Agreement will apply to the employment practices of the Company, its Contractors and all Subcontractors, regarding the recruitment and employment of Inuit on the Project.
- 7.2.2 The Company will require Contractors and Subcontractors working on site to adopt a hiring policy consistent with the Company's policy and hiring commitments as set out in this Agreement.
- 7.2.3 All contractors will comply with the Company's Human Resource and Employment Policy. This stipulation will be included in all tender packages.

7.3 Eligibility and Qualifications

- 7.3.1 All positions will be open to Inuit with the work habits and skills, experience, and qualifications required by the positions. The Company will establish a job description for each position.
- 7.3.2 Where appropriate, the Company will consider ability, skills and experience as an equivalent to formal qualifications and Inuit applicants with experience equivalencies will be treated equally with all applicants with formal training.
- 7.3.3 The Company may offer Inuit applying for work in the Project workforce the opportunity to take a prior learning assessment. Prior learning assessments may be used as a means of assisting Inuit to qualify for employment, subject to any regulatory approval that may be required for certain job categories, or as a means for the Company to assess the suitability of an Inuk applicant for work on the

Project. The prior learning assessment may be made available to a Contractor or Subcontractor with the permission of the Inuit applicant.

- 7.3.4 The Company and the Inuit Employment and Training Coordinator will keep an up-to-date list of all positions active in all phases of the Project, updated monthly.

7.4 Inuktitut

- 7.4.1 Inuit who lack fluency in the English language may qualify for positions where fluency does not compromise safety. If required for safety reasons, as determined by the Company, Inuit without fluency in English may be transferred to another position.
- 7.4.2 A complete set of policies regarding the use of Inuktitut on the Project is presented in Section 9.3 below.

7.5 Hiring preference

- 7.5.1 Inuit will be given preference over other applicants. Priority will be given to Inuit from the communities of Pond Inlet, Igloolik, Clyde River, Hall Beach, and Arctic Bay.

7.6 Points of Hire

- 7.6.1 Points of hire for the Project include all communities cited in Paragraph 7.5.1 and Iqaluit, Nunavut. The Company may consider other communities as points of hire if the Company deems there are sufficient individuals from such a community available to work on the Project.
- 7.6.2 The Company will provide air transportation for Inuit employees from the Baffin Region to and from the mine or Project at no cost to the employee. This air transportation may take the form of charter aircraft provided by the Company or commercial airfares where available, at the Company's sole discretion.

7.7 Posting

- 7.7.1 The Company will ensure that its posting system for hiring personnel for the Project will include posting at the Project site and in Baffin Communities. If no qualified candidates are identified and hired within 28 days through this posting system, the Company may recruit from wherever qualified staff can be hired. QIA and the Company may agree in writing to waive the requirement for posting for positions where no qualified Inuit are likely to be identified.
- 7.7.2 The Company will advertise job opportunities in English and Inuktitut in any postings or advertisements in the Nunavut Settlement Area.

7.8 Regional Office

- 7.8.1 The Company will make best efforts to establish offices in Point of Hire communities and provide Inuit with related employment opportunities.

7.9 Inuit Employment and Training Coordinators

- 7.9.1 In consultation with QIA the Company will hire and train an Inuk for one position for an Employment and Training Coordinator.
- 7.9.2 The Company Employment and Training Coordinator will, in conjunction with other management and staff, be responsible for liaison, skills assessments, training programs, and orientation of all Inuit employees.

A Job Description for the Company Inuit Employment and Training Coordinator is in Schedule 7.1.

- 7.9.3 The Company will fund QIA to hire and train an Inuk for a second position of Employment and Training Coordinator.
- 7.9.4 The QIA Employment and Training Coordinator will, among other things, be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit, and will develop and maintain the employment database set out in Paragraph 7.12.5.

A Job Description for the QIA Inuit Employment and Training Coordinator is in Schedule 7.1.

- 7.9.5 The Employment and Training Coordinators will work closely with each other, and with Government of Nunavut employment officers, QIA Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for jobs on the Project.

7.10 Project Human Resources Strategy

- 7.10.1 The Company will develop and implement an overall human resources strategy, which will identify the Project workforce requirements, detailed, job responsibilities, qualifications and required skills and performance criteria.
- 7.10.2 The Company will bear all costs associated with development and implementation of the Project human resources strategy.

7.11 Inuit Human Resources Strategy

- 7.11.1 As also provided for in Section 8.11, and as a component of the Project human resources strategy QIA and the Company will develop, and the Company will implement, an effective and appropriate training and employment strategy during the Construction, Operations, and Decommissioning phases of the Project. This strategy, known as the “Inuit Human Resources Strategy”, will include all relevant provisions of this Article and of Article 8 - Inuit Education and Training.
- 7.11.2 As part of the Inuit Human Resources Strategy the Company and QIA will identify any existing barriers to the employment and advancement of Inuit, particularly Inuit women, and the Company will use all reasonable efforts to reduce these barriers throughout the Project.
- 7.11.3 The employment component of the Inuit Human Resources Strategy will include all relevant provisions of Article 7 – Employment, including the following components:
- a) A recruitment and selection component as per Section 7.12;
 - b) A retention and advancement component as per Section 7.13;
 - c) Target levels for Inuit employment as per Section 7.14
 - d) An Inuit women’s employment component, as per Section 7.15;
 - e) A summer student employment component as per Section 7.16
 - f) An employee well-being component as per Article 9;
- 7.11.4 The Inuit Human Resources Strategy will include, to the extent possible, measures to optimize exploration, construction, and other activities that take place prior to the start of commercial production as opportunities to provide training and work experience prior to the start of commercial operations in order to maximize the proportion of Inuit employees during the Construction, Operations and Decommissioning phases of the Project.

7.12 Inuit Recruitment and Selection Program

- 7.12.1 The Company and QIA have reviewed all operations for the Mary River Project during the Construction, Operations, and Decommissioning phases to identify specific employment opportunities for Inuit.
- 7.12.2 The Executive Committee and the Company will review the list of potential positions for Inuit employees on an annual basis.

- 7.12.3 In consultation with QIA, the Company's human resources department and the Inuit Employment and Training Coordinator will design and implement culturally suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit.
- 7.12.4 The Company will work jointly with QIA to ensure that Inuit are fully informed about job opportunities, the qualifications and skills required to gain access to those job opportunities, and the application procedures to follow for this purpose. The Company and QIA will, as necessary, provide application assistance to Inuit candidates in following such procedures.
- 7.12.5 The Company and QIA will for the purposes of Inuit recruitment establish a search/assessment database that:
- a) Lists all Inuit candidates to identify individuals who are ready and qualified for jobs to be filled.
 - b) Tracks Inuit who are pursuing education and training to become job ready. These Inuit candidates will be referred to the Company for its recruitment and hiring process.

This database may be constructed from, or identical to, databases already in existence, such as the Nunavut Community Skills Inventory System that at the time of signing of this Agreement is being tested by the Government of Nunavut.

- 7.12.6 The search/assessment database will be administered by QIA or one of its subsidiary organizations.
- 7.12.7 In conjunction with the Company's Human Resources department, the Inuit Employment and Training Coordinator will:
- a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
 - b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
 - c) Assist the operating department's staff in the interview process and select successful candidates.

7.13 Retention, Advancement and Career Development

- 7.13.1 The Company will ensure through its general employment practices, monitored by the Company's Human Resources Department and the Inuit Employment and Training Coordinator that a continuing effort is made to connect training received by Inuit directly with employment opportunities and advancement within the Company, including advancement into management positions.

