

**MEADOWBANK MINE
INUIT IMPACT AND BENEFIT AGREEMENT**

BETWEEN

**AGNICO-EAGLE MINES LIMITED /
MINES AGNICO-EAGLE LIMITÉE**

AND

KIVALLIQ INUIT ASSOCIATION

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INUIT IMPACT AND BENEFIT AGREEMENT

THIS AGREEMENT made effective the ____ day of _____, 2011 (the “**Effective Date**”)

BETWEEN:

AGNICO-EAGLE MINES LIMITED / MINES AGNICO-EAGLE LIMITÉE,
a corporation incorporated under the *Business Corporations Act* of Ontario,
having its head office at Toronto, Ontario
(“**AEM**”)

OF THE FIRST PART

- and -

KIVALLIQ INUIT ASSOCIATION,
an association incorporated under the *Societies Act* of Nunavut,
having its head office at Rankin Inlet, Nunavut
(“**KIA**”)

OF THE SECOND PART

WITNESSES THAT WHEREAS:

- A. Article 26 of the Nunavut Land Claims Agreement requires the proponent of any Major Development Project that will be situated wholly or partially on Inuit Owned Lands to enter into an Inuit Impact and Benefit Agreement with the Designated Inuit Organization for the applicable region of the Nunavut Settlement Area;
- B. KIA is the Designated Inuit Organization for the Kivalliq Region for purposes of Article 26 of the Nunavut Land Claims Agreement;
- C. Cumberland Resources Ltd. (“**Cumberland**”) and its wholly-owned subsidiary, Meadowbank Mining Corporation (“**MMC**”), were the original proponents of a project to develop and operate a gold mine known as the Meadowbank Project situated in the Kivalliq Region of Nunavut;
- D. The Meadowbank Project:
 - (i) was located on Inuit Owned Lands;
 - (ii) was a “Major Development Project” within the meaning of that term as defined in Section 26.1.1 of the Nunavut Land Claims Agreement;
 - (iii) could have a detrimental impact on Inuit or could reasonably confer a benefit on Inuit; and
 - (iv) achieved commercial production on March 1, 2010, and is therefore now known as the “Meadowbank Mine”, as defined herein;

- E. In accordance with Article 26 of the Nunavut Land Claims Agreement, Cumberland, MMC and KIA entered into an Inuit Impact and Benefit Agreement having an effective date of March 21, 2006 (the “**2006 Effective Date**”) in relation to the Meadowbank Project (the “**2006 IIBA**”);
- F. Effective August 1, 2007, Cumberland, MMC, Agnico-Eagle Mines Limited / Mines Agnico-Eagle Limitée and Agnico-Eagle Acquisition Corporation were amalgamated pursuant to the *Business Corporations Act* (Ontario) to form AEM;
- G. As a result of that amalgamation, AEM acquired a 100 per cent interest in and to the Meadowbank Project and replaced both Cumberland and MMC as the Party of the first part to the 2006 IIBA;
- H. Consistent with Section 26.10.1 of the Nunavut Land Claims Agreement, Section 5.1 of the 2006 IIBA provided that, subject to certain conditions, the parties would review the 2006 IIBA on or about the third anniversary of the 2006 Effective Date in order to determine whether any of the terms of the 2006 IIBA should be reconsidered;
- I. The Parties have entered into negotiations in good faith for the purpose of identifying any amendments to the 2006 IIBA that are mutually satisfactory; and
- J. In accordance with Article 5 of the 2006 IIBA, the Parties wish to incorporate those amendments into a revised Inuit Impact and Benefit Agreement for the Meadowbank Mine that will supplant and replace the 2006 IIBA in its entirety;

NOW THEREFORE IN CONSIDERATION of the terms and covenants contained herein, and other good and valuable consideration the receipt and sufficiency of which each Party acknowledges, the Parties acknowledge, accept, covenant and agree as follows:

ARTICLE ONE
IMPLEMENTATION, DEFINITIONS AND INTERPRETATION

1.1 Implementation

This Agreement shall be implemented in accordance with its terms and shall be guided by Article 26 of the Nunavut Land Claims Agreement including, without limiting generality, Section 26.3.2 thereof.

1.2 Intentions of the Parties

The Parties affirm their respective intentions to implement this Agreement on a collaborative basis.

1.3 Definitions

In this Agreement, each of the following terms has the meaning respectively indicated below:

Activity Centre has the meaning given in Section E9.

Agreement means this Inuit Impact and Benefit Agreement, including Recitals A through J and Schedules A through M, in both cases, inclusive, and Appendices F-1 and M-1.

Annual Implementation Payments has the meaning given in Section J2.

Annual Language Report has the meaning given in Section E34.

Annual Wildlife Report has the meaning given in Section K7.

Baker Lake HTO has the meaning given in Section K2(a).

Biannual MIEG Report has the meaning given in Section E22.

Bidder has the meaning given in Section F23.

Business Day means any day on which chartered banks in Nunavut are open for the transaction of business with members of the general public.

Business Development Assistance Fund has the meaning given in Section L15.

Closure means the abandonment, decommissioning and reclamation phase of the Meadowbank Mine.

Construction means all work undertaken to build the Meadowbank Mine and prepare it for Commercial Production, including all earthworks, infrastructure, buildings, structures and equipment to be used for or in support of the operation of the Meadowbank Mine, and including the work necessary to construct the Road.

Contractor means a corporation or other entity that AEM engages for the Construction or operation of the Meadowbank Mine and includes a subcontractor.

Contractor's Inuit Employment Plan or **CIEP** has the meaning given in Section F37.

Country Food means food traditionally harvested and consumed by Inuit.

Declaration has the meaning given in Section F28.

Dispute means any disagreement between the Parties arising from the interpretation, application or implementation of any provision of this Agreement.

Equivalent Qualifications and **Formal Qualifications** have the meanings respectively given to them in Section E5,

Goods Class A Contract has the meaning given in Section F23(d).

Holdback has the meaning given in Section F41.

Implementation Report has the meaning given in Section A17.

Implementation Working Group means the body established pursuant to Section A9.

Inuit means those persons who are registered on the "Inuit Enrolment List" as that term is defined in Article 35 of the Nunavut Land Claims Agreement, and **Inuk** means one such person.

Inuit Firm has the meaning given in Section F22.

Inuit Net Profit Interest has the meaning given in Section F23(e).

Inuit Owned Lands means those lands that are vested in or acquired by KIA in accordance with the Nunavut Land Claims Agreement.

Inuit Ownership Preference Points has the meaning given in Section 23(a) and Appendix F-1.

KIA IIBA Coordinator means the coordinator appointed pursuant to Section B1.

KIA Production Lease has the meaning given in Section 4.2.

Kivalliq Inuit means Inuit whose ordinary place of residence is situated in one of the Kivalliq Communities or elsewhere within the Kivalliq Region.

Kivalliq Communities means the Hamlets established under the laws of Nunavut that are known as Baker Lake, Chesterfield Inlet, Rankin Inlet, Arviat, Whale Cove, Repulse Bay and Coral Harbour.

Kivalliq Region means the Kivalliq Land Use Region (formerly known as the Keewatin Land Use Region) as set out in Schedule 19-4 of the Nunavut Land Claims Agreement.

List of Inuit Firms has the meaning given in Section F22(d).

Location has the meaning given in Section F23(f).

LT Class A Contract has the meaning given in Section F23(b)

Meadowbank Counselling Program has the meaning given in Section E39.

Meadowbank IIBA Coordinator means the coordinator appointed pursuant to Section B1.

Meadowbank Language Policy has the meaning given in Section E34.

Meadowbank Mine means the gold mine formerly known as the Meadowbank Project that achieved commercial production on March 1, 2010, that has remained in commercial production up to and including the Effective Date and that is 100 per cent-owned by AEM.

Meadowbank Project means the open pit gold mine project that was described in the Project Description of the Final Environmental Impact Statement that Cumberland submitted to the Nunavut Impact Review Board in November 2005.

Minimum Inuit Employment Goal or **MIEG** has the meaning given in Section E9.

Nunavut Land Claims Agreement means the agreement more formally known as the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada as ratified by the *Nunavut Land Claims Agreement Act, S.C.* 1993, c. 29, and by vote of Inuit.

Parties means AEM and KIA.

Point of Hire has the meaning given in Section E30.

Post-Closure Inuit Wellness Strategy has the meaning given in Section L9.

Road means the all-season road constructed by AEM between the community of Baker Lake and the Meadowbank Mine.

ST Class A Contract has the meaning given in Section F23(c).

TEMP or **Terrestrial Ecosystem Management Plan** has the meaning given in Section K2.

Unavoidable Event means an act of God, strike, lockout or other industrial disturbance, unlawful act against public order or authority, war, blockade, public riot, lightning, fire, explosion, storm or flood which is reasonably beyond the control of the Party claiming the Unavoidable Event, provided that a Party's lack of funds does not constitute an Unavoidable Event.

Wellness Report and Implementation Plan has the meaning given in Section L2.

Work Force means the total number of persons normally resident in the Kivalliq Region who

- (a) are available to and willing to accept employment; and
- (b) satisfy any legal requirements to accept employment at the Meadowbank Mine including, without limiting generality, the minimum age requirements established pursuant to the Mine Health and Safety Regulations made pursuant to the *Mine Safety Act*, SNWT (Nu) 1994, c. 25.

Work Force Development Plan has the meaning given in Section D3.

1.4 Interpretation

In this Agreement,

- (a) words importing gender include all genders, words importing the singular include the plural and vice versa, and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations, corporations and government authorities; and
- (b) the captions and headings included in this Agreement have been provided for convenience and ease of reference only, and shall not affect the interpretation or meaning of this Agreement or any of its terms.

1.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matters that it addresses, and therefore supplants and replaces, in their entirety, any prior agreement, negotiation or understanding between the Parties, whether oral or written, express or implied (whether by statute or otherwise) including, without limiting generality, the 2006 IIBA.

1.6 Severability

The provisions of this Agreement are severable. Accordingly, if a court of law of competent jurisdiction declares that any of its provisions is void, invalid or otherwise unenforceable, that provision shall be severed and the other provisions shall remain in full force and effect.

- 1.7 If a provision of this Agreement is severed in accordance with Section 1.6, the Parties undertake and agree to negotiate, in good faith, an alternative provision that is consistent with the purpose and intent of this Agreement and consistent with Article 26 of the Nunavut Land Claims Agreement.

ARTICLE TWO PURPOSE AND COMMITMENTS

2.1 Purpose

The purpose of this Agreement is to:

- (a) ensure that the Meadowbank Mine contributes to the well-being of Inuit;
- (b) provide for training, employment and business opportunities for Inuit arising out of the Meadowbank Project;
- (c) address, as far as reasonably possible, any detrimental impacts on Inuit and provide benefits for Inuit from the Meadowbank Mine;
- (d) establish a positive working relationship and effective channels of communication between the Parties; and
- (e) achieve any other goal that is consistent with Section 26.3.3 of the Nunavut Land Claims Agreement.

2.2 Commitments of AEM

AEM undertakes and agrees to fulfill all of its commitments to KIA under this Agreement.

2.3 Commitments of KIA

KIA undertakes and agrees to fulfill all of its commitments to AEM under this Agreement.

ARTICLE THREE GENERAL PROVISIONS

3.1 Representations and Warranties

Each of AEM and KIA represents and warrants to the other that it has the legal power, capacity and authority to enter into this Agreement and fulfill its respective obligations.

3.2 Non-derogation

Nothing in this Agreement shall derogate from or abrogate any right or interest granted to KIA or to Inuit under the Nunavut Land Claims Agreement.

3.3 Assignment

AEM shall not assign this Agreement or any part of it, unless:

- (a) the assignee is the purchaser or transferee of the Meadowbank Mine or of an interest in it;
- (b) the Parties agree that the assignee, at the time of the transaction, has the financial and such other capacity and qualifications as may be required to fulfill the obligations of AEM under this Agreement;
- (c) the assignee undertakes in writing to KIA to assume all of the obligations and liabilities of AEM under this Agreement; and
- (d) KIA consents in writing to the assignment, such consent not to be unreasonably withheld once the conditions in paragraphs (a) to (c) are satisfied.

3.4 KIA shall not assign this Agreement or any part of it, or be released from its obligations or covenants, unless the assignment is made to a successor organization that is a Designated Inuit Organization for the Kivalliq Region under the Nunavut Land Claims Agreement.

3.5 No assignment shall affect any obligation or any commitment of either Party that arose before the effective date of the assignment and was required by this Agreement to have been fulfilled before that date.

3.6 Confidentiality

This Agreement shall not be confidential provided that KIA, in its sole discretion, may elect to keep Schedule J confidential. If KIA elects to keep Schedule J confidential,

- (a) KIA shall give written notice to AEM; and
- (b) both Parties undertake and agree to keep Schedule J confidential at all times.

3.7 Notwithstanding any obligation to keep Schedule J confidential pursuant to Section 3.06, either Party may disclose any provision of Schedule J, if required to do so by law, or to its professional advisors to the extent reasonably necessary to enable them to perform their work, provided that the disclosing Party has imposed a requirement of confidentiality on its advisors.

3.8 Non-Waiver

No consent or waiver, expressed or implied, by either Party of any breach or default by the other Party shall be deemed to be a consent to or waiver of any other breach or default in the performance of obligations by such Party. A failure to complain or act, or to declare the other Party in default, irrespective of how long such failure continues, shall not prevent a Party from subsequently exercising its rights hereunder.

3.9 Notices

Any notice or communication required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered to, or sent by prepaid courier or confirmed facsimile, and addressed as follows:

(a) if to AEM:

President and Chief Operating Officer
Agnico-Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Ontario M5C 2Y7
Fax: (416) 367-4681

(b) if to KIA:

The President,
Kivalliq Inuit Association,
Box 340
Rankin Inlet, Nunavut X0C 0G0
Fax: (867) 645-2348

3.10 Governing Law

This Agreement will be governed by and interpreted in accordance with the laws of the Territory of Nunavut and the laws of Canada applicable therein.

3.11 Further Acts and Documents

The Parties undertake and agree to perform any act and to execute and deliver any document or instrument that may from time to time be necessary or desirable in order to perform and carry out the purpose and intent of this Agreement.

3.12 No Agency, Partnership or Fiduciary Relationship

Nothing in this Agreement shall be construed to create a relationship of agency or partnership between the Parties, or establish a fiduciary or similar relationship between them.

3.13 Benefit of Agreement

This Agreement shall be for the benefit of the Parties and their respective successors and permitted assigns.

3.14 Avoidance and Resolution of Disputes

Each Party undertakes and agrees to use its respective best efforts to avoid any disagreement or controversy that has the potential to result in a Dispute.