- 7.13.2 Training programs will be designed to facilitate employment and advancement opportunities, including advancement into management positions.
- 7.13.2 Career development plans will be established and supported for all Inuit employees.
- 7.13.3 Comprehensive on-the-job training programs including technical training and ongoing skills development will be provided to all Inuit employees; apprenticeship, leadership and management training will be provided to Inuit employees who show potential and/or express strong interest in those areas.
- 7.13.4 Orientation and cross-cultural training programs will be designed to reduce barriers to Inuit advancement;
- 7.13.5 Personal life-management training and retention counselling will be provided to Inuit employees and employee assistance programs will be available to Inuit employees to assist them to deal with issues such as sexual harassment, violence, alcohol, and drugs.
- 7.13.6 Through the implementation of the Inuit Human Resources Strategy the Company will encourage and support the career development and advancement of Inuit employees, including advancement into technical, supervisory and management positions.

7.14 Target levels of Inuit employment

- 7.14.1 Based on the established list of specific employment opportunities, and pursuant to Paragraphs 6.8.7 and 6.9.5, the Management Committee will calculate and the Executive Committee will establish a specific MIEG for any contract drawn from Schedule 4.1.
- 7.14.2 The MIEG for each contract will be expressed as a percentage, and will be calculated by dividing the total number of Inuit projected to be employed, in employee work-hours, by the total number of persons employed, in employee work-hours, for the term of a given contract if that contract takes less than one year to complete, or on an annual basis for long-term contracts.
- 7.14.3 Based on the aggregate of all contracts with employment content, the Management Committee will calculate, and the Executive Committee or its appointees will establish, an annual Minimum Inuit Employment Goal (MIEG) applicable for the entire Project, prior to the start of the calendar year. The Project MIEG will be expressed as a percentage, and will be calculated by dividing the total number of Inuit projected to be employed, in employee work-hours, by the total number of persons employed, in employee work-hours, on an annual basis for work done by the Company on the Project.

- 7.14.4 As per Article 11.0 (“Reporting and Results”), the Company will submit quarterly reports to the Management and Executive Committees for each active contract.
- 7.14.5 The Company will ensure that Contractors are achieving required levels of Inuit content, following the measures outlined in Article 12 (“Enforcement of Inuit Content Requirements”).
- 7.14.6 The Company will provide an annual MIEG Plan describing how it intends to achieve the MIEG and an annual report showing the success of the MIEG Plan.

7.15 Inuit women’s access to employment

- 7.15.1 The provisions of this Section will be implemented in a manner that values the participation of Inuit men and women in the Project workforce. The Company’s human resources policies will be implemented to ensure equal access to employment for Inuit men and women.
- 7.15.2 In order to promote Inuit women’s access to employment in the Project workforce, the Company may from time to time depart from guidelines set out elsewhere in Article 7 to increase the number of Inuit women in the Project workforce.
- 7.15.3 To promote Inuit women’s access to employment in the Project workforce, the Inuit Human Resources Strategy will have an Inuit women’s employment component that will provide for the following:
- a) An analysis of the Project workforce, which will assess any potential differential impact on women and men of policies, strategies, procedures, practices and conditions applicable to the Project workforce. Where appropriate the Company will use the result of this analysis to develop revised employment and training policies, strategies, procedures and practices in relation to the Project workforce.
 - b) A process to be developed by the company to work with the QIA, Nunavut and federal government agencies, and Inuit women’s groups to assist Inuit women prepare for jobs with the Company and its Contractors;
 - c) A workplace environment that is welcoming to Inuit women and workplace policies that assist Inuit women employees to retain their positions.

7.16 Student Employment

- 7.16.1 The Company will, either directly or through its contractors, make summer employment opportunities available to Inuit students. Inuit students from the

Baffin Region will be given preference but priority will be given to Inuit students residing in the North Baffin.

7.17 Enforcement

- 7.17.1 Enforcement provisions related to Inuit content within all contracts are in Article 12.0 (“Enforcement of Inuit Content Requirements”).

7.18 Reporting

- 7.18.1 The Company will report any data pertinent to Inuit employment, retention, and advancement to the Executive Committee on a quarterly basis, as provided for in Section 11.1.
- 7.18.2 On an annual basis the Company will report results of on-the-job training programs, education sponsored by the company, promotions of Inuit workers, and any other data pertinent to Inuit employment, retention, and advancement, as provided for in Sections 11.5 and 11.6.

SCHEDULE 7.1 - JOB DESCRIPTIONS - INUIT EMPLOYMENT AND TRAINING COORDINATORS

SAMPLE JOB DESCRIPTION

JOB TITLE: Baffinland Inuit Employment and Training Coordinator

DATE:

REPORTS TO: Baffinland IIBA Coordinator

LOCATION:

JOB SUMMARY

The Baffinland Inuit Employment and Training Coordinator will take part in a wide variety of Human Resources initiatives on the Project, including screening and hiring, training programs, and on-site support programs. The Baffinland Inuit Employment and Training Coordinator will work closely with the QIA Inuit Employment and Training Coordinator in delivery of services. The Coordinator will also sit on the Management Committee for the Project, and will act as liaison between Baffinland and the QIA on employment-related issues.

REPORTING RELATIONSHIPS

While reporting to the Baffinland IIBA Coordinator, the Baffinland Inuit Employment and Training Coordinator will be required to work closely with the Management Committee, the QIA IIBA Coordinator and Inuit Employment and Training Coordinator, the Qikiqtani Employment and Training Consortium, Kakivak Association, and training delivery agencies.

DUTIES & ESSENTIAL JOB FUNCTIONS

- In conjunction with the Company's Human Resources department:
 - a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
 - b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
 - c) Assist the operating department's staff in the interview process and select successful candidates.
- Sit on the Management Committee;

- In conjunction with other management and staff, be responsible for liaison, skills assessments, training programs, and orientation of all Inuit employees;
- Be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit, and will develop and maintain the employment database set out in Paragraph 7.12.5 of the IIBA.
- Work closely with the QIA Employment and Training Coordinator and with Government of Nunavut employment officers, Baffinland Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for jobs on the Project.
- In consultation with QIA, the Company's human resources department and the Inuit Employment and Training Coordinator will design and implement culturally suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit.
- Maintain relations with partner education and training organizations and institutions;
- Along with the Company Employment and Training Coordinator keep an up-to-date list of all positions active in all phases of the project, updated monthly;
- Assist in the implementation and delivery of specific Human Resource programs (i.e. cross cultural training, language training, and job specific skills training).
- Act as a point of contact for Inuit employees regarding counselling and support services outlined in Section 9.5 of the IIBA, including career counselling, employee support programs and financial management counselling;
- Assist the Baffinland IIBA Coordinator to prepare reports for the Management and Executive Committees as per Article 11 of the IIBA;
- Provide support to other Baffinland members of the Management and Executive Committees.

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;
- Ability to communicate well in Inuktitut and English;
- Membership in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Associations
- Good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

_____ Employee Name (Please Print)	_____ Date
_____ Employee Signature	_____ Date
_____ Supervisor's Signature	_____ Date

SAMPLE JOB DESCRIPTION

JOB TITLE: QIA Inuit Employment and
Training Coordinator

DATE:

REPORTS TO: QIA IIBA Coordinator

LOCATION:

JOB SUMMARY

The QIA Inuit Employment and Training Coordinator will take part in a wide variety of Human Resources initiatives on the Project, including screening and hiring, training programs, and on-site support programs. The QIA Inuit Employment and Training Coordinator will work closely with the Company Inuit Employment and Training Coordinator in delivery of services. The Coordinator will also sit on the Management Committee for the Project, and will act as liaison between QIA and the Company on employment-related issues.

REPORTING RELATIONSHIPS

While reporting to the QIA IIBA Coordinator, the QIA Inuit Employment and Training Coordinator will be required to work closely with the Management Committee, the Company IIBA Coordinator and Inuit Employment and Training Coordinator, the Qikiqtani Employment and Training Consortium, Kakivak Association, and training delivery agencies.