3.15 The Parties shall resolve a Dispute in accordance with the following:

- (a) either Party may refer the Dispute to the Implementation Committee for informal resolution for a period of not more than 20 consecutive Business Days;
- (b) if the Implementation Committee fails to resolve the Dispute, either Party may refer the Dispute to the respective Presidents of the Parties for informal resolution for a period of not more than 20 consecutive Business Days; and
- (c) if the respective Presidents of the Parties fail to resolve the Dispute, either Party may refer the Dispute for resolution by arbitration in accordance with Schedule M.

ARTICLE FOUR COMING INTO FORCE, TERMINATION AND UNAVOIDABLE EVENT

4.1 Coming into Force and Automatic Renewal

This Agreement shall come into force on the Effective Date and shall remain in full force and effect until the third anniversary of the Effective Date. Subject to Section 4.2 and Article 5, this Agreement shall be renewed automatically without further action by the Parties for successive terms of three years thereafter until termination.

4.2 Termination

The Parties entered into Lease No. KVPL08D280 as of July 24, 2008 (the “**KIA Production Lease**”) in respect of the Inuit Owned Lands on which the Meadowbank Mine is situated, which lease defines those lands as the “Leased Land”. The Parties undertake and agree that this Agreement will terminate at the same time as AEM surrenders the Leased Land to KIA in accordance with the requirements of the KIA Production Lease, as that lease may be amended, supplanted or replaced from time to time.

4.3 Notwithstanding Section 4.2, the Parties may mutually agree to terminate this Agreement at any time.

4.4 Unavoidable event

If either Party is unable to undertake or fulfill any of its obligations under this Agreement as a result of an Unavoidable Event, that Party shall not be in default under this Agreement for the duration of the Unavoidable Event, provided that:

- (a) the Party seeking to invoke the benefit of this provision promptly notifies the other Party in writing of the Unavoidable Event and continues to diligently fulfill those of its obligations that are not affected by the Unavoidable Event; and
- (b) the obligations of AEM under Schedule J shall not be affected by an Unavoidable Event.

ARTICLE 5 REVIEW AND AMENDMENT

5.1 Review and Renegotiation

The Parties undertake and agree to review this Agreement on or about the third anniversary of its Effective Date and every three years thereafter, with a view to determining, on each such occasion, whether a material change in circumstance that would require reconsideration of any provision of this Agreement has become evident during the three-year period immediately preceding such anniversary.

5.2 If either Party concludes on reasonable grounds that a material change in circumstance as contemplated by Section 5.1 has occurred, the Parties shall negotiate one or more amendments to this Agreement in good faith.

5.3 If the Parties fail to reach agreement on any proposed amendment, the matter shall be considered a Dispute to be resolved by arbitration in accordance with Schedule M.

5.4 Reimbursement of Costs

AEM will reimburse KIA for the costs that it incurs in carrying out the activities contemplated by this Article 5, provided that those costs form part of a budget proposed by KIA that AEM, acting reasonably, has approved in advance. The budget will cover the costs of the activities that are reasonably anticipated to be required in order to carry out the activities contemplated by this Article 5.

5.5 Amendment

Any amendment to this Agreement, whether developed by consensus or as a result of arbitration, shall be recorded in written form and executed on behalf of each Party.

**ARTICLE 6
EXECUTION OF THE AGREEMENT**

ALL OF WHICH HAS BEEN AGREED TO as of the Effective Date, as evidenced by the respective signatures of the duly authorized representatives of the Parties that appear below.

KIVALLIQ INUIT ASSOCIATION

Per:

Per:

**AGNICO-EAGLE MINES LIMITED /
MINES AGNICO-EAGLE LIMITÉE**

Per:

Per:

SCHEDULE A: IMPLEMENTATION

Objectives

- A1. This Schedule has the following objectives:
- (a) full, effective and cooperative implementation of this Agreement;
 - (b) periodic review of implementation of obligations contained in this Agreement;
 - (c) ongoing adaptation of implementation plans to ensure that the objectives and obligations of this Agreement are being met for the mutual benefit of AEM and KIA; and
 - (d) effective communication between the Parties and to the public.

Implementation Committee

- A2. Not later than 60 days after the Effective Date, or at such earlier time agreed to by the Parties, an Implementation Committee will be established.

Membership of the Implementation Committee

- A3. The Implementation Committee shall have four members and consist of two members appointed by each Party. One of the KIA members shall be the KIA Board Director from Baker Lake. One of the AEM members shall be the General Manager of the Meadowbank Mine. While new members may be appointed from time to time in accordance with this Section A3, each Party shall endeavour to maintain consistent membership on the Implementation Committee.

Advisors and Management Level Representatives

- A4. In addition to its members, each Party may invite external advisors and management level representatives to attend meetings of the Implementation Committee, provided that it gives the other Party not less than five Business Days' advance notice of its intention to do so.

Duties of the Implementation Committee

- A5. The Committee shall:
- (a) monitor the implementation of obligations made under this Agreement;
 - (b) recommend strategies and plans to the Parties for the successful implementation of obligations made under this Agreement;
 - (c) assist in the resolution of Disputes in accordance with Section 3.15;

- (c) review AEM’s annual IIBA Implementation Report and provide observations and recommendations to the Parties to improve implementation of this Agreement;
- (d) provide the Parties with information on this Agreement and the Meadowbank Mine for incorporation into newsletters, publications and news releases;
- (e) review reports of the Meadowbank IIBA Coordinator and the KIA IIBA Coordinator;
- (f) provide input to the Parties on the Work Force Development Plan;
- (g) consider other items of mutual concern related to the implementation of this Agreement raised by either Party; and
- (h) monitor and direct the activities of the Implementation Working Group.

Decisions of the Implementation Committee

- A6. The Implementation Committee shall make decisions by consensus. If the Implementation Committee fails to reach a consensus on any matter, either Party may refer the matter to the respective Presidents of the Parties for resolution in accordance with Section 3.15.

Meetings of the Implementation Committee

- A7. There shall be an inaugural meeting of the Implementation Committee within 60 days of its establishment, and thereafter at least two in-person meetings each year and such teleconferences as the Implementation Committee deems necessary.

Chair of the Implementation Committee and Preparation of Minutes

- A8. The Parties shall alternate in chairing meetings of the Implementation Committee. The chair shall be responsible for determining the location of the meeting, and for distributing a proposed agenda to be reviewed and approved at the meeting. If the Implementation Committee so directs, the Meadowbank IIBA Coordinator shall prepare draft minutes of the meeting for review and approval at the next meeting.

Implementation Working Group

- A9. The Parties undertake and agree to establish, at the first meeting of the Implementation Committee following execution of this Agreement, a working group consisting of two representatives of each Party (the “**Implementation Working Group**”). The Implementation Working Group shall report to the Implementation Committee.
- A10. AEM shall appoint the Meadowbank IIBA Coordinator and KIA shall appoint the KIA IIBA Coordinator to the Implementation Working Group.
- A11. While each Party has the discretion to select its other member, it is understood and agreed that, where possible, the third and fourth members of the Implementation Working Group

should be individuals employed at the Meadowbank Mine. A member of the Implementation Working Group who is not so employed must remain adequately informed of activities and circumstances at the Meadowbank Mine on a regular basis.

- A12. The Implementation Working Group shall, in connection with the day-to-day operation of the Meadowbank Mine:
- (a) monitor the on-going status of activities in relation to the implementation of this Agreement;
 - (b) review, discuss and, where practicable, resolve any concerns or issues identified by either Party regarding the implementation of this Agreement;
 - (c) refer to the Implementation Committee issues or concerns that the Implementation Working Group has been unable to resolve;
 - (d) make recommendations to the Implementation Committee for the purpose of facilitating and improving the implementation of this Agreement;
 - (e) provide periodic reports and address any matter related to the implementation of this Agreement as the Implementation Committee may direct from time to time; and
 - (f) gather and review the data and information necessary to prepare the annual IIBA Implementation Report.
- A13. The Implementation Working Group shall operate on the basis of consensus. Where it fails to reach a consensus, the Implementation Working Group shall advise the Implementation Committee of the reasons for any disagreement or difference of views.
- A14. During the 24-month period that follows the establishment of the Implementation Working Group, it will meet not less than once each quarter. Thereafter, subject to the approval of the Implementation Committee, the Implementation Working Group may meet less frequently. In both cases, the Implementation Working Group shall establish a proposed or tentative schedule of meetings each year.
- A15. Either Party may invite its external advisors or management representatives to attend meetings of the Implementation Working Group, provided that it gives the other Party not less than five Business Days' advance notice of its intention to do so.
- A16. Members of the Implementation Working Group shall continue to communicate on an informal basis in relation to the matters described in Section A12 during the intervals between meetings.

Annual IIBA Implementation Report

17. AEM will prepare an annual report on the implementation of this Agreement (the "**Implementation Report**"). AEM shall forward the Implementation Report to KIA not later than three months after the Effective Date or on the next ensuing April 1, whichever

is the later. AEM shall provide subsequent Implementation Reports to KIA by April 1 of each year.

- A18. The Implementation Report shall contain detailed information on:
- (a) progress toward achievement of the MIEGs described in Schedule E;
 - (b) economic benefits arising from Inuit participation in the Meadowbank Mine;
 - (c) contracts awarded, detailing progress toward CIEP implementation, as described in Schedule F;
 - (d) training programs which AEM implemented, contributed to or participated in, detailing Inuit participation; and
 - (e) other matters pertaining to this Agreement, as appropriate.
- A19. AEM will be responsible for all costs associated with the collection of information and data, the necessary analysis, and the production and distribution of the Implementation Report. KIA may make the Implementation Report available to the public in all Kivalliq Communities.
- A20. AEM shall make all data and other information that AEM has compiled in order to prepare the Implementation Report available to KIA at no cost, to enable KIA to analyze this information independently. AEM agrees to reimburse KIA for the costs incurred in order to conduct this analysis as set out in Section J2.

Communication with the Public

- A21. Each Party will inform the other Party of any public meeting pertaining to this Agreement.
- A22. Subject to any confidentiality agreement between KIA and AEM, where information provided to KIA by AEM affects Kivalliq Inuit, those Inuit will be informed of the information in an appropriate manner by KIA.
- A23. Upon execution of this Agreement, the Parties shall jointly issue a news release that confirms the execution of this Agreement.

Communication between Parties

- A24. Nothing in this Schedule A prevents the Parties from communicating with one another on matters considered important for the successful implementation of this Agreement.

SCHEDULE B: MEADOWBANK IIBA COORDINATOR

Objectives

- B1. This Schedule has the following objectives:
- (a) full, effective and cooperative implementation of this Agreement; and
 - (b) the employment of a coordinator to assist AEM in the implementation of its obligations under this Agreement (the “**Meadowbank IIBA Coordinator**”).

Administration

- B2. AEM will employ the Meadowbank IIBA Coordinator and provide that individual’s name and contact information to KIA not later than 15 Business Days after the Effective Date. In the event a new Meadowbank Coordinator is appointed, AEM will notify KIA not later than five Business Days after such appointment.

Location

- B3. AEM agrees that the Meadowbank IIBA Coordinator will be based at the Meadowbank Mine, or in Baker Lake, or from time to time at either location.

Roles and Responsibilities

- B4. The Meadowbank IIBA Coordinator will assist AEM to ensure that its obligations under this Agreement are fulfilled. Specific roles and responsibilities include:
- (a) working closely with AEM management and the KIA IIBA Coordinator to design and develop strategies and plans to provide Inuit with opportunities to benefit from the Meadowbank Mine;
 - (b) identifying Inuit and Inuit Firms interested in taking advantage of Meadowbank Mine-related employment and contracting opportunities during all phases of the Meadowbank Mine;
 - (c) providing secretariat services to the Implementation Committee including preparation and distribution of the minutes of its meetings;
 - (d) participating in the annual development of the Work Force Development Plan in accordance with Section D3;
 - (e) acting as one of the AEM members on the Implementation Working Group;
 - (f) advising AEM employee relations personnel of employee counselling needs and of counselling programs that are offered in the Kivalliq Region;
 - (g) assisting AEM in the development and implementation of workplace training for Inuit employees;

- (h) together with the KIA IIBA Coordinator, developing an on-going program of consultation with Inuit employees of AEM to identify their needs, issues and concerns;
- (i) assisting AEM in accessing appropriate programs to address family separation (while an employee is at work), money management, life skills, alcohol/drug and gambling education/awareness programs to assist Inuit employees and their families in responding to lifestyle changes associated with employment at the Meadowbank Mine;
- (j) recommending ways and means to increase benefits and mitigate adverse socio-economic impacts of the Meadowbank Mine on Inuit; and
- (k) communicating frequently with the KIA IIBA Coordinator on strategies and plans for successful implementation of this Agreement.

SCHEDULE C: KIA IIBA COORDINATOR

Objectives

- C1. This Schedule has the following objectives:
- (a) full, effective and cooperative implementation of this Agreement; and
 - (b) the employment of a coordinator to assist KIA in the implementation of its obligations under this Agreement (the “**KIA IIBA Coordinator**”).

Administration

- C2. KIA will employ the KIA IIBA Coordinator and notify AEM of that individual’s name and contact information not later than 15 Business Days after the Effective Date. In the event a new KIA Coordinator is appointed, KIA will notify AEM not later than five Business Days after such appointment.

Roles and Responsibilities

- C3. The KIA IIBA Coordinator will assist KIA in ensuring that the provisions of this Agreement are implemented. Specific roles and responsibilities include:
- (a) working closely with KIA management and the Meadowbank IIBA Coordinator to design and develop strategies and plans to ensure Inuit from the Kivalliq Region are provided opportunities to benefit from the Meadowbank Mine;
 - (b) assisting the Meadowbank IIBA Coordinator in the provision of secretariat services to the Implementation Committee;
 - (c) assisting in identifying Inuit and Inuit Firms interested in taking advantage of Meadowbank Mine employment and contracting opportunities;
 - (d) assisting KIA with administration of the Kivalliq Scholarship Fund contemplated by Section D16;
 - (e) assisting KIA with delivery of programs as described under Schedule L;
 - (f) providing advice to KIA Implementation Committee members;
 - (g) advising the Meadowbank IIBA Coordinator of Inuit employee needs, issues and concerns;
 - (h) assisting the Meadowbank IIBA Coordinator in the identification of appropriate programs for Inuit employees and their families to address lifestyle changes associated with employment at the Meadowbank Mine, including: family separation counselling (while an employee is at work), money management, life skills, alcohol/drug and gambling education/awareness;
 - (i) recommending to KIA ways and means to implement this Agreement; and

- (j) communicating frequently with the Meadowbank IIBA Coordinator on strategies and plans for successful implementation of this Agreement.
- C4. Information provided to the KIA IIBA Coordinator and KIA by Inuit employees of the Meadowbank Mine concerning personal or family matters will remain confidential and not be disclosed to AEM unless the individuals affected give their informed consent in writing for such disclosure.