DUTIES & ESSENTIAL JOB FUNCTIONS

- In conjunction with the Company's Human Resources department:
 - a) Compile a list of qualified candidates for ranking by supervisory personnel in the relevant departments;
 - b) Conduct pre-screening procedures on the listing of ranked candidates and advise relevant operating departments of the results; and
 - c) Assist the operating department's staff in the interview process and select successful candidates.
- Sit on the Management Committee;
- In conjunction with other management and staff, be responsible for liaison, skills assessments, training programs, and orientation of all Inuit employees;

- Be responsible for liaison between QIA and the Company on employment-related issues, monitor efforts to reduce barriers to the employment and advancement of Inuit, and will develop and maintain the employment database set out in Paragraph 7.12.5 of the IIBA.
- Work closely with the Company Employment and Training Coordinator and with Government of Nunavut employment officers, QIA Community Liaison Officers, or recruiters for the Company in each North Baffin community to help identify candidates for consideration for jobs on the Project.
- In consultation with QIA, the Company's human resources department and the Inuit Employment and Training Coordinator will design and implement culturally suitable recruitment campaigns, job descriptions and selection instruments that encourage Inuit employment and reduce artificial barriers to employment and advancement of Inuit.
- Maintain relations with partner education and training organizations and institutions;
- Along with the Company Employment and Training Coordinator keep an up-to-date list of all positions active in all phases of the project, updated monthly;
- Assist in the implementation and delivery of specific Human Resource programs (i.e. cross cultural training, language training, and job specific skills training).
- Act as a point of contact for Inuit employees regarding counselling and support services outlined in Section 9.5 of the IIBA, including career counselling, employee support programs and financial management counselling;
- Assist the QIA IIBA Coordinator to prepare reports for the Management and Executive Committees as per Article 11 of the IIBA;
- Provide support to other QIA members of the Management and Executive Committees.

OTHER FUNCTIONS AND RESPONSIBILITIES

- Training as required.
- Travel as required.
- Other related duties as required.

QUALIFICATIONS

REQUIRED

- Diploma or Certificate from a post-secondary institute or equivalent experience;
- Knowledge of Inuit culture and Inuit communities;

- Ability to communicate well in Inuktitut and English;
- Membership in good standing of the Qikiqtani Inuit Association or other Nunavut Regional Inuit Association;
- Good oral, interpersonal, written communication and organizational skills;
- Experience reporting to corporate and/or not-for-profit Boards of Directors and committees;
- Working knowledge of word processing and spreadsheet software, as well as email and Internet;
- Ability to work as a member of a team;
- Ability to work independently with minimal supervision;
- Creative problem solving skills.

ACKNOWLEDGMENT FOR RECEIPT OF JOB DESCRIPTION

I have received a copy of the Job Description and have read and understand its contents.

Employee Name (Please Print)

Date

Employee Signature

Date

Supervisor's Signature

Date

8. INUIT EDUCATION AND TRAINING

8.1 Objectives

- 8.1.1 The Company will undertake to provide training to Inuit in all areas of the Project. All areas of the Project will be considered for training opportunities.
- 8.1.2 The Company will, in cooperation with QIA, give priority to the development of practical skills and educational qualifications that will be necessary for Inuit men and women to:
 - a) Maximize their prospects for employment in the Project workforce;
 - b) Do their jobs effectively;
 - c) Advance according to merit and aspirations;
 - d) Contribute to the well-being of their communities;
 - e) Reduce barriers and seek to maximize Inuit participation in the Project workforce throughout the life of the Project.
- 8.1.3 The Company and QIA recognize that training and education opportunities must begin well before the start of construction and operation phases.
- 8.1.4 The Company and QIA, through the Executive Committee, will work cooperatively to support the school system in Inuit communities, to address impacts of the Project on the education and school system, and to encourage Inuit to attain the practical skills and educational qualifications that will maximize their employment opportunities.
- 8.1.5 The Company will establish training programs for Inuit that include skills training in various jobs that may lead to certification, supervisory and management training and selected external training programs, all with the intention of qualifying Inuit employees for future skilled and supervisory positions on the Project. Additional training could be offered to, but is not limited to, Inuit Employees in such areas as business administration, accounting, environmental technology, engineering, computers, resource development planning, geology, and exploration.
- 8.1.6 Education and training will require cooperation of the Company, QIA, GN, training institutions, and North Baffin communities.

8.2 Application to All Firms

- 8.2.1 The provisions of this Agreement regarding the education and training of Inuit on the Project will apply to the employment practices of the Company, its Contractors and all Subcontractors.
- 8.2.2 The Company will ensure that Contractors and Subcontractors working on site
 - a) Are aware of the Company's education and training policy; and
 - b) Develop their own education and training policies consistent with the Company's policy and education and training commitments as set out in this Agreement.

8.3 Linking education and training with employment and advancement

- 8.3.1 As part of the Inuit Human Resources Strategy delineated in Paragraph 8.10 below the Company will develop measures to link education and training to employment and advancement in the Company workforce. Such measures may include:
 - a) Letters of intent to employ;
 - b) Supporting Co-operative education programs;
 - c) Supporting summer student jobs and other student employment opportunities.
 - d) Mentoring

8.4 Inuit Employment and Training Coordinator

- 8.4.1 In accordance with Section 7.9, QIA and the Company will each hire an Inuk for the positions of Company Employment and Training Coordinator and QIA Employment and Training Coordinator, who will, in conjunction with other management and staff be responsible for liaison, training programs, and orientation of all Inuit employees.
- 8.4.2 The education and training fund stipulated in Section 8.6.1, as well as any additional funding from outside sources, will be administered by the Company Employment and Training Coordinator, who will establish an annual budget for the Fund, and will be monitored by the Executive Committee.
- 8.4.3 The Company and QIA Employment and Training Coordinators will provide regular reports of the fund and an annual financial report to the Executive Committee.

- 8.4.4 The Company and QIA Employment and Training Coordinators will maintain relations with partner education and training organizations and institutions including:
- Nunavut Arctic College
 - Kakivak Association
 - Human Resources and Social Development Canada
 - The Government of Nunavut Department of Education
 - The Government of Nunavut Municipal Training Organization
 - A Nunavut mine training institute or other relevant education and training organizations that may in the future come into being.
- 8.4.5 The Company, through the Company Employment and Training Coordinator will make best efforts to integrate education and training for the Project with existing programs, and to take advantage of relevant programs in other regions of Nunavut.
- 8.4.6 Job Descriptions for the Company and QIA Inuit Employment and Training Coordinator is in Schedule 7.1.

8.5 List of opportunities

- 8.5.1 The Company and QIA will review all operations for the Mary River Project during the Construction, Operations, and Decommissioning activities to identify specific education and training opportunities for Inuit.
- 8.5.2 The Company will for the purposes of Inuit recruitment, education, and training maintain a detailed list of all training and education opportunities at the Project. This list will be posted publicly on the Company website, at the HRSDC office in Iqaluit, at Nunavut Arctic College campuses and Baffin Community Learning Centres, and at Hamlet offices in North Baffin communities.
- 8.5.3 The Executive Committee will review the list of education and training opportunities annually.

8.6 Funding for training

- 8.6.1 For the first two years this Agreement is in effect, the Company will contribute \$1,000,000 annually to an education and training fund. In subsequent years the Executive Committee will establish contributions to the education and training fund as part of the annual budget process.
- 8.6.2 The Company and QIA will work together to locate sources of funding for all Inuit training, including the preparation of joint applications to sources that include the HRSDC Aboriginal Skills and Employment Program (ASEP), the Mining Industry Human Resource Council, and Indian and Northern Affairs Canada.

- 8.6.3 As part of the Inuit Participation Report detailed in Section 11.6, the Company Inuit Employment and Training Coordinator will report annually to the Executive Committee on activities of the employment and training fund as well as any additional funding from outside sources.

8.7 Achievement Awards and Scholarship

- 8.7.1 The Company will sponsor competitions, prizes and achievement awards at various levels in the school system in North Baffin communities each year during the term of this Agreement. Funding will be at the discretion of the Company.
- 8.7.2 As part of the Education and Training Fund, the Company will provide a minimum of \$25,000 annually for a scholarship fund.