SCHEDULE D: TRAINING AND EDUCATION

Objectives

- D1. This Schedule has the following objectives:
- (a) the provision of training opportunities for Inuit at the Meadowbank Mine;
 - (b) the provision of educational opportunities for Inuit; and
 - (c) on-going development, maintenance and retention of a skilled and qualified Inuit labour force at the Meadowbank Mine.

Kivalliq Inuit Work Force Development Plan

- D2. Concurrent with the execution of this Agreement and on each anniversary of that event, AEM shall provide to KIA and the Implementation Committee a list showing each position to be filled at the Meadowbank Mine during the ensuing year, together with a summary of the skills and knowledge required to perform the duties of each such position.
- D3. AEM, in consultation with KIA and the Implementation Committee, shall prepare a plan to be used to achieve the Minimum Inuit Employment Goals established in Schedule E (the “**Work Force Development Plan**”). The Work Force Development Plan shall include:
- (a) the information described in Section D2;
 - (b) labour supply information, including the Kivalliq Inuit labour supply information to be provided by KIA in accordance with Sections E26 and E27;
 - (c) a description of strategies to enhance employability and advancement of Inuit in all positions of the Meadowbank Mine including:
 - (i) the barriers that must be removed or minimized to increase the number of potential Inuit employees at the Meadowbank Mine;
 - (ii) the barriers that must be removed or minimized to enhance the advancement of existing Inuit employees within the Meadowbank Mine labour force; and
 - (iii) a description of training programs developed by AEM and governmental agencies responsible for training of Inuit;
 - (d) proposed funding and programs for the implementation of the Work Force Development Plan; and
 - (e) other information pertinent to sound human resource planning.
- D4. AEM shall submit the initial Work Force Development Plan to the Implementation Committee not later than 40 Business Days after receiving the Kivalliq Inuit labour supply information to be provided by KIA pursuant to Section E26. AEM shall submit an updated Work Force Development Plan to the Implementation Committee annually, and shall do so

not later than the anniversary of the date on which the initial plan was submitted, provided that KIA, in accordance with Section E27, has analyzed and updated the information contemplated by Section E26 and has made it available to AEM.

- D5. KIA shall assist AEM in the development of the Work Force Development Plan by working with the appropriate governmental agencies to identify skills and qualifications available in the Work Force and the number of Kivalliq Inuit potentially available to fill the positions described in Section D2.

Inuit Employment and Training Coordinator

- D6. Within the Human Resources department at the Meadowbank Mine, AEM will have a full-time employee who is fluent in Inuktitut and whose responsibilities, in conjunction with management and other staff, will include liaison, training programs and orientation of Inuit employees.

Inuit Training Opportunities

- D7. AEM shall maintain an on-going orientation and training program for Inuit employees that incorporates a review of the policies and procedures that AEM has established for the Meadowbank Mine, including those pertaining to worker health and safety.
- D8. AEM shall provide on-going career-path planning and counselling for Inuit employees that incorporate clear options for advancement to more senior positions at the Meadowbank Mine. An Inuit employee will qualify for the career-path planning and counselling contemplated by this Section D8 if he or she:
- (a) is a permanent employee;
 - (b) has completed not less than 12 months of continuous service; and
 - (c) has indicated a willingness to undergo the career-path planning and counselling that this Section D8 contemplates.

Despite paragraph D8(b), where AEM determines that an employee who has not completed 12 months of continuous service has demonstrated the potential to advance to a more senior position at the Meadowbank Mine, AEM shall give reasonable consideration to offering that employee career-path planning and counselling in accordance with this Section D8.

- D9. Not later than six months after the Effective Date, AEM shall develop and implement programs under which it will provide on-going supervisory skills and management training to employees who, as a result of the career-path planning and counselling undertaken in accordance with Section D8, have been selected for and have confirmed their willingness to undergo such supervisory skills and management training.
- D10. AEM shall provide its employees and KIA with full information, on a quarterly basis, that describes training opportunities and programs that are available to employees and potential employees of the Meadowbank Mine.

D11. AEM shall ensure that not less than 44 positions that provide job-related skills and training will be available to Inuit at the Meadowbank Mine. In addition, AEM shall ensure that there will be:

- (a) eight entry-level trainee positions of an unskilled nature for Inuit; and
- (b) eight apprentice positions for Inuit in trades that can be practised in relation to the exploration and mining industry,

provided that AEM is not required to engage more than a total of eight such trainees or eight such apprentices at any one time.

D12. Where this Agreement requires a Contractor to achieve a MIEG, AEM shall incorporate, as a term of the applicable contract, a requirement for the Contractor to develop and implement training programs consistent with this Schedule D, aimed at increasing employment and advancement opportunities for Inuit.

D13. AEM shall provide Inuit employees with job placement counselling upon a Closure decision being made. Job placement counselling will focus on identifying and securing alternate employment and, if required, accessing employment insurance benefits.

On-site Training Facilities and Living Accommodation

D14. AEM shall provide training facilities and living accommodation on site that are sufficient to enable AEM to fulfill its obligations in accordance with this Schedule D.

Reporting

D15. Not later than April 1 and October 1 of each year, AEM shall submit a written report to the Implementation Committee that describes:

- (a) the training programs provided to Inuit;
- (b) the number of hours of training received by Inuit under such training programs;
- (c) the percentage of Inuit who successfully completed the training; and
- (d) the number of Inuit who received promotions.

The April 1 report shall cover the period from July 1 to December 31 of the immediately preceding year. The October 1 report shall cover the period from January 1 to June 30 of the then current year.

Inuit Education Opportunities

D16. AEM shall make a payment to KIA in the amount of \$14,000 on the Effective Date of this Agreement, and thereafter on the anniversary of that date, to establish and maintain a scholarship fund for the benefit of Inuit post-secondary students from the Kivalliq Region (the “**Kivalliq Scholarship Fund**”).

- D17. Scholarships awarded from the Kivalliq Scholarship Fund shall be granted preferentially to individuals who wish to pursue post-secondary studies in fields such as geology, engineering, accounting, information technology and environmental sciences that will enable them to pursue employment in the mineral exploration and mining industry.
- D18. If KIA does not distribute the total amount available in the Kivalliq Scholarship Funds in any one year, the remaining funds shall accrue and may be used in subsequent years. KIA shall administer the Kivalliq Scholarship Fund through a trust, and KIA shall develop terms of reference for the granting of scholarships, including guiding principles, size and duration of awards.
- D19. KIA shall acknowledge AEM's support in all scholarships provided through the Kivalliq Scholarship Fund. AEM shall have the right to audit the Kivalliq Scholarship Fund from time to time.
- D20. KIA and AEM shall work with the government agencies responsible for education and training in Nunavut toward the development and implementation of off-site education and training programs aimed at preparing Inuit for employment in mining-related fields.
- D21. AEM and KIA shall encourage the government agencies responsible for education in Nunavut to provide trades training within the Kivalliq high school system.
- D22. AEM shall, on an annual basis, provide Inuit high school and post-secondary students opportunities to visit the Meadowbank Mine. This may be done in concert with Kivalliq high schools and other agencies responsible for education and training.
- D23. In an effort to enable Inuit employees to advance in all levels of employment at the Meadowbank Mine, AEM shall provide on-site facilities to permit Inuit employees to access education upgrading programs and opportunities during their non-working hours.

Job Fairs

- D24. AEM shall undertake community information and career awareness programs in all Kivalliq Communities once each year. AEM may do this in collaboration with government and other agencies through participation in initiatives aimed at providing information on:
- (a) the labour needs of the Meadowbank Mine;
 - (b) the skills and qualifications required for employment and advancement at the Meadowbank Mine;
 - (c) the training opportunities available to prepare for employment at the Meadowbank Mine; and
 - (d) educational support programs for development of qualifications in the mining industry.

SCHEDULE E: INUIT EMPLOYMENT

Objectives

- E1. This Schedule has the following objectives:
- (a) to establish AEM recruitment, hiring and employment practices that reflect Inuit cultural values and circumstances;
 - (b) to enhance opportunities for Inuit to obtain employment and succeed in careers at the Meadowbank Mine;
 - (c) to increase Inuit employment at the Meadowbank Mine to a level that reflects the ratio of Inuit to non-Inuit in the Work Force; and
 - (d) to guide the development of a policy for the use of Inuktitut at the Meadowbank Mine in a manner that respects the employment, cultural and social aspirations of Inuit.

Meadowbank Mine Positions

- E2. Every position at the Meadowbank Mine shall be open to Inuit having the ability, work skills and experience, and either the Formal Qualifications or the Equivalent Qualifications required for employment in the position.

Contractors

- E3. AEM shall require its Contractors to adopt and apply recruitment and employment policies and practices that are consistent with the policies and practices that this Schedule E requires of AEM.

Advance Notice of Employment Opportunities to Inuit

- E4. AEM shall provide Inuit not less than 10 Business Days' advance notice of each opportunity for employment at the Meadowbank Mine before announcing any such opportunity to non-Inuit. AEM shall do so by:
- (a) notifying KIA in writing; and
 - (b) informing Inuit of the opportunity, in a manner acceptable to KIA, acting reasonably.

Equivalencies

- E5. In consultation with the Implementation Committee, AEM shall identify, for each position at the Meadowbank Mine, education levels, work skills, ability levels and experience that, taken together (the **"Equivalent Qualifications"**), can be considered equivalent to the formal qualifications for the position (the **"Formal Qualifications"**). Unless prohibited from doing so by law, AEM shall give the same consideration to an applicant who has the

applicable Equivalent Qualifications as AEM gives to an applicant who has the corresponding Formal Qualifications.

Preferential Hiring

- E6. Where an applicant who is an Inuk and an applicant who is not an Inuk are equally qualified for a position at the Meadowbank Mine, whether by virtue of their respective Equivalent Qualifications or Formal Qualifications, AEM shall give preference to the applicant who is an Inuk. Where two equally qualified Inuit have applied for the position, and one is a resident of Baker Lake while the other is not, AEM shall give preference to the Inuk who is a resident of Baker Lake.

Inuit Employment Target

- E7. AEM shall implement the procedures established in this Schedule E in order to progressively increase the level of Inuit employment at the Meadowbank Mine so that, as soon as practicable, the level of Inuit employment reflects the ratio of Inuit to non-Inuit in the Work Force.
- E8. AEM and KIA agree to use their respective best efforts, on a collaborative basis, to increase the number of Inuit in the Work Force in support of the objective described in Section E7.

Establishment of Minimum Inuit Employment Goals

- E9. The Implementation Committee shall establish, for each 12-month period of operations at the Meadowbank Mine, a **Minimum Inuit Employment Goal (“MIEG”)** for each of the four principal centres of activity, namely:
- (a) mining;
 - (b) milling;
 - (c) supporting services performed by AEM’s own employees at the Meadowbank Mine, including administration, purchasing, human resources, environmental management, health and safety, security and transportation; and
 - (d) services performed by AEM’s Contractors, whether performed at the Meadowbank Mine site or elsewhere, to the extent that such services are performed exclusively in support of, or in relation to, the Meadowbank Mine,
- each of which shall be referred to as an **“Activity Centre”**.
- E10. For each Class A Contract, AEM shall also establish a MIEG specific to that contract.
- E11. Each MIEG shall be the ratio of the total number of person hours that Inuit employees are expected to work to the total number of person hours that all individuals are expected to work in the applicable Activity Centre during the period in question, expressed as a percentage.

- E12. For purposes of establishing the MIEG for an Activity Centre:
- (a) the “total number of person hours that Inuit employees are expected to work” means the sum of the number of hours expected to be worked in that Activity Centre by:
 - (i) Inuit employees of AEM;
 - (ii) Inuit employed by Contractors; and
 - (iii) Inuit participating in training and apprenticeship programs established at or specifically in relation to that Activity Centre; and
 - (b) the “total number of person hours that all individuals are expected to work” means the sum of the number of hours expected to be worked in that Activity Centre by:
 - (i) all employees of AEM;
 - (ii) all individuals employed by Contractors; and
 - (iii) all individuals participating in training and apprenticeship programs established at or specifically in relation to that Activity Centre.
- E13. In addition to the MIEGs established for each Activity Centre, the Implementation Committee shall establish a MIEG for the Meadowbank Mine as a whole for each 12-month period of operations, taking into account the MIEG established for each Activity Centre for the corresponding period.
- E14. The Implementation Committee shall:
- (a) establish the initial MIEG for each Activity Centre and for the Meadowbank Mine as a whole not later than 60 Business Days after receiving the Work Force Development Plan prepared in accordance with Section D3; and
 - (b) subject to Sections E15 and E16, review and adjust each MIEG on an annual basis thereafter.
- E15. In its annual review and adjustment of the MIEGs, the Implementation Committee shall:
- (a) take into account any information that has become available to it during the preceding 12-month period; and
 - (b) adjust the MIEGs each year with the goal of ensuring that, Inuit employment at the Meadowbank Mine will, as soon as practicable, have increased to and will thereafter remain at a level that reflects the ratio of Inuit to non-Inuit in the Work Force.
- E16. In setting and adjusting the MIEG, the Implementation Committee shall take into account:

- (a) the Work Force Development Plan prepared in accordance with Section D4;
 - (b) the level of Inuit employment achieved at comparable projects in Nunavut; and
 - (c) the anticipated or actual impact of other projects in Nunavut on the availability of Inuit labour.
- E17. AEM shall use all reasonable efforts and implement effective strategies, including those developed through the Work Force Development Plan, to achieve a level of Inuit employment at least equal to the MIEGs established in accordance with this Schedule E from time to time.
- E18. If the Implementation Committee is unable to agree on an initial or any subsequent MIEG, whether in respect of an Activity Centre, a Class A Contract or the Meadowbank Mine as a whole, the disagreement shall constitute a Dispute. If the respective Presidents of the Parties fail to resolve the Dispute in accordance with Section 3.15, either Party may refer the Dispute for resolution by arbitration in accordance with Schedule M. The MIEG determined as a result of the arbitration shall remain in effect until it is amended or adjusted in accordance with this Agreement.