8.8 Training facilities and dormitories

- 8.8.1 The Company will provide adequate training facilities and classrooms on-site for ongoing training programs.
- 8.8.2 The Company will provide sufficient dormitory space on-site for trainees.

8.9 Use of Inuktitut and Inuit instructors

- 8.9.1 Subject to the availability of qualified instructors, training will be available in Inuktitut for positions to be identified by the Company and QIA.
- 8.9.2 Subject to the availability of qualified instructors, Inuit instructors will be hired to carry out training in Inuktitut and will be funded by the Education and Training Fund.
- 8.9.3 A complete set of provisions regarding the use of Inuktitut on the Project is presented in Section 9.3 below.

8.10 Inuit Human Resources Strategy

- 8.10.1 As provided for in Section 7.11, the Company will develop an overall human resources strategy, which will identify the Project workforce requirements, detailed job descriptions including responsibilities, qualifications and required skills and performance criteria. As a component of the human resources strategy, in consultation with QIA the Company will develop and implement an effective and appropriate training and employment strategy for Inuit during all phases of the Project. This strategy, to be known as the “Inuit Human Resources Strategy” will apply to the construction, operations, and decommissioning phases, and will include all relevant provisions of this Article and of Article 6 (“Employment”).

8.10.2 The education and training parts of the Inuit Human Resources Strategy will include all relevant provisions of Section 8 - Inuit Education and Training, including, but not limited to, the following components:

- a) Pre-employment preparation as provided for in Section 8.11;
- b) Adult Education initiatives as per Section 8.12
- c) A Construction training program as described in Section 8.13; and
- d) A training program for the Operations phase as described in Section 8.14
- e) Training programs for Contract and Subcontract activities, including catering, expediting, shipping, and business management, as described in Section 8.15.
- f) A management training program as described in Section 8.16;
- g) An advanced skills training program as described in Section 8.16;
- h) Education initiatives as described in Section 8.17.

The general scope of training programs to be offered is provided in Schedule 8.1.

8.11 Pre-Employment Preparation

8.11.1 The Pre-Employment preparation component of the Inuit Human Resources Strategy will include the following:

- a) The Company and QIA will develop a training plan for Inuit during all phases of the Project, as part of the Inuit Human Resources Strategy. This training plan will provide for career searches, personal management training, adult basic education, trades and technology training (including work placement for apprenticeship trades), and university training.
- b) The Company and QIA will develop co-operative education work terms and “train the trainer” programs to train Inuit instructors as outlined in Section 8.9.
- c) The Company and QIA will identify any existing barriers to the training of Inuit, particularly Inuit women, and the Inuit Education and Training Coordinator, along with the Company’s human resources department and QIA, will use all reasonable efforts to design and implement measures to reduce such barriers.

8.12 Adult Education

- 8.12.1 The Company and QIA will cooperate to support activities on-site or off-site designed to provide adult basic education, upgrading, and job readiness training programs or services to Inuit employees.
- 8.12.2 The Company will include Adult Basic Education as one of the on-site training opportunities within the framework of the Inuit Employment and Training Strategy.
- 8.12.3 On-site training opportunities will take place during working hours.

8.13 Construction Training Program

- 8.13.1 As part of the Inuit Human Resources Strategy, the Company will fund and implement an Inuit construction training program designed to provide training for Inuit who wish to obtain employment during Construction prior to Commercial production and during Commercial production, and to transfer from employment during Construction to employment during Commercial Production.

The program will include training to develop the practical skills and educational qualifications that facilitate the transition of Inuit trainees from the construction workforce into the operations workforce. The training program will start prior to construction. QIA will cooperate with the Company in the design and the implementation of the Inuit construction training program.

- 8.13.2 Where possible, community members who are not employees of the Company, its Contractors or Subcontractors, will be allowed to enrol in training courses delivered in communities.

8.14 Operations Phase Training Program

- 8.14.1 As part of the Inuit Human Resources Strategy provided for in Section 7.11, the the Company will fund and implement a training program for Inuit during the Operations phase. The Construction training program may serve as a template for the development of the Operations phase training program, which will include at least the following components:
 - a) A worksite training component fully funded by the Company;
 - b) A community based training component partially funded by the Company;
 - c) An institutional training component.

8.15 Training programs for Contract and Subcontract activities

- 8.15.1 As part of the Inuit Human Resources Strategy, the Company, in conjunction with QIA, will develop both worksite and community-based training program designed to provide training for Inuit who wish to find employment with Contractors or Subcontractors on the Project in such areas as catering, expediting, and business management.

8.16 Management and Advanced Skills Training

- 8.16.1 As part of the Inuit Employment and Training Strategy The Company will commit to long-term training and education programs to develop Inuit managers and Inuit with advanced skills on the Project over time.
- 8.16.2 On-site advanced skills and management training opportunities will include mentoring and job shadowing.
- 8.16.3 Off-site advanced skills and management education and training opportunities will include diploma and degree programs in disciplines related to the Project or to management generally. Short-term advanced management programs will be included in the program, and work placements with contractors and suppliers will be included in the program where practical.

8.17 Company education initiatives

- 8.17.1 The Company may support an array of education initiatives including career fairs; support for career counselling; co-op education opportunities; and Stay in School programs.

SCHEDULE 8.1 TRAINING PROGRAMS

The Company will, in consultation with the QIA, establish training programs that include orientation, safety and skills training in various positions that will lead to certification, business administration, warehousing and purchasing, as well as supervisory and management training.

Program Categories:

Heavy Equipment Operator Training

- Haulage Truck
- Excavator / Backhoe
- Dozer (track & rubber tire)
- Grader
- Diesel/Hydraulic Shovel
- Rotary Drill
- Loaders
- Crusher (cone and jaw)
- Loader / Blaster

Trades: Apprenticeship Programs

- Electrician
- Heavy Duty Mechanic
- Welder
- Plumber
- Carpenter
- Millwright

Professional Training: Technical & Professional **

- Engineering / Surveying
- Geology
- Environmental
- Archaeology
- Metallurgy
- Instrumentation
- Planner
- Assayer
- IT Technician

** Provide scholarships and work placements to both technical and professional students.

Business Administration

- Payroll Clerk
- Travel Coordinator
- Benefits Administrator
- Warehouse / Shipper / Receiver
- Accounts Payable Clerk
- Purchase / Buyer / Expeditor
- Custodian
- Frontline Supervisor
- Management
- Airport Coordinator

Occupational Health & Hygiene

- Nursing
- Safety Trainer
- First Aid Instructor
- Safety Supervisor
- Security Guard

All training programs will provide certification for the candidate . This certification will be transferable and can be used for other employment .

9. WORKPLACE CONDITIONS

9.1 Objective

- 9.1.1 The Company and QIA agree that work place conditions for the Project must be consistent with the aboriginal and treaty rights of Inuit, and must be respectful to Inuit and Inuit culture, to further the objective of attracting, developing and supporting Inuit employees as well as providing a safe working and living environment for all Inuit employees. The provisions set forth in this Article 9 will be interpreted in a manner that is consistent with this express intention. The parties' aim is to create a work place culture that respects, values and promotes the steadily increasing involvement of Inuit in the Project.
- 9.1.2 The Company and Inuit will have had several years of on site experience during the Bulk Sampling and related preliminary activities stage of the Project. In order to benefit from this experience, the Company shall prepare a "lessons learned" report to assist it in meeting the objectives of this Article. QIA and the Company shall collaborate in the development of this report.

9.2 Workplace Preparedness

9.2.1 Cross-cultural Recognition

- 9.2.1.1 The Parties agree on the need to provide cultural recognition programs to all employees given the cross-cultural context within which Project employees will be working. The objective of these programs is to enhance positive interaction between Inuit and non-Inuit in the work place.
- 9.2.1.2 These programs shall be designed primarily to provide non-Inuit employees with opportunities to better understand and familiarize themselves with Inuit culture.
- 9.2.1.3 The Company and a designated Inuit organization shall develop cross-cultural orientation programs for all employees. These programs shall be provided to employees during regular working hours.
- 9.2.1.4 Programs shall be at the cost of the Company.

9.2.2 Inuit Preparedness for the Workplace

- 9.2.2.1 The parties recognize a need for Inuit to become familiar with the mining industry generally, and the objectives and goals of the Company with regards to its expectations of all employees working on the Project.

9.2.2.2 The Company shall develop workplace orientation programs for all employees. These programs shall be provided to employees during regular working hours.

9.2.2.3 Programs shall be at the cost of the Company.

9.3 Inuktitut in the Work Place

9.3.1 The Parties support the use of Inuktitut in the work place, and agree that lack of English will not be a barrier to Inuit for employment at the Project.

9.3.2 Although in general the working language of the mine will be English, particularly during construction and the initial operational phases of the Project, the Company supports the principle of increased use of Inuktitut in the work place over the life of the Project.

9.3.3 To further the aims stated in Paragraph 9.3.2 the Company, in consultation with QIA, will, by the time the Construction phase commences, establish a policy to support the use of Inuktitut in the workplace.

9.3.4 The Inuktitut in the workplace policy will include a requirement for monitoring, as well as an annual report to the Executive Committee that includes:

- i) Baseline data on the number of employees on the Project whose first language is Inuktitut;
- ii) Positions held by employees on the Project whose first language is Inuktitut;
- iii) Data regarding accreditation/recognition of trainees or employees whose first language is Inuktitut
- iii) Benchmarks established to encourage the increased use of Inuktitut in training and employment on the Project;
- iv) An indication of progress, based on indicators approved by the Executive Committee, towards increased training opportunities for trainees, and employment for employees, whose first language is Inuktitut;
- v) Measures being undertaken to support and increase the use of Inuktitut on the Project.

9.3.5 The policy to support Inuktitut in the workplace will be monitored by the Management Committee and administered by the QIA IIBA Coordinator.

9.3.6 As part of its policy for the use of Inuktitut in the workplace, the Company will encourage the establishment of Inuktitut-speaking work groups within sub-activities of the Project, with the provision that at least one member of said work group can communicate competently in English with other personnel on the Project.

- 9.3.7 Under no circumstances aside from those in which use of only Inuktitut poses a clear and explicit safety hazard will use of Inuktitut during working hours be cause for disciplinary action or termination of employment.
- 9.3.8 The parties agree that lack of translation or interpretation into the primary language of either English- or Inuktitut-speaking workers may pose a safety risk for unilingual workers. The Company shall provide translation and interpretation services as are necessary for all employees to function safely, effectively and comfortably. Specifically, all relevant safety materials, policies, directives and all public postings shall be easily available in both English and Inuktitut.
- 9.3.9 In order to support Inuit work life and advancement the Company shall also ensure that all staffing documents and processes, including notices, applications, and interviews are available in, and can be completed in Inuktitut.
- 9.3.10 The Company will make available Inuktitut and English language training programs for all employees during regular working hours. These training programs will be planned during the construction phase of the Project and implemented within a reasonable time frame after the start of commercial operations.
- 9.3.11 The Company will make Inuktitut publications, broadcasts and other mass media easily available to workers on the Project.

9.4 Affirmative Steps for Attracting Female Employees

- 9.4.1 The Parties agree that Inuit women entering non-traditional occupations can face barriers related to skill levels and discrimination. The Parties share the goal of making the Project a place where women will want to work.
- 9.4.2 The Company shall develop an affirmative action plan that sets out measurable goals and procedures to monitor compliance with government employment equity legislation and any harassment policies.
- 9.4.3 The Company and a designated Inuit organization shall develop and locate training programs developed specifically to attract women who may want to work at the Project.
- 9.4.4 The Company and a designated Inuit organization shall develop and implement gender sensitivity training programs.
- 9.4.5 The Company shall provide for appropriate accommodations and facilities for female Inuit employees.

9.5 Counselling and Support Services

- 9.5.1 The Company shall provide all Inuit employees with access to
- a) Professional career counselling;
 - b) Professional counselling for personal problems on an as needed basis.

When possible, these services shall be provided by Inuit counsellors.

- 9.5.2 The Company will employ Inuit elders to reside on site at all times to act as counsellors for Inuit employees and as a liaison with the Management Committee. At least one Inuit elder will be on site at any time.
- 9.5.3 The Company shall ensure that medical services are available on site and these are coordinated with community medical facilities to ensure that necessary medications are available to Inuit employees.
- 9.5.4 The Company shall also provide Inuit employees with advice on personal financial management, when requested by an employee.
- 9.5.5 The Inuit Employment and Training Coordinators shall be the point of contact for access to these services.

9.6 Availability of Country Food

- 9.6.1 The Company shall ensure that any contract awarded for catering or the provision of food contains a requirement to regularly provide country food to Inuit employees.
- 9.6.2 Any such contracts shall also require that meals containing country foods that meet government inspection standards be provided, from time to time to all employees as a way of providing non-Inuit employees with more contact with Inuit culture and traditions.
- 9.6.3 The Company shall ensure that there is adequate freezer and other storage space for Inuit employees to store country food brought to the work site by Inuit employees for personal consumption.

9.7 Code of Conduct & Anti-Harassment/Discrimination Policy

- 9.7.1 The Company will implement a code of work place conduct and a personal harassment and discrimination policy to establish adequate rules and procedures that are in conformity with laws of general application. The Company's rules and procedures shall clearly define a "zero tolerance policy" for all employees regarding the use of alcohol and drugs and regarding personal harassment and discrimination (including, without limitation, personal harassment and/or discrimination that is based on race or sex).

9.8 NLCA Rights of Inuit, including Employees to Pursue Traditional Activities

- 9.8.1 The Company recognizes the need for Inuit to engage in traditional activities, including wildlife harvesting during leisure hours, and that the term of any employment contract of the Company that attempts to limit rights of access of or harvesting by an Inuk employee during his or her leisure hours shall be null and void pursuant to Article 5.7.23 of the NLCA.
- 9.8.2 The parties will negotiate policies relating to Inuit traditional activities referred to in Section 9.8.1, including, but not limited to, Inuit wildlife harvesting, and the secure storage of firearms by Inuit employees, that are compatible with the Company's land use activities and human resource and safety policies while also fully complying with Inuit access and harvesting rights pursuant to the NLCA.
- 9.8.3 The Company will allow for visitation between Inuit employees and other Inuit engaged in traditional activities in and around the Project area. Visitors to the Project area, including Inuit visitors engaged in traditional activities who are not Project employees, will comply with the Company's human resources, land use and safety policies, provided that such Company policies do not conflict with Inuit rights of access for the purpose of harvesting pursuant to the NLCA.
- 9.8.4 In conformity with Article 5.7.19 of the NLCA, the QIA or any Inuk may challenge a policy or decision of the Company where such policy or decision states or implies that an authorized land use by the Company is incompatible with the free and unrestricted right of access by Inuit for harvesting activities, and such disagreement may be resolved as required by Article 38 of the NLCA.

9.9 Wildlife Harvesting and Firearms

- 9.9.1 Inuit employees shall be permitted access during their leisure hours, subject to Company policies, to all Project areas for the purpose of any form of harvesting, provided that Inuit employees shall not discharge firearms, and Inuit who are not employees shall have no right of access for harvesting, within a radius of one (1) mile of a Project building, structure or facility, in conformity with Article 5.7.17 (b) of the NLCA, subject to such wider prohibited distances as may be required pursuant to laws of general application relating to public safety or where the access for harvesting, including the discharge of firearms, is incompatible with an ongoing land use activity of the Company.