Annual AEM MIEG Plan

- E19. Not later than 40 Business Days after the Implementation Committee has determined the initial or a subsequent MIEG for the Meadowbank Mine as a whole, AEM shall prepare and submit to KIA a written plan that describes the measures that AEM intends to implement in order to achieve the applicable MIEG, including:
- (a) the steps AEM intends to take in order to recruit potential Inuit employees;
 - (b) the strategies that AEM has implemented or proposes to implement in order to increase the number of Inuit employees at the Meadowbank Mine, including the strategies described in the Work Force Development Plan; and
 - (c) any other measure intended to optimize Inuit training and employment at the Meadowbank Mine.

MIEG Evaluation and Reporting

- E20. Not later than August 1 of each year, AEM shall determine whether it has achieved the MIEG for the Meadowbank Mine as a whole, by dividing the total number of person hours worked by Inuit during the first and second quarters of the year by the total number of hours worked by all individuals on the Meadowbank Mine during the same period, and expressing the result as a percentage. AEM shall perform the same calculation not later than February 1 of each year, using the corresponding data for the third and fourth quarters of the immediately preceding year.
- E21. AEM shall determine, at the same intervals and by applying an analogous formula, whether it has achieved the MIEG established for each Activity Centre.

E22. Not later than April 1 and October 1 of each year, AEM shall submit a report to KIA that presents the results of the determinations that AEM makes under Sections E20 and E21 (the “**Biannual MIEG Report**”). The Biannual MIEG Report submitted on April 1 shall provide this information for the third and fourth quarters of the immediately preceding year, and the Biannual MIEG Report submitted on October 1 shall provide the corresponding information for the first and second quarters of the year in which it is submitted.

MIEG Not Achieved

E23. Where AEM has not achieved the annual MIEG established for the Meadowbank Mine as a whole, the Implementation Committee shall meet in order to provide the opportunity for AEM to describe the efforts that it has made in order to achieve the MIEG. The Implementation Committee shall determine whether AEM used all reasonable efforts to do so.

E24. If the Implementation Committee fails to reach a consensus pursuant to Section E24, that failure to do so shall constitute a Dispute. If the respective Presidents of the Parties fail to resolve the Dispute in accordance with Section 3.15, either Party may refer the Dispute for resolution by arbitration in accordance with Schedule M.

E25. If the Arbitrator determines that AEM has failed to use all reasonable efforts to achieve the annual MIEG, the Arbitrator may order AEM to implement remedial measures to correct the failure, provide a disincentive for future failures, and improve AEM’s policies and practices. The remedial measures may require AEM to:

- (a) implement specific steps to achieve the MIEG in the future; and
- (b) provide reasonable financial compensation to KIA to be applied toward Inuit training or employment programs, where AEM has failed to achieve the annual MIEG for the Meadowbank Mine as a whole for two consecutive years.

Kivalliq Inuit Labour Supply Information

E26. Not later than three months after the Effective Date, KIA shall collect available information on Kivalliq Inuit who are potentially available for employment at the Meadowbank Project including:

- (a) the estimated number of individuals constituting the Work Force;
- (b) the educational and skill levels of the individuals constituting the Work Force;
- (c) the estimated number of Kivalliq Inuit willing to undergo training for mine-related employment;
- (d) the estimated number of Kivalliq Inuit willing to work on a rotational schedule at a remote mine site; and

- (e) an assessment of the overall level of interest in mine-related employment in the Work Force.

E27. KIA shall analyze and update the information described in Section E26 and provide it to AEM annually for use in the development of the Work Force Development Plan described in Section D3 and the annual MIEG plan described in Section E19.

Work and Rotation Schedules

E28. AEM shall be entitled, in its sole discretion, to establish work and rotation schedules for Inuit employees at the Meadowbank Mine, and to do so with due regard for the need to ensure efficient and cost-effective arrangements for transporting Inuit employees to and from their respective Points of Hire.

E29. AEM will give reasonable consideration to requests for unscheduled periods of leave that Inuit employees may make in order to undertake traditional activities, provided that granting unscheduled leave does not compromise the efficient, cost-effective and safe operation of the Meadowbank Mine.

Points of Hire

E30. Each Kivalliq Community shall be a “**Point of Hire**” for the Meadowbank Mine.

Transportation of Inuit Employees

E31. AEM will arrange and pay for transportation of the Inuit employees between their respective Points of Hire and the Meadowbank Mine.

Inuktitut in the Workplace

E32. AEM acknowledges and supports the importance of the Inuktitut language to Inuit culture and tradition. AEM affirms its commitment to afford all persons an equal opportunity for employment at the Meadowbank Project irrespective of their first language learned, subject to the principle of selection of personnel according to merit, applied in a manner consistent with the provisions of this Schedule E.

E33. AEM undertakes to afford to Inuit who are not fluent in English the opportunity to qualify for any position at the Meadowbank Project where a lack of fluency in English will not limit the ability of the employee to perform the duties of the position or compromise worker health or safety. AEM shall ensure that, to the extent required to give effect to this commitment, its practices, procedures and written documents for recruitment and employment are available and can be completed in Inuktitut.

E34. In recognition of the desire of KIA that the use of Inuktitut should increase over the life of the Meadowbank Mine, AEM undertakes to:

- (a) establish, in consultation with the Implementation Committee, a written policy to guide managers, supervisors and other employees in respect of the use of

Inuktitut at the Meadowbank Mine (the “**Meadowbank Language Policy**”);
and

- (b) prepare annually a written report for review by the Implementation Committee on the use of Inuktitut at the Meadowbank Mine (the “**Annual Language Report**”).

E35. The Annual Language Report shall include the following information in respect of all individuals employed or engaged in training at the Meadowbank Mine whose first language is Inuktitut:

- (a) the total number of such employees, together with a list of the positions held by each of them;
- (b) the total number of such trainees, together with a list of the trades or occupations in which they were being trained;
- (c) a list of promotions or advancements granted to such employees or trainees;
- (d) a description of any measures that AEM has implemented to facilitate the use of Inuktitut by such employees or trainees; and
- (e) any other measurement of the extent to which Inuktitut is used in the workplace agreed to by the Implementation Committee.

E36. AEM shall arrange for Inuktitut translations of policies, directives, guidelines or other documents and make them readily available to employees and trainees to the extent necessary to ensure the harmonious and efficient operation of the Meadowbank Mine and the protection of worker health and safety.

E37. AEM shall arrange for instruction in the English language for all Inuit employees and trainees who desire such instruction. AEM shall make this instruction available at the Meadowbank Mine at times other than regular working hours.

E38. AEM will ensure that Inuit employees and trainees have reasonable access to electronic and print media in Inuktitut at the Meadowbank Mine.

Employment Support System

E39. Consistent with the objectives set out in Section E1, AEM shall:

- (a) provide cross-cultural orientation and training for all employees of AEM and all employees of Contractors who are assigned to the Meadowbank Mine for periods of six months or more;
- (b) not less often than once every six months after the Effective Date, offer interested Inuit employees on-site workshops on personal financial management that address matters such as managing a pay cheque, household budgeting, retirement planning and personal banking information.

- (c) commencing not later than two years after the Effective Date, offer interested Inuit employees and their legal dependents individual counselling by qualified persons to address personal or social problems arising from employment at the Meadowbank Mine (the “**Meadowbank Counselling Program**”). The Meadowbank Counselling Program shall be:
 - (i) available to all Inuit employees;
 - (ii) of a frequency and duration of time determined by the counsellor and client, and with due regard to work schedules, rotation schedules and employment duties;
 - (iii) provided for a period of up to six months in the event of termination of employment; and
 - (iv) provided on-site or at the employee’s Point of Hire, at the employee’s option.
- (d) work collaboratively with KIA to identify additional funding sources for the Counselling Program.
- (e) not less than once each week, offer Country Food to Inuit employees on site, provided that such food is available from a government-approved and certified supplier;
- (f) provide adequate freezer and refrigerator space at the Meadowbank Mine, for Inuit employees to store Country Food for personal consumption; and
- (g) provide on-site communication services including internet and telephone, to enable Inuit employees to communicate at reasonable intervals with family members.

Summer Employment

- E40. Throughout all phases of the Meadowbank Mine, AEM shall make summer employment opportunities available to Inuit students, in the following order of priority:
- (a) Inuit students normally resident in Baker Lake;
 - (b) Inuit students normally resident in another Kivalliq Community; and
 - (c) Inuit students normally resident elsewhere in Nunavut.

Use and Storage of Firearms

E41. AEM shall prohibit the discharge of firearms by its employees, Contractors and visitors within 1.6 kilometres of the Meadowbank Mine. Every person who brings a firearm to the site shall

- (a) do so in a sealed and locked container; and
- (b) store such firearm with on-site security personnel for the duration of that person's stay.

AEM shall store firearms in an appropriate manner, including provision of secure outdoor storage.

SCHEDULE F: CONTRACTING

Objectives

- F1. (a) This Schedule is intended to establish procedures that will:
- (i) increase the participation of Inuit Firms and other firms that provide significant benefits to Inuit in contracts for the provision of the goods and services that AEM requires in relation to the Meadowbank Mine (“**MBK Contracts**”);
 - (ii) increase the number of Inuit who are employed in the performance of MBK Contracts to a level that reflects the ratio of Inuit to non-Inuit in the Work Force; and
 - (iii) improve the capacity of Inuit Firms to be awarded and to perform MBK Contracts,
- in order to increase the economic benefits accruing to Inuit and to Nunavut from the Meadowbank Mine.
- (b) For purposes of this Agreement, “bid” includes a formal bid, offer or proposal to enter into an MBK Contract.

Annual List of MBK Contracts

- F2. Not later than November 1 of each year, AEM shall provide KIA with a list of all MBK Contracts that AEM reasonably foresees will be awarded during the ensuing calendar year (the “**Annual Contracts List**”).
- F3. Not later than December 1 of each year, the Implementation Committee will review the Annual Contracts List to identify the contracts for which Inuit Firms may have the necessary experience, capacity and qualifications.
- F4. AEM shall notify the Implementation Committee of any additional contract for the applicable calendar year that was not included in the Annual Contracts List as soon as AEM becomes aware of it. Each such contract shall be added to the Annual Contracts List for that year.

Classification of Contracts

- F5. Each MBK Contract shall be classified as a “**Class A**”, “**Class B**” or “**Class C**” contract where, before taking into account any applicable taxes:
- (a) a Class A Contract is one that is expected to require AEM to incur expenditures of \$500,000 or more;
 - (b) a Class B Contract is one that is expected to require AEM to incur expenditures of \$100,000 or more but less than \$500,000; and

- (c) a Class C Contract is one that is expected to require AEM to incur expenditures of less than \$100,000.

Multi-Component Contracts

- F6. Whenever it is practical to do so, AEM shall separate multi-component MBK Contracts into discrete tendering packages that can be bid upon collectively or individually, in order to fulfill the objectives set out in Section F1.

Expressions of Interest and Notice Period – Class A Contracts

- F7. AEM shall provide advance notice of not less than ten Business Days of its intention to enter into a Class A Contract (the **Notice Period**”).
- F8. Each notice required by Section F7 shall:
 - (a) be provided to KIA;
 - (b) be advertised in at least one newspaper distributed in Nunavut;
 - (c) be posted in English and Inuktitut in each Kivalliq Community;
 - (d) state prominently that Inuit Firms shall be given preference;
 - (e) describe in general terms the experience, capacity and qualifications that are required to fulfill the contract;
 - (f) disclose any requirement to provide a bid bond; and
 - (g) clearly indicate the manner in which a potential bidder must communicate to AEM its interest in performing the contract and the deadline for doing so.

Minimum Bidding Period – Class A Contracts

- F9. AEM will allow potential bidders not less than 15 Business Days immediately following the expiry of the Notice Period to prepare and submit a bid to perform a Class A Contract (the **“Bidding Period”**).
- F10. Notwithstanding Section F9, provided that it acts reasonably, AEM may, in its discretion, determine that a shorter Bidding Period is justified, having regard to the nature and complexity of the Class A Contract in question. If AEM establishes a Bidding Period of less than 15 Business Days, AEM shall advise the Implementation Working Group and explain the basis for the shorter Bidding Period.
- F11. If an Inuit Firm advises AEM during the Notice Period of its interest in bidding on a Class A Contract, and the Inuit Firm so requests, AEM shall make all reasonable efforts to assist each such firm to formulate its bid so as to maximize the extent to which its bid will:

- (a) fulfill the objectives set out in Section F1; and
- (b) achieve or exceed the thresholds to qualify for Inuit Ownership Preference Points pursuant to Appendix F-1,

provided that AEM shall not be required to prepare bid documents or otherwise assist an Inuit Firm in a way that would compromise the competitive bidding process.

Class B Contracts

F12. Subject to Section F14, AEM shall negotiate directly with an Inuit Firm to perform a Class B Contract if:

- (a) the Inuit Firm has represented to AEM that it has the experience, capacity and qualifications necessary to perform the contract on a competitive basis;
- (b) acting reasonably, AEM has satisfied itself as to those representations.

AEM shall provide the Inuit Firm with full opportunity to present and substantiate its bid to perform the Class B Contract.

F13. When negotiating a Class B Contract with an Inuit Firm pursuant to Section F12, AEM will allow not less than 25 Business Days to complete the negotiations.

F14. Where two or more Inuit Firms have represented to AEM that they have the experience, capacity and qualifications necessary to perform a Class B Contract on a competitive basis, AEM will request competitive bids from each of those Inuit Firms.

F15. If, acting reasonably, AEM does not engage an Inuit Firm to perform a Class B Contract, AEM shall be entitled to solicit proposals from any other entity to perform the contract.

Class C Contracts

F16. AEM will make all reasonable efforts to engage only Inuit Firms to perform Class C Contracts.

F17. If, acting reasonably, AEM does not engage an Inuit Firm to perform a Class C Contract, AEM shall be entitled to solicit proposals from any other entity to perform the contract.

Contracts with Sakku

F18. Notwithstanding any other provision of this Schedule F, AEM shall enter into negotiations in good faith and shall make all reasonable efforts to engage Sakku Investments Corp. (“**Sakku**”), whether acting independently or in association with one or more suitable joint venture partners, to perform MBK Contracts to:

- (a) supply, deliver and store explosives;
- (b) supply, install and repair tires; and

- (c) furnish other kinds of goods and services that the Parties may, by mutual agreement, identify from time to time.

Direct Negotiations for Contracts without Competitive Bidding

F19. Notwithstanding any other provision of this Schedule F, AEM shall have the discretion to enter into an MBK Contract without competitive bidding in the following circumstances:

- (a) where:
 - (i) an Inuit Firm expresses interest in negotiating a Class B Contract as envisaged by Section F12; or
 - (ii) AEM and Sakku wish to negotiate a contract pursuant to Section F18;
- (b) where only one supplier is likely to be able to perform the contract on account of the nature of the goods or services to be provided, or having regard to the time in which they must be furnished;
- (c) where AEM could not have reasonably foreseen the need for the goods or services that are required; or
- (d) where there is an urgent requirement for the goods or services and there is insufficient time to invite potential Contractors to submit bids.

F20. AEM will notify the Implementation Committee

- (a) not less than 15 Business Days before entering into negotiations for a contract pursuant to Section F19(b); and
- (b) as soon as possible after AEM has identified the need to negotiate a contract pursuant to Section F19(c) or Section F19(d).

Bid Bonds

F21. For Class B and Class C Contracts, AEM agrees to waive the requirement for a bid bond where a potential bidder that has the experience, capacity and qualifications necessary to perform the contract and would otherwise be qualified to perform the contract demonstrates to the satisfaction of AEM, acting reasonably, that it would be deprived of that opportunity solely because of the requirement for a bid bond.

Definition of Inuit Firm

F22. In order to qualify as an **“Inuit Firm”** under this Agreement, a business entity must:

- (a) comply with the legal requirements to carry on business in the Nunavut Settlement Area;
- (b) be comprised of one of the following:

- (i) a limited company in which not less than 51 per cent of the company's voting shares are beneficially owned by Inuit;
 - (ii) a cooperative controlled by Inuit; or
 - (iii) an Inuk sole proprietorship or partnership;
- (c) demonstrate to the satisfaction of AEM, acting reasonably, that Inuit:
- (i) have not less than a 51 per cent beneficial ownership in the entity; and
 - (ii) control the entity; and
- (d) be enrolled on the list of Inuit firms that Nunavut Tunngavik Incorporated maintains pursuant to Section 24.7.1 of the Nunavut Land Claims Agreement (the "**List of Inuit Firms**").

For purposes of Section F22(c), AEM shall be deemed to have acted reasonably if it relies on the assessment of an independent third party.

Inuit Preference Points – Class A Contracts

- F23. When evaluating each bid submitted to perform a Class A Contract, AEM shall notionally reduce the total price for which the bidder ("**Bidder**") has offered to perform the contract by applying a reduction of up to 15 per cent determined in accordance with the matrix shown in Appendix F-1, where:
- (a) "**Inuit Ownership Preference Points**" means the values to be determined in accordance with Appendix F-1; and
 - (b) a long-term ("**LT**") Class A Contract for services is one that will be in effect for 365 consecutive days or more;
 - (c) a short-term ("**ST**") Class A Contract for services is one that will be in effect for less than 365 consecutive days;
 - (d) a "**Goods**" Class A Contract is one for the supply of equipment, materials or supplies, irrespective of the period in which it will be in effect;
 - (e) the "**Inuit Net Profit Interest**" is the portion of the net profit that the Bidder expects to earn by performing the contract that will be disbursed to the Bidder's Inuit beneficial owners or partners, expressed as a percentage of the total net profit that will be disbursed to all of the Bidder's beneficial owners or partners; and
 - (f) "**Location**" means a retail, wholesale, marshalling, expediting or manufacturing facility or other installation that is located in the Kivalliq Region at or from which a Bidder undertakes to produce or supply the equipment, materials or supplies required under a Goods Class A Contract.

- F24. During the period that ends on the second anniversary of the Effective Date, in order to qualify for Inuit Ownership Preference Points, a Bidder must be an Inuit Firm.
- F25. Subject to Section F26, commencing on the first day that follows the second anniversary of the Effective Date, in order to qualify for Inuit Ownership Preference Points, a Bidder must be either:
- (a) an Inuit Firm; or
 - (b) an entity, including a partnership or joint venture, in which the Inuit Net Profit Interest that will apply if AEM awards the contract to the Bidder is not less than 10 per cent.
- F26. Commencing on the first day that follows the fourth anniversary of the Effective Date, in order to qualify for Inuit Ownership Preference Points, a Bidder must be either:
- (a) an Inuit Firm; or
 - (b) an entity, including a partnership or joint venture, in which the Inuit Net Profit Interest that will apply if AEM awards the contract to the bidder is not less than 15 per cent.
- F27. AEM and KIA undertake and agree that, acting reasonably and good faith, they will amend Appendix F-1 on a consensual basis during the term of this Agreement where circumstances indicate that it is necessary or desirable to do so in order to achieve the objectives of this Agreement, including those established pursuant to this Schedule F.
- F28. AEM shall require each Bidder that claims entitlement to a Notionally Reduced Price in accordance with Section F31 to submit, as part of its bid to perform the contract, a statutory declaration made by two officers of the Bidder (the “**Declaration**”) attesting:
- (a) where the Bidder represents itself as an Inuit Firm, that it satisfies the criteria set out in Section F22, and that the Declaration takes into account all agreements and collateral agreements, whether written or oral, that pertain to the control or management of the Bidder; or
 - (b) in any other case, that the representation that the Bidder has made in its bid as to the Inuit Net Profit Interest is true, and that the aforesaid representation takes into account all agreements and collateral agreements, whether written or oral, that pertain to the control or management of the Bidder.

The Declaration shall also include a provision whereby the Bidder undertakes and agrees to disclose forthwith to AEM any material change in its control or management or in relation to the Inuit Net Profit Interest in the performance of the contract.

- F29. Where AEM enters into a contract on the basis of a Notionally Reduced Price determined in accordance with Section F31, the contract shall include a provision whereby the Bidder, for itself and for and on behalf of the signatories to the applicable Declaration, covenants and agrees that KIA has a right of action against the Bidder and against the

signatories to the Declaration for any additional amounts that would have been disbursed to the Bidder's Inuit shareholders, partners or joint venturers if the representations as to the Inuit Net Profit Interest that the Bidder made in its bid had been accurate.

- F30. Where AEM requires a Bidder to submit information to corroborate any of the representations that the Bidder has made in its Declaration, AEM shall require the Bidder to submit that information to an independent third party agreed to by KIA and AEM. The independent third party shall advise the Implementation Committee of any material inconsistency between the representations made in the Declaration and the information that the Bidder has submitted to corroborate those representations.

Evaluation of Bids and Award of Class A Contracts

- F31. AEM shall calculate the notionally reduced price contemplated by Section F23 according to the following formula:

$$\text{“Notionally Reduced Price”} = \text{Bidder's total price} \times (100 - \text{total number of Inuit Preference Points determined in accordance with Schedule F-1})$$

- F32. Subject to Section F33, AEM shall evaluate each offer to perform a Class A Contract, and shall award the contract having regard to all of the relevant factors, including:
- (a) the Notionally Reduced Price;
 - (b) in the case of an LT or an ST Class A Contract, the anticipated quality of the services to be performed and the schedule for doing so;
 - (c) in the case of a Goods Class A Contract, the quality of the goods and the continuity and consistency of their supply pursuant to the contract; and
 - (d) the Bidder's capacity to achieve the MIEG established in relation to the contract.
- F33. AEM reserves the right to award a Class A Contract to any Bidder, whether or not such Bidder offered to perform the contract for the lowest total price or the lowest Notionally Reduced Price, as the case may be.

Explanation – No Award

- F34. AEM shall provide to each unsuccessful Bidder that qualified for Inuit Ownership Preference Points a written explanation of the reasons why it was not awarded a Class A Contract, not later than 15 Business Days after the contract has been awarded.
- F35. Where AEM awards the Class A Contract to a Bidder that did not qualify for Inuit Ownership Preference Points, AEM shall provide the Implementation Working Group with a copy of AEM's evaluation of the applicable bids together with a written summary that explains the reasons that caused AEM not to award the contract to a Bidder that qualified for Inuit Ownership Preference Points.

Contract Terms – Inuit Employment

- F36. Where AEM engages an Inuit Firm to perform an MBK Contract, and the engagement is based, in whole or in part, on the status of the Contractor as an Inuit Firm, the contract shall require the Inuit Firm to maintain its status as an Inuit Firm throughout the term of the contract.
- F37. Where AEM awards a contract to a Contractor that represented, as part of its bid, the intention to achieve a stated level of Inuit employment in the labour force engaged in the performance of the contract, AEM shall require the Contractor to prepare and implement a **“Contractor’s Inuit Employment Plan** or **“CIEP”** that:
- (a) affirms the Contractor’s commitment to achieve the stated level of Inuit employment;
 - (b) describes the ways and means by which the Contractor intends to achieve that level, including any measures that the Contractor has taken or will take to:
 - (i) recruit Inuit to fill the available positions;
 - (ii) develop training or apprenticeship programs intended for Inuit; and
 - (iii) recognize Equivalent Qualifications held by Inuit in place of the Formal Qualifications required for the available positions;
 - (c) lists the number and types of positions, including training positions, if any, that the Contractor proposes to staff with Inuit and indicates the percentage Inuit-staffed positions are expected to comprise in relation to the total number of positions in the applicable labour force; and
 - (d) indicates the total number of person-hours that the Contractor expects Inuit will work during the performance of the contract and the percentage which that amount represents in relation to the total person-hours to be worked in the performance of the contract.
- F38. For each contract to which Section F37 applies, AEM shall:
- (a) require the Contractor to provide a written quarterly report to AEM as to the status of its implementation of the CIEP; and
 - (b) forward each such report to the Implementation Working Group on a timely basis.
- F39. Where AEM enters into an MBK Contract in circumstances where the Contractor is required to develop and maintain a CIEP, AEM shall, as a term of the contract, require the Contractor to comply with the terms of the CIEP.
- F40. Where a Contractor fails to meet the requirements of its CIEP, AEM will implement the following steps on a progressive basis:

- (a) **Step 1** – At the end of the 30-day period in which the Contractor fails to meet its CIEP requirements, AEM will notify the Contractor in writing and instruct the Contractor to prepare an action plan that outlines the steps to be taken to fulfill the requirements of the CIEP. AEM shall provide a copy of any such written notification to the Implementation Committee.
 - (b) **Step 2** – If, at the end of the 60-day period that immediately follows its receipt of the notice contemplated pursuant to Step 1, the Contractor has failed to comply with the terms of its CIEP, AEM will hold a face-to-face meeting with the Contractor to review the steps the Contractor has taken, to discuss why those steps have not achieved compliance, and to identify the measures available to the Contractor to enable it to comply with the terms of its CIEP. If AEM is not satisfied that the Contractor is using all reasonable measures to comply with the terms of its CIEP, AEM will give the Contractor a written notice indicating that continued non-compliance will entitle AEM to terminate the contract. AEM shall provide a copy of any such notice to the Implementation Committee together with an outline of the actions that AEM intends to take to correct the Contractor’s non-compliance.
- F41. For the purposes of Section F42 and Section F44, the **“Holdback”** is an amount equal to 10 per cent of
- (a) the total amount payable by AEM pursuant to an MBK Contract that has a term of 180 days or less; or
 - (b) in the case of an MBK Contract that has a term of more than 180 days, the amount payable by AEM to the Contractor during each 180-day period or, in relation to such a contract, the amount payable by AEM in respect of a period of less than 180 days that ends on the termination or expiry of the contract.
- F42. For any LT Class A Contract that includes a CIEP, the contract shall include provisions that:
- (a) require AEM to retain, as security for the performance of the CIEP, a Holdback equal to 10 per cent of all amounts that are payable by AEM to the Contractor during the first 180 days of the term of the contract;
 - (b) entitle AEM to release the Holdback to the Contractor at the end of the initial 180-day period provided that AEM, acting reasonably, has concluded that the Contractor has substantially complied with its CIEP during the first 180 days of the term of the contract;
 - (c) require AEM, during each successive 180-day period, or such shorter period that ends on the expiry or termination of the contract, to retain, as security for the performance of the CIEP, a Holdback equal to 10 per cent of all amounts payable by AEM to the Contractor during each successive 180-day period, or such shorter period that ends on the expiry or termination of the contract;

- (d) entitle AEM to release the Holdback during each successive 180-day period to the Contractor at the end of each successive 180-day period provided that AEM, acting reasonably, has concluded that the Contractor has substantially complied with its CIEP during the applicable 180-day period; and
 - (e) entitle AEM to release the Holdback to the Contractor 45 days after the termination or expiry of the contract provided that AEM, acting reasonably, has concluded that the Contractor has substantially complied with its CIEP.
- F43. In addition to the measures described in Section F42, any LT Class A Contract that includes a CIEP shall include provisions that entitle AEM to:
- (a) terminate the contract upon 30 days' advance written notice to the Contractor for non-compliance with its CIEP, provided that AEM has implemented each of the procedures it is required to implement pursuant to Section F40; and
 - (b) decline to accept any future bid from the Contractor to perform any other service that AEM may require in the Kivalliq Region.
- F44. Where AEM has determined that a Contractor has not complied with its CIEP, and has retained the Holdback as a result, AEM shall convene a meeting of the Implementation Committee to determine the disposition of the Holdback which, to the greatest extent possible, shall be used to support programs that will increase the number of Inuit from the Kivalliq Region who are qualified for employment in the exploration and mining sector.
- F45. No later than March 31 of each year, AEM will provide a report to the Implementation Committee that lists each MBK Contract that was in effect during the immediately preceding calendar year that shall:
- (a) indicate the extent to which Contractors have complied with contractual terms regarding the achievement of the MIEG for the applicable Activity Centre and indicate the extent to which each Contractor has complied with the terms of its CIEP; and
 - (b) explain, to the extent known to AEM after reasonable enquiry, the reasons for any non-compliance.

SCHEDULE G: ACCESS TO MEADOWBANK MINE FACILITIES

Objective

- G1. This Schedule is intended to provide KIA with a right of access to facilities constructed for the Meadowbank Mine, and to outline a policy for responding to requests for emergency assistance.

Access to the Meadowbank Mine

- G2. Where necessary for the efficient administration of this Agreement, AEM shall grant KIA access to those parts of the Meadowbank Mine and its facilities that are situated on Inuit Owned Lands to enable a reasonable number of representatives of KIA to enter those lands, at reasonable intervals and upon reasonable advance notice from KIA to AEM.
- G3. The advance notice referred to in Section G2 is not required for any enforcement activities undertaken by duly authorized inspectors or other governmental officials acting in relation to any lease, license, permit or other authorization granted pursuant to laws of general application.

Compliance with AEM Rules and Procedures

- G4. AEM will not unreasonably deny KIA access to the Meadowbank Mine in accordance with Section G2, provided that KIA's representatives undertake and agree to comply at all times with AEM's rules, practices and procedures, including those pertaining to security, health and safety.

Signage

- G5. KIA shall be entitled to require AEM to post signs identifying the boundaries of the Inuit Owned Lands that AEM leases in relation to the Meadowbank Mine.

Operating Practices and Procedures

- G6. AEM shall be entitled to establish rules, practices and procedures for the Meadowbank Mine that pertain to security, health and safety, and to require anyone, including Inuit, travelling on Inuit Owned Lands leased by AEM, to comply with those rules, practices and procedures. AEM shall provide a copy of the applicable rules, practices and procedures to KIA from time to time.