A map of areas adjacent to Project facilities in which discharge of firearms is prohibited is appended as Schedule 9.1.

- 9.9.2 For greater certainty, a Project "building, structure or other facility" shall not include any part of the rail line constructed upon the Project lands, but the Company may develop a safety policy restricting the discharge of firearms near

rolling stock, Maintenance of Way equipment (including rail mounted living accommodations) that are on, and seasonal trailer accommodation by ballast quarries that are near, the rail line, provided the restriction is based on such temporary equipment or rolling stock entering the visual or auditory range of an Inuit harvester.. Areas upon the Project lands where Inuit access for harvesting is restricted, and/or where the discharge of firearms is prohibited, are identified in Schedule 9.1.

- 9.9.3 Nothing set forth in this Agreement shall restrict or otherwise hinder all Inuit from enjoying the free and unrestricted right of transit through an area where harvesting is not permitted, for the purpose of obtaining access to adjacent lands to carry out wildlife harvesting activities on such adjacent lands.
- 9.9.4. Authorized security personnel, including polar bear monitors, may discharge firearms anywhere within the Project in emergency situations only.
- 9.9.5 Any disagreement by the QIA or an Inuk, whether or not an employee of the Company, with a Company decision to restrict or otherwise limit the right of Inuit to wildlife harvesting pursuant to Article 5.7.16 of the NLCA, including any restriction on the discharge of firearms, shall be resolved in accordance with Article 38 of the NLCA.

9.10 Communications

- 9.10.1 The Company shall provide on site access to communications facilities for all Inuit employees allow them to contact their families- This will include, but not be limited to, telephone and computer supported technology, as it evolves.

9.11 Unionization of the Work Place

- 9.11.1 The Company undertakes to ensure that should the Project be unionized that it would negotiate commitments made in this Agreement with bargaining agents.

9.12 Monitoring and Intervention

- 9.12.1 The Inuit Employment and Training Coordinators and the IIBA Coordinators will collaborate to prepare quarterly reports on work place conditions. These reports shall be provided to the Executive Committee for inclusion into the periodic reports required in Section 11.1.
- 9.12.2 The Company will also be required to include the information on work place conditions in the Annual IIBA Implementation Reports referred to in Section 11.6.

**SCHEDULE 9.1 - MAP OF PROJECT FACILITIES AND ONE-MILE
HUNTING EXCLUSION AREA**

10. SUPPORT FOR COMMUNITIES

10.1 Objectives/Principles

- 10.1.1 The Company and QIA recognize that while the Project presents Inuit communities with substantial opportunities, it is also likely to create social and cultural impacts and stresses on these communities, including families and individuals.
- 10.1.2 The Company and QIA further recognize that the because of the long duration of the Project needs and opportunities will evolve. As an example, experience in other regions of Canada's north indicates that a sudden influx of money into families and communities poses challenges. However, with time and support the net benefits of increased family incomes and community wealth can increase.
- 10.1.3 The Company and QIA agree that mitigating existing and potential impacts, promoting community well being, and developing long-term individual and community capacity is a shared responsibility and agree to cooperate in efforts to address this challenge.
- 10.1.4 The Company and QIA agree that communities must be engaged in the development and implementation of strategies to build the capacity necessary to enable communities to deal with existing and potential impacts and to maximize benefits from the Project and to sustain those benefits beyond the life of the Project.
- 10.1.5 The Company and QIA agree that it is very difficult to measure and predict social and cultural impacts in advance of construction and operations and thus will make proactive efforts to address impacts and to capitalize on benefits as they are identified over time.
- 10.1.6 The Company and QIA recognize that efforts to address existing and potential social and cultural impacts must include capacity building and the well being of individuals, families and communities in order to sustain a productive workforce and build good relations with Inuit and Inuit communities.
- 10.1.7 QIA acknowledges that the Company's contributions to capacity building and long-term social development include its commitments to training, employment, contracting and subcontracting described in Articles 6.0, 7.0 and 8.0 of this Agreement.
- 10.1.8 The Company and QIA agree that these provisions do not impose any responsibility on the Company to assume the role of government or responsibility for social services and infrastructure.

10.2 The Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat

- 10.2.1 Pursuant to the objectives in Section 10.1, the Company and QIA agree to establish the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat (the Fund).
- 10.2.2 The Company and QIA agree to share equally in the costs of the Fund.
- 10.2.3 For an initial six (6) year period, the Company and QIA will each provide \$375,000 annually to the Fund.
- 10.2.4 Payment of all contributions and salaries will commence on signing of this agreement. In the first year of the agreement total contributions and salaries will be paid on a pro rata basis according to the number of months remaining in the calendar year. The Company and QIA will pay annual contributions by January 5 in subsequent years.
- 10.2.5 The QIA will establish the operating framework for the Fund. The Company will have an opportunity to provide input in the development of this framework.
- 10.2.6 Applications to the Fund will be reviewed and approved by a committee established by QIA. As an example, the existing Community Initiatives Committee may be charged with this responsibility.
- 10.2.7 The Fund will be administered by QIA. Fund administration will involve:
- (a) Developing and maintaining a program management database;
 - (b) Assuring communications and collaboration;
 - (c) Preparing the annual reports referred to in sub-section 10.2.10;
 - (d) Communicating about the opportunities the Fund provides;
 - (e) Assisting applicants with their submissions; and
 - (f) Preparing assessments of funding proposals
- 10.2.8 The Company agrees to pay 30% of the cost of administration over and above its contribution to the Fund. The funding requirements for fund administration will be established by the Executive Committee as part of its annual budget process.
- 10.2.9 Any unspent Fund balance in a given year will be carried forward to future years.
- 10.2.10 QIA will provide annual reports to the Executive Committee on the uses of the Fund.
- 10.2.11 To the extent possible the Fund will be managed to identify and address special needs at the local level.

10.2.12 The Fund will have the following objectives:

- a) Creating opportunities for capacity building and synergy with existing capacity in the communities;
- b) Ensuring equity and fair distribution of impacts and benefits within and between communities and across generations;
- c) Maintaining consistency with community development goals;
- d) Ameliorating social and cultural consequences if a proposed mitigation or enhancement is unsuccessful or in the event that unanticipated impacts emerge;
- e) Promoting mutual understanding and learning; and
- f) Ensuring transparency and accountability.

10.2.13 Activities supported by the Fund may include, but not limited to:

- (a) Participation in community projects;
- (b) Youth and Elder programs;
- (c) Hunter support activities;
- (d) Family and community-wide activities and programs;
- (e) Cultural learning and revitalization programs;
- (f) Social support programs for families and individuals;
- (g) Individual and family financial planning;
- (h) Educational incentives;
- (i) Counselling and healing programs; and
- (j) Seed funding or operational funding for local charities and social organizations.

10.2.14 No less than six months (6) prior to the end of the initial six (6) year period, the Executive Committee will review the performance of the Fund in order to discuss renewal for additional three-year terms, recognizing the possibility the Fund may operate through the life of the Project.

10.2.15 QIA will maintain a close and cooperative working relationship with agencies of Government who have responsibilities for social and cultural matters, with the intention of developing creative partnerships to enhance the uses of the Fund.

11. REPORTING AND RESULTS

11.1 Periodic reports required from the Company – Economic provisions

11.1.1 In order to monitor the progress the Company is making in fulfilling its obligations under this Agreement the Company, working with the Management Committee, will be required to supply reports quarterly to the Executive Committee, as provided for in various Articles of the Agreement, including:

- a) A list of all positions active in all phases of the Project over the previous three months with the Company directly or with Contracts or Subcontracts covered by this Agreement;
- b) A list of Inuit employed in the positions listed in 10.1.1 (a);
- c) The extent to which the MIEG has been achieved on all active contracts;
- d) A list of training activities underway in all aspects of the Project and Inuit participation in those activities;
- e) A description of training activities pending in the next six months;
- f) A list of Contracts currently being carried out on the Project and the extent of participation of Inuit Firms in those Contracts;
- g) A list of Subcontracts currently being carried out on the Project and the extent of participation of Inuit Firms in those Subcontracts;
- h) An account of any enforcement issues;
- i) An account of any arbitration underway or pending;
- j) Education or promotion of education initiatives;

11.1.2 All reports should contain relevant gender-based data.

11.2 Periodic Reports required from QIA

11.2.1 Pursuant to Section 10.2.10, QIA will provide annual reports to the Executive Committee on the uses of the Ilagiiktunut Nunalinnullu Pivalliajutisait Kiinaujat.