Search and Rescue and Emergencies

- G7. AEM will not unreasonably deny a request for assistance in the search and rescue of persons missing in the vicinity of the Meadowbank Mine.
- G8. AEM will not unreasonably deny requests for gasoline, shelter, food or other emergency assistance that Inuit may make when travelling in the vicinity of the Meadowbank Mine, provided that these requests are made as a result of a true emergency that threatens health or safety. AEM shall be entitled, in its sole discretion, to establish guidelines to recover the cost of such emergency assistance, provided that under no circumstances shall KIA be liable for the costs of such assistance.

SCHEDULE H: RESEARCH AND DEVELOPMENT

Objectives

- H1. This Schedule is intended to:
- (a) promote Inuit participation in the Meadowbank Mine;
 - (b) increase the profitability of the Meadowbank Mine;
 - (c) stimulate research and development that could have commercial value for and potential application at the Meadowbank Mine or other mining operations; and
 - (d) increase the use and application of *Inuit Qaujimanituqaugit*.

Opportunities for Research and Development

- H2. AEM agrees to provide the opportunity for KIA or its nominee to collaborate in any research and development activities that AEM undertakes in relation to the Meadowbank Mine.
- H3. If this collaboration results in the development of any technique or method that has a potential commercial application elsewhere than at the Meadowbank Mine, the Parties intend that KIA or its nominee will share in any benefit from that application in proportion to the extent of its participation in the development of the technique or method.
- H4. Examples of potential joint research and development initiatives include:
- (a) techniques for the development and maintenance of gravel berms;
 - (b) snow fencing and other methods to contain snow;
 - (c) development, construction and maintenance of air strips;
 - (d) land-based haul road construction;
 - (e) construction and maintenance of ice roads;
 - (f) techniques or methods for reclamation of lands disturbed by mining;
 - (g) techniques to generate electricity using wind power;
 - (h) methods to treat water and sewage for use at remote camps;
 - (i) construction and maintenance techniques for use at mining camps;
 - (j) alternative sources of milling reagents; and
 - (k) techniques for monitoring and assessing socio-economic impacts.

Application

- H5. The provisions of this Schedule H shall apply during all phases of the Meadowbank Mine, provided that neither AEM nor KIA shall be compelled to undertake any research and development activities respecting the Meadowbank Mine.
- H6. Any research and development undertaken by AEM or KIA in relation to the Meadowbank Mine shall be conducted so as to achieve the objectives of this Schedule.

Priority

- H7. AEM will give the highest priority to any research and development initiatives pertaining to the Meadowbank Mine that have the potential to increase its profitability.

Planning

- H8. AEM and KIA may engage the Implementation Committee in the identification and planning of any joint research and development activities.

Costs of Research

- H9. AEM and KIA will fund the cost of any research and development that they jointly undertake in proportion to the benefit that each of them expects to receive from the commercial application of the technique or method that the research and development is expected to produce.

SCHEDULE I: OPTION TO ACQUIRE MEADOWBANK MINE ASSETS

Objective

- I1. The objective of this Schedule I is to establish a procedure whereby KIA may acquire assets that constitute part of the Meadowbank Mine.

Equipment, Buildings and Materials Located on Inuit Owned Land

- I2. AEM shall maintain all assets required to operate the Meadowbank Mine that are located on Inuit Owned Lands in a normal state of maintenance and repair, having due regard to age. Where AEM intends to sell any equipment, building or material located on Inuit Owned Land that constitutes part of the Meadowbank Mine, AEM shall first offer the equipment, building or material to KIA for purchase at its fair market value and upon commercial terms and conditions acceptable to the Parties.
- I3. If AEM and KIA fail to reach an agreement for purchase and sale within a period of 20 Business Days, and AEM subsequently negotiates a mutually acceptable purchase and sale agreement with a third party, AEM shall again offer the equipment, building or material for purchase by KIA on the same terms and conditions as those set out in the agreement with the third party. If KIA fails to accept this offer within 20 Business Days, AEM shall be entitled to complete the transaction with the third party on the same terms and conditions.

Sale and Purchase of Assets Located Off Inuit Owned Land

- I4. AEM shall maintain all assets constituting part of the Meadowbank Mine that are located on lands other than Inuit Owned Lands in a normal state of maintenance and repair. Subject to any rights that are held by third parties or granted to third parties by AEM before the Effective Date, where AEM intends to sell any such assets at any time, AEM shall first offer those assets for purchase by KIA at their fair market value and upon commercial terms and conditions that are acceptable to the Parties.
- I5. If AEM and KIA fail to reach an agreement for purchase and sale within 20 Business Days, and AEM subsequently negotiates a mutually acceptable purchase and sale agreement with a third party, AEM shall again offer the assets for purchase by KIA on the same terms and conditions as those set out in the third party agreement. If KIA fails to accept that offer within 20 Business Days, AEM shall be entitled to complete the transaction with the third party on the same terms and conditions.

Construction of Assets

- I6. Whenever practicable, AEM shall construct buildings and facilities constituting part of the Meadowbank Mine in a way that facilitates their relocation after Closure.

SCHEDULE J: FUNDING AND IMPLEMENTATION COSTS

SCHEDULE K: WILDLIFE

Objectives

- K1. This Schedule is intended to:
- (a) establish a process for implementation of the requirements of Article 6 of the Nunavut Land Claims Agreement in relation to the Meadowbank Mine;
 - (b) provide appropriate compensation to Kivalliq Inuit for losses suffered as a result of the emergency, accidental or illegal destruction of bears on Inuit Owned Lands leased by AEM;
 - (c) provide a mechanism for reporting wildlife incidents that occur in the vicinity of the Meadowbank Mine;
 - (d) establish a process to monitor the actual and potential effects of the Meadowbank Mine on the terrestrial ecosystem, including wildlife;
 - (e) identify and implement measures to minimize any adverse effects of the Meadowbank Mine on the terrestrial ecosystem, including wildlife; and
 - (f) recognize Inuit harvesting rights.

Wildlife Reporting

- K2. Not later than 20 Business Days after the Effective Date, AEM shall establish a wildlife sighting and incident program consistent with the final Terrestrial Ecosystem Management Plan for the Meadowbank Mine that the Nunavut Impact Review Board accepted under its project approval process (the “**TEMP**”). In accordance with this program, AEM will:
- (a) submit reports of wildlife sightings and incidents to KIA and the Baker Lake Hunters and Trappers Organization (the “**Baker Lake HTO**”) on a quarterly basis;
 - (b) to the extent required by law, report to KIA, the Baker Lake HTO and others any incident that results in the death or injury of any species of wildlife as a result of Meadowbank Mine activities, as soon as practicable after the incident; and
 - (c) subject to any requirement of law, deliver any valuable parts of wildlife killed as a result of Meadowbank Mine activities to the Baker Lake HTO in a timely manner, in order to preserve the quality of those wildlife parts.

Destruction of Bears

- K3. If, as a result of activity at the Meadowbank Mine,
- (a) an employee, agent or Contractor of AEM kills a bear on Inuit Owned Lands leased by AEM, or does so during travel in Nunavut to or from Inuit Owned Lands leased by the Company; or
 - (b) a person authorized by AEM to enter on Inuit Owned Lands leased by AEM kills a bear on those lands,

AEM shall compensate KIA in accordance with this Schedule K.

- K4. KIA shall request the Hunters and Trappers Organization of the affected community to determine the appropriate compensation, provided that AEM shall pay KIA not less than \$5,000 for the tag allocated for the bear that was killed.
- K5. Not later than 20 Business Days after the next occasion on which the Government of Nunavut establishes the total allowable harvest for bears (the “**TAH**”), AEM shall pay KIA an additional \$5,000 for each tag that the Hunters and Trappers Organization of the affected community forfeits, either in the year of the kill or in the following year, as a result of the reduction in the TAH of that Hunters and Trappers Organization on account of the bear kill.
- K6. The KIA shall consult with the relevant Government of Nunavut department responsible for wildlife and the relevant Hunters and Trappers Organization to determine the number of tags for which compensation is owed by AEM under Section K5. AEM shall be entitled to be represented at, and to participate in, that consultation.

Reporting

- K7. The AEM shall submit an annual written report to the Implementation Committee (the “**Annual Wildlife Report**”) setting out:
- (a) the number of bears killed in the circumstances described in Section K3;
 - (b) each payment of compensation that AEM has made to KIA pursuant to this Schedule K;
 - (c) the number of other wildlife kills in Nunavut resulting from activities at the Meadowbank Mine that must be reported by law;
 - (d) the manner in which AEM complied with any requirements of law that pertain to the disposal of valuable parts of wildlife that was killed; and
 - (e) the initiatives that AEM has taken to mitigate the risk of wildlife kills in the future.
- K8. AEM shall submit the Annual Wildlife Report not later than April 1 of each year. Each report shall cover the immediately previous calendar year.
- K9. Subject to the consent of KIA, such consent not to be unreasonably withheld, AEM shall be entitled to incorporate the Annual Wildlife Report in the reports it submits to the Nunavut Impact Review Board and the Nunavut Water Board in fulfillment of the requirements of the Project Certificate and the Water Licence that those agencies have respectively issued for the Meadowbank Mine.

Terrestrial Ecosystem Management Plan

- K10. AEM shall implement wildlife management and conservation measures that are no less comprehensive than those set out in the TEMP. AEM undertakes and agrees to consult with KIA on any material change to the precautionary, preventative, monitoring or adaptive management practices described in the TEMP before making any material change. AEM shall provide an annual summary of the findings it derives from the TEMP as part of each Annual Wildlife Report.

K11. Anything done by AEM in order to implement the TEMP shall be included in the calculation of the MIEG and shall incorporate *Inuit Qaujimanituqagit*.

General

K12. Except to the extent specifically set out in this Schedule K, none of its provisions affects any wildlife compensation that is required pursuant to Article 6 of the Nunavut Land Claims Agreement.

SCHEDULE L: ECONOMIC, SOCIAL AND CULTURAL WELLNESS

Objectives

- L1. This Schedule is intended to establish procedures under which:
- (a) KIA and AEM will collaborate with the Kivalliq Regional Socio-Economic Monitoring Committee to monitor and mitigate any adverse economic, social or cultural impacts that the Meadowbank Mine may have on Kivalliq Inuit,;
 - (b) KIA and AEM will work together to ensure that all Kivalliq Inuit will have the opportunity to benefit from the Meadowbank Mine;
 - (c) KIA and AEM will collaborate to enhance the long-term prosperity of Kivalliq Inuit by promoting the development of a diverse economy in the Kivalliq Region, and contributing to the growth of sustainable and healthy Kivalliq Communities; and
 - (d) KIA and AEM will develop a strategy to assist Kivalliq Inuit to mitigate any adverse economic, social or cultural impact resulting from Closure of the Meadowbank Mine.

Baker Lake Inuit Wellness Report and Implementation Plan

- L2. AEM shall prepare an annual report on the wellness of the Inuit residents of Baker Lake (the “**Wellness Report and Implementation Plan**”). The Wellness Report and Implementation Plan will draw its data from the annual report of the Socio-Economic Monitoring Committee submitted to the Nunavut Impact Review Board and from the other sources described in Section L4, and will include an implementation plan. The first Wellness Report and Implementation Plan will be submitted to KIA by March 31, 2012 and each subsequent report will be due on March 31. Each Wellness Report and Implementation Plan will include data from the immediately preceding calendar year.
- L3. The Implementation Committee will review the Wellness Report and Implementation Plan at its first meeting after April 1 of each year. AEM and KIA will work together to consult with the Inuit residents of Baker Lake and the relevant government agencies to determine what adjustments need to be made to the Wellness Report and Implementation Plan. This consultation will occur during the second quarter of the year (April 1 through June 30) with the objective of reaching agreement on the final content of the Wellness Report and Implementation Plan by June 30 of each year.
- L4. AEM shall obtain the information required to prepare the annual Wellness Report and Implementation Plan by appropriate means from the following sources;
- (a) the annual report of the Kivalliq Regional Socio-economic Monitoring Committee;
 - (b) data collected by AEM from its own records;
 - (c) the online Nunavut Statistics Bureau;
 - (d) data available to AEM from the Hamlet of Baker Lake;

- (e) data available to AEM from KIA;
- (f) data available to AEM from other government sources;
- (g) information from ongoing discussions with the Meadowbank Community Liaison Committee; and
- (h) any other relevant sources.

Where necessary in order to ensure that the Wellness Report and Implementation Plan fulfills its underlying objectives, AEM shall also give reasonable consideration to implementing other forms of inquiry including: (i) personal interviews; (ii) focus group sessions; (iii) surveys; and (iv) case studies.

L5. The objective of each Wellness Report and Implementation Plan is to provide an overview of any impacts of the Meadowbank Mine on the wellness of the Inuit residents of Baker Lake in as much detail as practically possible, including any impacts on:

- (a) the state of the physical and mental health of the Inuit residents of Baker Lake;
- (b) the extent of alcohol and drug abuse in the community of Baker Lake;
- (c) personal and family relationships of the Inuit residents of Baker Lake, including any impacts attributable to employment at a remote work site under a rotational work schedule;
- (d) migration into or out of the community;
- (e) the prevalence and use of Inuktitut in the community of Baker Lake;
- (f) Inuit culture and traditional practices;
- (g) job satisfaction of the Inuit residents of Baker Lake employed at the Meadowbank Project;
- (h) management of personal finances by the Inuit residents of Baker Lake; and
- (i) any other aspect of the wellness of the Inuit residents of Baker Lake that the Meadowbank Mine could reasonably be expected to affect.

L6. The Wellness Report and Implementation Plan shall take into account any recommendations that the Implementation Committee has made during the reporting period on ways to mitigate any adverse impacts of the Meadowbank Mine on the Inuit residents of Baker Lake.

L7. AEM shall incorporate the Wellness Report and Implementation Plan into its Annual IIBA Implementation Report, and shall implement any measures identified in the Wellness Report and Implementation Plan that the Implementation Committee has agreed require implementation.

- L8. AEM and KIA shall collaborate in an effort to identify additional funding sources and partners to support the preparation and implementation of the Wellness Report and Implementation Plan.

Post-Closure Inuit Wellness Strategy

- L9. AEM shall prepare a strategy to address the potential impacts of the Closure of the Meadowbank Mine on the wellness of Kivalliq Inuit (the “**Post-Closure Inuit Wellness Strategy**”). AEM will submit the Post-Closure Inuit Wellness Strategy in draft form to KIA for review not later than April 30, 2015. AEM and the KIA will then work together to consult with the relevant Inuit organizations and the relevant government agencies to determine whether any adjustments need to be made to the Post-Closure Inuit Wellness Strategy. This consultation will occur during the second quarter of 2015, with the objective of reaching final agreement on the content of the Post-Closure Inuit Wellness Strategy by December 31, 2015.
- L10. AEM shall update the Post-Closure Inuit Wellness Strategy annually.
- L11. The Post-Closure Inuit Wellness Strategy shall identify the anticipated impacts of Closure of the Meadowbank Project on Kivalliq Inuit and describe the strategies and measures that can reasonably be implemented by AEM, KIA and governmental authorities to mitigate these impacts and help Kivalliq Inuit to adjust to post-Closure conditions.
- L12. AEM shall provide funding to KIA in accordance with Schedule J to enable KIA to implement the Post-Closure Inuit Wellness Strategy. This funding shall be divided into an Economic and Community Development Fund and a Business Development Assistance Fund. The KIA shall use each fund to mitigate adverse post-Closure consequences on Inuit of the Kivalliq Region.

Economic and Community Development Fund

- L13. From a portion of the funding identified in Section L14, KIA will establish an Economic and Community Development Fund for use by Kivalliq Communities impacted by the Meadowbank Mine. Projects funded may be undertaken by KIA, its subsidiaries, Kivalliq Communities, other third parties, or any of these parties in collaboration, and may include:
- (a) development of economic sector strategies and plans;
 - (b) development of other programs or projects that generally foster a diverse economy that KIA may from time to time deem necessary or desirable;
 - (c) education and training in various sectors;
 - (d) cultural, social and wellness activities and programs;
 - (e) employment activities in various sectors;
 - (f) other programs of a similar nature that KIA may from time to time deem necessary or desirable.

L14. KIA shall endeavour to identify additional funding sources and partners for the implementation of projects funded from the Economic and Community Development Fund.

Business Development Assistance Fund

L15. From a portion of the funding described in Section L12, KIA will establish a “**Business Development Assistance Fund**” to support Inuit firms in the Kivalliq Region, from which KIA may fund the following:

- (a) periodically, and in no event less than once each year, business development workshops including such topics as:
 - (i) business structures;
 - (ii) developing funding proposals;
 - (iii) developing business plans;
 - (iv) preparation of contract proposals;
 - (v) client services and marketing;
 - (vi) maintaining business records and accounts; and
 - (vii) insurance and bonding.
- (b) business assistance and support for Inuit Firms including:
 - (i) individual follow-up and mentoring; and
 - (ii) seed capital support.

L16. KIA shall endeavour to identify additional funding sources and partners for the implementation of projects funded from the Business Development Assistance Fund.

SCHEDULE M: ARBITRATION

- M1. Subject to the provisions of this Schedule M, a Dispute that either Party refers to arbitration in accordance with the Agreement shall be finally resolved by arbitration pursuant to the National Arbitration Rules (the “**Rules**”) of the ADR Institute of Canada, Inc. (the “**Institute**”). A copy of the Rules, as amended by the Institute in October 2008, is attached as Appendix M-1. In accordance with Rule 5, by agreeing to the Rules the Parties have agreed that the Institute shall administer the arbitration.
- M2. The place of arbitration shall be the City of Winnipeg in the Province of Manitoba, unless the Parties have agreed to another location not later than 10 days after the Commencement Date.
- M3. The language of the arbitration shall be English, provided that:
- (i) an Inuk shall be entitled to testify in Inuktitut; and
 - (ii) simultaneous English to Inuktitut translation, and *vice versa*, shall be provided during the arbitration to the extent reasonably required.

- M4. Rule 33 shall be amended to read as follows:

Neither Party shall be under an obligation to treat any meeting or communication, the arbitration proceedings, any document disclosed in the proceedings, or any award of the Tribunal, as confidential, except to the extent that any of the foregoing pertains to or arises out of any provision of Schedule J and KIA has, pursuant to Section 3.6, elected to keep Schedule J confidential.

Any obligation to maintain confidentiality shall not apply in connection with a judicial challenge to, or enforcement of, an award or unless otherwise required by law.

A Party shall use information disclosed by the other Party solely for the purposes of the arbitration, and shall not use it or allow it to be used for any other purpose unless the Parties agree otherwise or unless otherwise required by law.

Nothing in this Rule precludes disclosure of information pertaining to the arbitration proceedings or an award of the Tribunal, including information relating to Schedule J, to a Party’s insurer, auditor, lawyer or other person with a direct financial interest in the arbitration.

- M5. The first paragraph of Rule 36 shall be amended to read as follows:

Provided that each Party has given its prior written consent, the Tribunal may appoint one or more independent experts to report on specific issues to be determined by the Tribunal and may require a Party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for its inspection.

- M6. Rule 44 is amended by insertion of the following:

Without limiting the application of the Rules as amended pursuant to this Schedule M, the Tribunal shall resolve a Dispute and make any partial or final award having due regard to:

- (a) the objectives set out in the Schedule or Schedules to the Agreement that gave rise to the Dispute; and
- (b) any other provision of the Agreement that is relevant to the Dispute.

M7. The final paragraph of Rule 47 shall be amended to read as follows:

Unless the Parties have otherwise agreed, the award of the Tribunal shall be final and binding and there shall be no appeal, except to any extent provided by applicable law.

M8. Each capitalized term used in this Schedule M shall have the meaning given to it in the Rules. Where a capitalized term is not defined in the Rules, it shall have the meaning given to it in the Agreement.

APPENDIX F-1
Determination of Inuit Ownership Preference Points

Meadowbank IIBA				First Two-Year Period (Section F24)			Second Two -Year Period (Section F25)			As of Fourth Anniversary of Effective Date (Section F26)		
	LT	ST	Goods	LT	ST	Goods	LT	ST	Goods	LT	ST	Goods
Qualifying Requirements for Inuit Ownership Preference Points				To qualify for the Inuit Ownership Preference Points, the Bidder must be an Inuit Firm (Section F24)			To qualify for the Inuit Ownership Preference Points, the Bidder must be an entity where the Inuit Net Profit Interest is more than 10 per cent (Section F25)			To qualify for the Inuit Ownership Preference Points, the Bidder must be an entity where the Inuit Net Profit Interest is more than 15 per cent (Section F26)		
	X	X	X	6	8	10	6	8	10	6	8	10
Management - Inuit involvement in contract management	X			2	-	-	2	-	-	2	-	-
Inuit Employment - Meeting the contract MIEG	X	X		4	7	-	4	7	-	4	7	-
Training Plan	X			3	-	-	3	-	-	3	-	-
Location			X	-	-	5	-	-	5	-	-	5
Total Inuit Ownership Preference Points to be Awarded				15	15	15	15	15	15	15	15	15

APPENDIX M-1

ADR Institute of Canada, Inc.

**National Arbitration Rules
As amended, effective October 1, 2008**

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1. PURPOSE

The purpose of the Rules is to enable the parties to a dispute to achieve a just, speedy and cost effective determination of matters in dispute, taking into account the values that distinguish arbitration from litigation.

2. INTERPRETATION

In the Rules:

“**Act**” means any applicable arbitration legislation of the place of arbitration unless otherwise agreed by the parties.

“**Arbitrator**” means a person appointed to serve as an arbitrator of a dispute pursuant to the Rules.

“**Chair**” means the person elected or appointed to chair the Tribunal.

“**Commencement Date**” means the date the arbitration is deemed to commence under Rule 13.

“**Counterclaim**” means the Counterclaim referred to in Rule 27.

“**Document**” has an extended meaning and includes a photograph, film, recording of sound, any record of a permanent or semi-permanent character and any information recorded or stored by means of any device, including data and information in an electronic form.

“**Institute**” means the ADR Institute of Canada, Inc.

“**Rules**” means the National Arbitration Rules and amendments made by the ADR Institute of Canada, Inc. from time to time.

“**Statement of Claim**” means the Statement of Claim referred to in Rule 27.

“**Statement of Defence**” means the Statement of Defence referred to in Rule 27.

“**Statement of Defence to Counterclaim**” means the Statement of Defence to Counterclaim referred to in Rule 27.

“**Tribunal**” means either a sole Arbitrator or a panel of Arbitrators, as the case may be, appointed to serve as the arbitrator or arbitrators of a dispute pursuant to the Rules.

3. APPLICATION

- (a) The Rules shall apply where the parties have agreed that the National Arbitration Rules of the ADR Institute of Canada apply. If the Rules are amended by the Institute, the Rules applicable to any dispute shall be the Rules as amended as of the Commencement Date. To the extent that the Rules conflict with the Act, the provisions of the Rules shall apply except to the extent that the parties may not lawfully contract out of the provision of the Act. The parties may agree in writing to vary or exclude any of the Rules except Rules 3, 5, 7(a), 10, 11, 12, 16(b), 23(b), 40, 41, 46, 48 and Schedule A.

- (b) A reference in an arbitration agreement to the arbitration rules of the Canadian Foundation for Dispute Resolution, Inc., The Arbitrators Institute of Canada, The Arbitration and Mediation Institute of Canada, The Arbitrator and Mediators Institute of Ontario, or The Canadian Arbitration Association shall be deemed to be a reference to the Rules.
- (c) A failure to comply with the Rules is an irregularity and does not render an arbitration or a step, document or award in the arbitration a nullity.

4. TIME

- (a) In the Rules, where the time for doing an act falls or expires on a holiday, the time is extended to the next day that is not a holiday. In the calculation of time, the first day shall be excluded and the last day included.
- (b) The parties may modify any period of time by agreement.

5. ADMINISTRATIVE FEES SCHEDULE

By agreeing to the Rules, the parties agree that the arbitration shall be administered by the Institute. The Institute shall prescribe from time to time fees to compensate it for its administrative services. The fees in effect when the fee or charge is incurred shall be applicable. The current administrative fees are set out in Schedule “A”. All such fees are payable at the time specified for payment in Schedule “A”.

6. DELIVERY OF DOCUMENTS

Any document required by the Rules to be delivered may be delivered either by personal delivery, mail, e-mail or facsimile to the address provided under Rule 9. If delivered by personal delivery, delivery shall be deemed to have been effected on the day of such delivery to a party at its regular place of business or mailing address or that of its legal counsel where applicable. If delivered by mail, except for confirmation copies of documents delivered by e-mail or facsimile, delivery shall be deemed to have been effected 2 days following the date of mailing. If by e-mail or facsimile, delivery shall be deemed to have been effected when sent. A confirmation copy of any such document shall be delivered by mail in the case of any electronic transmission.

7. COMMUNICATIONS WITH TRIBUNAL

- (a) A copy of any communication between the Tribunal and the parties or other representatives shall be delivered to the Institute.
- (b) No party or person acting on behalf of a party shall have a communication with the Tribunal in the absence of any other party concerning the substance of the dispute or any contentious matter relating to the proceeding.

8. COMMUNICATIONS BETWEEN PARTIES

Parties to an arbitration under the Rules may deliver any written communications required or permitted under the Rules by personal delivery, by mail, e-mail or by facsimile to a party at its regular place of business or mailing address. A confirmation copy of such communications shall be sent by mail in the case of any electronic transmission, unless otherwise agreed by the parties or directed by the Tribunal.

9. ADDRESS FOR DELIVERY OF DOCUMENTS

The parties shall provide to one another and to the Institute a full mailing address, telephone number, facsimile number and e-mail address, as may be applicable.

10. WAIVER OF RIGHT TO OBJECT

A party that knows that any provision of, or requirement under, the Rules has not been complied with and yet proceeds with the arbitration without promptly stating an objection shall, unless the Tribunal otherwise orders, be deemed to have waived its right to object.

11. ARBITRATION UNDER AGREEMENT

Where a dispute falls under an arbitration clause or agreement, a party, as claimant, may submit that dispute to arbitration by delivering a written Notice of Request to Arbitrate to each respondent at the address specified by each respondent under the agreement or the last known mailing address or place of business of each respondent and to the Institute. The Notice of Request to Arbitrate shall contain:

- (a) the names, place of business or mailing addresses, telephone numbers, fax numbers and e-mail addresses of the parties to the dispute, if known;
- (b) a concise statement of the matters in dispute or a Statement of Claim;
- (c) a request that the described dispute be referred to arbitration;
- (d) an estimate of the amount claimed, or failing that, of the value of what is in issue in the dispute, unless the claimant cannot make an estimate of such value in which case the reason for this must be set out in detail;
- (e) the remedy sought;
- (f) the number and names of Arbitrators agreed upon, if any;
- (g) the required qualifications of the Arbitrators, as agreed by the parties, if any; and
- (h) any variation of the Rules that has been agreed in writing.

Appended to the Notice of Request to Arbitrate shall be a copy of the arbitration clause or agreement relied upon and a copy of the contract, if any, in relation to which the dispute has arisen.

12. ARBITRATION BY SUBMISSION

- (a) Parties to a dispute may submit that dispute to arbitration by filing a Notice of Submission to Arbitration with the Institute. The Notice of Submission to Arbitration shall contain the information described in Rule 11(a) to 11(h).
- (b) The Notice of Submission to Arbitration shall be signed by the parties to the dispute. Appended to the Notice of Submission to Arbitration shall be a copy of the contract, if any, in relation to which the dispute has arisen.

13. COMMENCEMENT DATE

The arbitration is deemed to have commenced when a Notice of Request to Arbitrate or a Notice of Submission to Arbitration has been filed with the Institute and the initial filing fee has been paid. The Institute shall notify the parties when an arbitration has been commenced and shall deliver to them a Notice of Commencement of Arbitration.

14. APPOINTMENT OF TRIBUNAL

- (a) If the parties have not agreed on the number of Arbitrators within 10 days after the Commencement Date, the dispute shall be determined by a single Arbitrator;
- (b) Any party may at any time request the Institute to provide to all parties a list of not fewer than 3 individuals from which the parties may agree to select an Arbitrator.
- (c) Where a single Arbitrator is to be appointed, if the parties cannot agree on the single Arbitrator within 14 days after the Commencement Date, either party may then request the Institute to make such appointment.
- (d) Where the parties have agreed to appoint three Arbitrators:
 - (i) unless otherwise agreed by the parties, each party shall appoint one Arbitrator and the two Arbitrators shall jointly appoint the third Arbitrator who shall act as the Chair of the Tribunal;
 - (ii) if a party fails to make a required appointment within the time agreed upon between the parties or, if no time is agreed, 21 days from the Commencement Date, then a party may request the Institute to make the required appointment;
 - (iii) if the parties or Arbitrators appointed by the parties, as the case may be, are unable to agree on the appointment of a third Arbitrator within the time agreed by the parties or, if no time is agreed within 30 days from the Commencement Date, then a party may request the Institute to make the required appointment.