11.3 Annual IIBA Implementation Report

11.3.1 The Company will prepare an Annual IIBA Implementation Report each year, for submission to the Executive Committee by January 1 of each year that this Agreement is in effect.

11.3.2 The Annual IIBA Implementation Report will include, but is not limited to:

- a) An Inuit Participation Report containing information on Inuit training and employment, contracts and economic benefits. Minimum contents of this report are detailed in Section 11.6 below.

- b) A report describing annual achievement of workplace initiatives, including social and cultural objectives of the Agreement. Minimum contents of this report are detailed in Section 11.5 below.
- c) An annual implementation budget report;
- d) Additional reports as directed by the Executive Committee.

11.4 Inuit Participation Report

11.4.1 The Company will prepare an annual Inuit Participation Report containing information on Inuit training and employment, contracts and economic benefits.

11.4.2 The Inuit Participation Report will include:

- a) A joint report from the Company and QIA Inuit Employment and Training Coordinators outlining the progress of training programs, the number of Inuit trained as well as the success rate of training programs, including:
 - i) A list of training programs provided under the Inuit Human Resources Strategy;
 - ii) The number of hours of training received by Inuit in these programs;
 - iii) The percentage of Inuit who successfully completed the training; and
 - iv) The number of graduates who were subsequently hired by Contractors and Subcontractors.
- b) Details of all training and education initiatives, including but not limited to:
 - i) Activities of the employment and training fund as well as any additional funding from outside sources.
 - ii) Achievement Awards and Scholarship
 - iii) Use of Inuktitut and Inuit instructors
 - iv) Pre-Employment Preparation
 - v) Adult Education
 - vi) Construction Training Program
 - vii) Operations Phase Training Program
 - viii) Training programs for Contract and Subcontract activities
 - ix) Management and Advanced Skills Training
 - x) Company education initiatives
- c) Any other measures for optimizing Inuit employment and training.
- d) A description of the Company's success in achieving the MIEG during the previous calendar year, including, where possible and without limitation:

- i) The total number of person days worked by all employees including training positions, by Representative Occupational Grouping;
- ii) The total number of person days worked by Inuit, by Representative Occupational Grouping;
- iii) The percentage of total person days worked by Inuit, by Representative Occupational Grouping;
- iv) The total dollar value of Inuit payroll in the preceding year;
- v) Additional steps the Company will take to recruit potential Inuit employees; and
- vi) Any measures the Company has taken or proposes to take to increase Inuit employment, including such things as the details of any Inuit recruitment programs, training or apprenticeship programs, and equivalencies for formal qualifications;
- e) Where the MIEG is lower than the projection provided under Section 7.14, a description of how the Company could achieve the projection for Inuit employment;
- f) Other details regarding Inuit employment initiatives, including:
 - i) Inuit Recruitment and Selection Program
 - ii) Retention, Advancement and Career Development
 - iii) Inuit women's access to employment
 - iv) Student Employment
- g) A description of how the Company intends to maximize Inuit contracting and subcontracting opportunities, including, where possible and without limitation the names, address and particulars of any actual or proposed Inuit Contractors and Subcontractors; and the specifics of any actual or proposed contracting arrangements.
- h) An analysis of Inuit participation in contracting and subcontracting covering annual and cumulative results by contract type.

11.5 Workplace Initiatives

11.5.1 As part of the annual implementation report the Company will prepare a report on progress with workplace initiatives, including

- i) Cross-cultural Recognition
- ii) Inuit Preparedness for the Workplace
- iii) Affirmative Steps for Attracting Female Employees
- iv) Counselling and Support Services
- v) Availability of Country Food

- vi) Code of Conduct & Anti-Harassment/Discrimination Policy
- vii) NLCA Rights of Inuit, including Employees to Pursue Traditional Activities
- viii) Wildlife Harvesting and Firearms
- ix) Communications

11.5.2 In addition to the general reporting requirements above, and pursuant to Section 9.3.4, the Company will prepare an report annually specifically on progress with the Inuktitut in the workplace policy,

SCHEDULE 11.1 LIST OF ALL REPORTS REQUIRED UNDER THIS AGREEMENT

1) 11.1 **Periodic reports required from the Company – Economic provisions**

Responsibility: The Company, working with the Management Committee.

Reporting to: Executive Committee

2) 11.2 **Periodic Reports required from QIA**

Responsibility: QIA

Reporting to: Executive Committee

3) 11.3 **Annual IIBA Implementation Report**

Responsibility: The Company

Reporting to: Executive Committee

The Annual IIBA Implementation Report will include:

a) 11.4 **Inuit Participation Report**

Responsibility: The Company

Reporting to: Executive Committee

b) 11.5 **Workplace Initiatives Report**

Responsibility: The Company

Reporting to: Executive Committee

c) 11.3.2(c) **Annual Implementation Budget Report**

Responsibility: The Company

Reporting to: Executive Committee

5) 4.4.9 **Management Committee quarterly and annual reports**

Responsibility: Management Committee

Reporting to: Executive Committee.

6) 6.3.6 **Annual report of the Business Capacity and Start-Up Fund**

6.3.7 **Annual program and budget for the Business Capacity and Start-Up Fund**

Responsibility: QIA Inuit Employment and Training Officer

Reporting to: Executive Committee.

7) 6.4.2 **An up to-date list of all Nunavut Inuit firms and Inuit firms from the Baffin Region that appear to be capable of providing goods and/or services to the Project**

Responsibility: The Company and QIA

Reporting to: Executive Committee.

- 8) 6.10.1 **Quarterly reports that demonstrate the extent of compliance with Inuit content for work done by the Company, or for Contracts and related Subcontracts.**

Responsibility: The Company, all Contractors and Subcontractors

Reporting to: Management Committee

- 9) 9.12.1 **Quarterly reports on work place conditions**

Responsibility: Inuit Employment and Training Coordinators and the IIBA Coordinator

Reporting to: Executive Committee.

12. ENFORCEMENT OF INUIT CONTENT REQUIREMENTS

- 12.1 The Company and the Contractors will provide QIA with details relating to the achievement of Inuit content in the reports stipulated by Article 11.0 (“Reporting and Results”), or as may be required pursuant to other obligations, including any other provisions of this IIBA. Where not otherwise specified, reports will be in a format determined by the Executive Committee.
- 12.2 Where circumstances indicate that the Company or a Contractor may not achieve the levels of Inuit content to which the Contractor and the Company have committed, the Company will provide written notice to the Executive Committee within ninety (90) working days of the time that such a determination can reasonably be made by the Company or a Contractor.
- 12.3 The Company and/or its Contractor will be required to demonstrate to the satisfaction of the Executive Committee that it has made best efforts to comply with its stated commitments to Inuit content levels, and that fault for the failure to comply with its stated commitments to Inuit content levels cannot reasonably be placed on the Company or its Contractor. Costs that were under-estimated by the Company or a Contractor, or financial hardship of the Company or a Contractor shall not be a reasonable ground for failing to achieve Inuit content levels.
- 12.4 The Executive Committee, within sixty (60) days of receiving written notice under Section 12.2, will convene and shall make a determination as to whether the Company or its Contractor is using its best efforts to comply with its stated commitments to Inuit content levels.
- 12.5 Where the Executive Committee does not make the determination required under Section 11.4 within sixty (60) days, either Party may refer the matter to arbitration under provisions in Articles 12 and 13.
- 12.6 Where the Executive Committee in a determination made under Section 12.4, or arbitrator to which a matter is referred under Section 12.5, determines that the Company or Contractor failed to make best efforts to comply with its stated commitments to Inuit content levels and that fault can reasonably be placed on the Company or Contractor for this failure, the Executive Committee or the arbitrator, as the case may be, will so advise the Company and QIA of their determination. The Executive Committee or arbitrator may make recommendations on remedial measures to be applied.
- 12.7 In the case of fault reasonably placed on the Company or a Contractor (where the Company has been unable to cause the Contractor to remedy the fault), the Company will implement remedial measures recommended by the Executive Committee or the arbitrator, as applicable. Remedial measures will, to the extent possible, be designed to correct the Company or Contractor’s failure to achieve stated commitments to Inuit content levels and to provide a disincentive for future

failures. The Company will consider the following measures and inform QIA of the actions taken. Measures considered may include one or more of the following:

- a) Requiring the Contractor to undertake additional measures to achieve the stated commitments to Inuit content levels;
- b) Providing the Contractor with information about specific Inuit or Inuit firms who are known to be available and qualified for employment by the Contractor, and advising the Contractor that further enforcement steps may be taken if stated commitments to Inuit content levels is not met;
- c) Withholding progress payments; or
- d) Terminating the contract.

12.8 The Company will report to the Executive Committee as soon as practicable on the results of the remedial measures applied.

12.9 If the Company or its Contractor fails for two successive years to achieve the stated commitments to Inuit content levels, the Company will be required to make financial compensation to QIA for an amount determined by the Executive Committee or the arbitrator, and which shall not be less than an amount equal to the monetary value of the total bid adjustment attributable to Inuit content for the applicable contract, to be applied to Inuit education, training and employment programs.

12.10 If within 60 days of a request by either Party for a determination the Executive Committee is unable to determine the amount and form of reasonable financial compensation for failure to achieve Inuit content, where failure is determined to be the fault of the Company or a Contractor, then QIA may refer the determination of appropriate financial compensation to arbitration pursuant to the provisions of Articles 12 and 13.

12.11 Where the Executive Committee, or arbitrator appointed under Section 12.5, determines that the Contractor has used its best efforts to achieve its stated commitments to Inuit content levels through its currently approved Contractor's Inuit Content Plan, and that fault cannot reasonably be placed on the Company or Contractor for failing to meet the stated commitments to Inuit content levels, the Executive Committee, or arbitrator, will adjust the commitments to Inuit content levels within the applicable contract.

12.12 Following a contract amendment by an adjustment to Inuit content levels under Section 12.11, the Company will thereafter continue to monitor and report on the contract performance as provided for in Section 12.1 and Section 12.2.

13. MEDIATION AND ARBITRATION

- 13.1 In this Agreement, a “Dispute” means any disagreement, difference of opinion, unresolved claim, demand, dispute or controversy, or any unresolved question or issue of any kind whatever (including any question of fact or mixed question of law and fact) that arises out of or is in any manner whatever connected with or otherwise relates to this Agreement, including, without limitation, the interpretation, implementation or performance of this Agreement, or of any agreement, action or step taken or to be taken in furtherance of this Agreement, or any alleged or anticipated breach or default in the terms and conditions thereof.
- 13.2 If a Dispute cannot be resolved by the Management Committee, the Executive Committee, or a special meeting of the Presidents of the Company and QIA, or by good faith negotiation of the Parties within a reasonable time, the Dispute shall be submitted to a mediator selected by the parties pursuant to a procedure proposed by the mediator, and acceptable to the parties, or alternatively the mediation shall be conducted under the *National Mediation Rules* of the ADR Institute of Canada, Inc. The place of mediation shall be in the City of Iqaluit, Nunavut, and each Party shall bear its own costs of mediation, provided that the Company shall pay for the costs of the mediation facilities and the mediator. Any mediation settlement by the Parties shall be documented in writing. Should such mediation settlement vary the language of the Agreement, the variation shall be recorded in writing, signed by both Parties, and added to this Agreement as an attachment.
- 13.3 If a Dispute cannot be resolved by the Management Committee, the Executive Committee, or a special meeting of the Presidents of the Company and QIA, or by mediation, then at any time immediately following the mediation, either Party may by written notice to the other Party refer the Dispute to arbitration pursuant to Sections 13.3 to 13.10 of this Agreement. Unless a contrary intention is expressed in this Agreement, the arbitration shall be conducted in accordance with the provisions of the *Arbitration Act* (Nunavut), and this Agreement constitutes a “submission” within the meaning of the *Arbitration Act* (Nunavut).
- 13.4 An Arbitration Panel consisting of a single arbitrator whom both Parties agree is qualified to arbitrate the question in dispute will render a decision on the dispute. If QIA and the Company cannot agree on a single arbitrator then a decision will be rendered by an Arbitration Panel consisting of three similarly qualified arbitrators, one of whom will be chosen by QIA, one by the Company and the third by the two so chosen, which third arbitrator will be the chairperson. If within fifteen days of having received a written demand, or such extended time as the Parties agree, a Party fails to either agree to a single arbitrator or to appoint an arbitrator, or if the two arbitrators appointed by the Parties do not agree upon the third arbitrator within a further fifteen days of the latter of their dates of appointment, then upon written application by either Party such third arbitrator will be appointed by the superior court having jurisdiction in Nunavut.

- 13.5 The arbitration proceedings will be held within thirty days following the appointment of the Arbitration Panel in a location agreed upon by the Parties or, if the Parties are unable to agree, in the City of Iqaluit, Nunavut. The time for the hearing of the arbitration may be extended by mutual consent of the Parties, provided that neither Party shall be obligated to consent to an extension that is necessitated due to delay that is within the reasonable control of a Party to avoid.
- 13.6 The Arbitration Panel will have jurisdiction to determine all questions of fact or questions of mixed law and fact and to make an award, grant interim or final relief (including injunctive or other equitable relief), and to order the payment of interest and costs. If an Arbitration Panel makes no decision as to costs, each Party will bear its own costs and an equal share of the other costs of the arbitration, including the remuneration and expenses of the Arbitration Panel. The Arbitration Panel does not have the authority or power to alter, modify, amend or substitute new provisions to this Agreement or to otherwise render decisions that are inconsistent with the terms and conditions of this Agreement.
- 13.7 The Arbitration Panel will render a decision, in writing, based on a majority decision, within three months of the commencement of the arbitration hearing, or such other date as agreed to by the Parties in writing, and the Arbitration Panel shall expressly state the reasons on which its decision is based and include a description of all evidence considered by the Arbitration Panel. Either Party may provide written notice within ten days of receiving the written decision requiring the Arbitration Panel to provide written clarification of the decision or any part of the decision that it considers necessary, and the Arbitration Panel shall provide the requested clarification, in writing, within seven days of receiving such notice. A decision of the Arbitration Panel is final and binding on the Parties and is not subject to appeal, but is subject to judicial review by a Justice of the superior court having jurisdiction in Nunavut pursuant to the laws of Nunavut.
- 13.8 Where a Party to an arbitration fails to comply with any of the terms of the decision of the Arbitration Panel, any Party to the arbitration may file in the office of the Registrar of the superior court having jurisdiction in Nunavut, a copy of the decision in the prescribed form, whereupon the decision will be entered in the same way as a judgment or order of that court, and is enforceable as such.
- 13.9 The Arbitration Panel may, but only on an application by one of the Parties, allow anyone to participate in an arbitration as an intervener, if in the Arbitration Panel's opinion the interest of that person may be directly affected by the arbitration, and on such terms as the Arbitration Panel in its discretion may order.
- 13.10 Unless the Parties otherwise agree, the proceedings and all decisions and orders of the Arbitration Panel will be made public.