15. APPOINTMENT BY INSTITUTE

Where the Institute is asked to appoint an Arbitrator, unless it determines otherwise, the following procedure shall apply:

- (a) the Institute shall deliver to the parties an identical list containing at least 3 names;
- (b) within a period of 10 days following receipt of the list referred to in paragraph (a), each party shall deliver the list to the Institute after having deleted any name to which it objects and numbered the remaining names on the list in the order of its preference;
- (c) if a party has not advised the Institute within 10 days that it objects to any of the names suggested, it shall be deemed conclusively to have accepted those names;

- (d) after the 10-day period referred to in paragraph (b), the Institute shall appoint the Arbitrator from the remaining names on the lists returned to it, taking into account the order of preference indicated by the parties. Notwithstanding Rule 15(a) the Institute may, in its discretion, deliver to the parties one further list containing at least 3 names, and the procedure set out in Rules 15(b) (c) (d) shall then apply in respect of that further list.

In appointing an Arbitrator, the Institute shall have due regard to the qualifications requested by the parties, the nature of the contract, the nature and circumstances of the dispute and any other considerations likely to secure the appointment of a qualified, independent and impartial Arbitrator.

16. INDEPENDENCE AND IMPARTIALITY

- (a) Unless otherwise agreed by the parties an Arbitrator shall be and remain at all times wholly independent.
- (b) An Arbitrator shall be and remain wholly impartial and shall not act as an advocate for any party to the arbitration.
- (c) Every person must, before accepting an appointment as Arbitrator, sign and deliver to the parties a statement declaring that he or she knows of no circumstances likely to give rise to justifiable doubts as to his or her independence or impartiality and that he or she will disclose any such circumstances to the parties if they should arise after that time and before the arbitration is concluded. No Arbitrator shall be disqualified or subject to challenge by reason of one or more of the Arbitrator, counsel, party or representative of a party being a member, officer or director of the Institute.

17. SUBSTITUTION

If an Arbitrator refuses to act, is incapable of acting, withdraws from office, is removed from office by order of the court or dies, the Institute may, on submission of satisfactory evidence, declare the office vacant. A substitute Arbitrator shall be appointed according to the provisions of the Rules, or the agreement of the parties, that were applicable to the appointment of the Arbitrator being replaced. Where a single Arbitrator or Chair is replaced, any hearings previously held shall be repeated. Where any other Arbitrator is replaced, any hearings previously held may be repeated at the discretion of the Arbitrators.

18. CHALLENGES

An Arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to his or her independence or impartiality, or if he or she does not possess the qualifications agreed upon by the parties.

A party who intends to challenge an Arbitrator shall, within 7 days after becoming aware of the appointment, or after becoming aware of any circumstances referred to in this Rule, send a written statement of the challenge and the reasons for the challenge to the Tribunal, if it has been fully constituted, and to the Institute. If the challenged Arbitrator withdraws or the other party agrees to the challenge, the mandate of the Arbitrator terminates.

In the case of an arbitration with a single Arbitrator, if the Arbitrator challenged does not withdraw and the other party does not agree to the challenge, the single Arbitrator shall decide on the challenge. If there is a three-person panel the Chair, if he or she is not challenged, shall decide the challenge. If the Chair is challenged, all the Arbitrators may decide the challenge.

19. REPRESENTATION

Where a party intends to be represented or assisted by a lawyer, that party shall, in writing, advise the other party and the Institute of the lawyer's name, address, telephone number, facsimile number, e-mail address and the capacity in which he or she is acting at least 5 days before any scheduled hearing or meeting.

20. PLACE OF ARBITRATION

The parties may agree in writing on the place of arbitration. If no place is agreed upon, the place of arbitration shall be at the discretion of the Tribunal. The Tribunal may meet at any other place it considers convenient or necessary for consultation, to hear witnesses, experts or the parties or for the inspection of documents, goods or other property. Part or all of the arbitration may be conducted by telephone, e-mail, internet or electronic communication if agreed to by the parties or directed by the Tribunal.

21. LANGUAGE OF ARBITRATION

The parties may agree, in writing, on the language of the arbitration. If no such language of the arbitration is agreed upon, the Tribunal may specify the language of the arbitration.

22. PRE-ARBITRATION MEETING

Within 14 days of its appointment, the Tribunal shall convene a pre-arbitration meeting, unless the parties deliver to the Institute a notice, in writing, that they do not wish a pre-arbitration meeting.

At the pre-arbitration meeting the parties shall:

- (a) identify the issues in dispute;
- (b) set the procedure to be followed in the arbitration; and
- (c) establish time periods for taking steps to deal with any matter that will assist the parties to settle their differences or to assist the arbitration to proceed in an efficient and expeditious manner.

The pre-arbitration meeting may take place by conference telephone call, video conferencing or other means directed by the Tribunal.

The Tribunal shall record any agreements or orders made at the pre-arbitration meeting and shall, within 7 days of that meeting, deliver a written record of such agreements or orders to each of the parties and file a copy with the Institute.

23. CONDUCT OF THE ARBITRATION

- (a) Subject to the Rules, the Tribunal may conduct the arbitration in the manner it considers appropriate.

- (b) Each party shall be treated fairly and shall be given a fair opportunity to present its case.
- (c) The Tribunal shall strive to achieve a just, speedy and cost effective determination of every proceeding on its merits, taking into account Rule 1.
- (d) A transcript or videotape of the proceedings shall be prepared if requested by either party in writing at least 5 days before the commencement of the hearing. Any such transcript or videotape shall be at the expense of the party requesting it. If a transcript or video tape has been requested by a party pursuant to this Rule, every other party and the Tribunal shall be entitled to obtain a copy of the transcript or videotape upon payment of the costs of reproduction of the transcript or videotape.

24. JURISDICTION

The Tribunal may rule on its own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement, and for that purpose,

- (a) an arbitration clause that forms part of a contract shall be treated as an agreement independent of the other terms of the contract, and
- (b) a decision by the Tribunal that the contract is null and void shall not entail the invalidity of the arbitration clause unless specifically found by the Tribunal.

25. NO WAIVER OF RIGHT TO OBJECT

A party is not precluded from raising a jurisdictional issue by the fact that it has appointed, or participated in the appointment of, an Arbitrator.

26. GENERAL POWERS OF TRIBUNAL

The Tribunal may:

- (a) order an adjournment of the proceedings from time to time;
- (b) make an interim award on any matter with respect to which it may make a final award;
- (c) grant such interim measures of protection as it deems appropriate, including an order for security for costs, for the posting of security for the amount claimed or for preservation of property that is the subject matter of the dispute;
- (d) make an award or interim award granting equitable relief, injunctions or specific performance on such terms as may be just;
- (e) order inspection of documents, exhibits or other property;
- (f) order the taking down and recording of a transcript of any oral hearing;

- (g) at any time extend or abridge a period of time fixed or determined by it, or any period of time required in the Rules, except the time within which the award is to be made, where it considers it just and appropriate in the circumstances;
- (h) empower one member of the Tribunal to hear motions and make procedural orders, including the settling of matters at the pre-arbitration hearing, that do not deal with the substance of the dispute;
- (i) request further statements clarifying issues in dispute;
- (j) give such direction with respect to procedural matters having regard to Rule 1; and
- (k) request from a court of competent jurisdiction assistance in taking evidence.

27. EXCHANGE OF STATEMENTS

On the Commencement Date, or within 14 days thereafter, the claimant must deliver a written statement (Statement of Claim) to each respondent, the Tribunal and the Institute setting out the material facts supporting its claim, the points in issue and the relief or remedy sought, provided however that if no Tribunal has been appointed within 14 days of the Commencement Date, then a copy of the Statement of Claim must be delivered to the Tribunal forthwith upon its appointment.

Within 14 days after each respondent receives the Statement of Claim, that respondent shall deliver a written statement outlining its defence (Statement of Defence) and a written statement of any counterclaim (Counterclaim), to the claimant, the Tribunal and the Institute. The Statement of Defence or Counterclaim shall set out the material facts supporting the defence or counterclaim, the points in issue and the relief or remedy sought. Any Statement of Defence or Counterclaim shall be accompanied by payment to the Institute of the required case service fee calculated in accordance with Schedule “A”.

The claimant shall deliver to the Tribunal and the Institute its Statement of Defence to Counterclaim within 14 days after receiving the Counterclaim. The Statement of Defence to Counterclaim shall set out the material facts supporting the defence, the points in issue and the relief or remedy sought.

If a respondent, or a claimant, fails to deliver a Statement of Defence or a Statement of Defence to Counterclaim, as the case may be, it shall be deemed to deny the allegations in the Statement of Claim or Counterclaim as the case may be.

Each party shall submit with its statement a preliminary list of relevant documents in accordance with Rule 29 taking into account Rule 1. The type, date, author, recipient and subject matter of each document must be specified. Documents not so identified may be subject to exclusion from the proceedings at the Tribunal’s discretion.

28. AMENDMENT OF STATEMENTS

The Tribunal, upon such terms as it deems appropriate, may allow a party to amend or supplement its Statement of Claim, Statement of Defence, Counterclaim, or Statement of Defence to Counterclaim during the course of the arbitration unless the Tribunal

considers the delay in amending or supplementing the claim to be prejudicial to a party or unless it considers that the amendment or supplement goes beyond the terms of the arbitration agreement or submission to arbitrate.

29. PRODUCTION OF DOCUMENTS

Each party shall disclose all documents relating to the matters in issue in the arbitration that are or have been in the party's possession, control or power, within 15 days after the date of delivery of the Statement of Defence or the Statement of Defence to Counterclaim, whichever is later, unless the Tribunal orders otherwise. Where the Tribunal considers that the disclosure of all such documents is unnecessary, unduly costly or burdensome or for other reason is inconsistent with Rule 1, the Tribunal may give directions to limit the scope of disclosure of documents.

The Tribunal may, on application, order a party to produce any documents the Tribunal considers relevant to the arbitration within a time it specifies, and where such order is made the other party may inspect those documents and take copies of them.

30. PRE-HEARING EXAMINATIONS AND INTERROGATORIES

The Tribunal may, on such terms as it deems just and appropriate, order a party or a representative of a party to submit to an oral examination under oath or to respond by sworn statement to written interrogatories, on such issues as may be ordered by the Tribunal taking into account Rule 1. The Tribunal shall, at the time of making any such order, determine the use that may be made of the evidence taken on any such examination or in responses.

31. AGREED STATEMENT OF FACTS

The parties shall, within a period of time specified by the Tribunal, identify those facts that are not in dispute and submit to the Tribunal and file with the Institute an agreed statement of facts.

32. ARBITRATION HEARINGS

The Tribunal shall set the dates for any interim hearings or meetings, whether oral or not, and shall, except in cases of urgency, give at least 4 days written notice thereof to the parties and the Institute. The Tribunal may direct that all evidence and argument be given in writing and may dispense with an oral hearing.

33. CONFIDENTIALITY

The parties, the witnesses and the Arbitrators shall treat all meetings and communications, the proceedings, documents disclosed in the proceeding, discovery and the awards of the Tribunal as confidential, except in connection with a judicial challenge to, or enforcement of, an award, and unless otherwise required by law. Nothing in this Rule shall preclude disclosure of such information to a party's insurer, auditor, lawyer or other person with a direct financial interest in the arbitration. The parties shall use such information solely for the purposes of the arbitration, and shall not use or allow it to be used for any other purpose unless the parties agree otherwise or unless otherwise required by law.

After the delivery of an award the Institute may make a written request to the parties for their consent to the publication by the Institute of the award or extracts from it. Should a

party fail to respond to such a request within 45 days of the date of request then it shall be deemed to have consented to the request.

34. EVIDENCE

The parties may offer such evidence as is relevant and material to the dispute and shall produce such evidence under oath as the Tribunal may deem necessary to an understanding and determination of the dispute. The Tribunal may be guided by the rules of evidence applicable in court proceedings, but conformity with the rules of evidence is not required. All evidence shall be taken in the presence of the Tribunal and all of the parties, except where any of the parties is voluntarily absent, in default or has waived the right to be present.

The Tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered and may exclude evidence that the Tribunal deems to be repetitive.

35. WITNESSES

The Tribunal may determine the manner in which witnesses are to be examined, and save for a party or the person nominated as that party's representative for the purpose of the arbitration, may require witnesses to absent themselves from an oral hearing during the testimony of other witnesses.

Where the evidence of a witness is presented by written statement or sworn declaration, the Tribunal may order that the witness be present at an oral hearing for cross examination.

36. TRIBUNAL'S EXPERTS

The Tribunal may appoint one or more independent experts to report on specific issues to be determined by the Tribunal and may require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for its inspection.

The Tribunal shall communicate the expert's terms of reference to the parties. Any dispute as to the terms of reference or the relevance of the required information, or production of it, shall be referred to the Tribunal for decision. The cost of any such expert shall be borne by the parties on a basis determined by the Tribunal.

Upon receipt of the expert's report in writing, the Tribunal shall deliver a copy of it to the parties who shall be given the opportunity to challenge all or any part of it in a manner determined by the Tribunal.

The expert shall, on the request of a party, make available to that party for examination all documents, goods or other property in the expert's possession that the expert has used to prepare the report and shall provide that party with a list of all documents, goods or other property not in the expert's possession, but that were provided to prepare the report, and a description of the location of those documents, goods or other property.

An expert shall, after delivery of the report, be required to attend for the purpose of cross examination on some or all of the contents of that report, unless the parties agree that such cross-examination is not required.

37. DEFAULT OF A PARTY

Where a party, without sufficient cause, fails to appear at a hearing, pay the fees of the Institute, or to produce evidence, the Tribunal may continue the arbitration on such terms as the Tribunal deems appropriate after satisfying itself that a reasonable attempt has been made to communicate with the defaulting party. The Tribunal shall make an award based upon the evidence before it.

38. FORMAL WITHOUT PREJUDICE OFFERS OF SETTLEMENT

At any time before the hearing on the merits, a party may deliver to the other party an offer marked “without prejudice” to settle one or more of the issues between it and any other party on the terms specified in the offer. An offer to settle may specify a time within which it may be accepted and it will expire if not accepted within that time.

The Tribunal shall take into consideration the offer, the time at which the offer was made and the extent to which it was accepted when dealing with questions of costs and interest.

No party shall inform the Tribunal of the fact that an offer had been made under this Rule until after all issues in the arbitration other than costs have been determined.

39. WITH PREJUDICE OFFERS

The parties may deliver written offers marked “with prejudice” at any time, and all such offers may be put in evidence at the arbitration hearing.

40. DEPOSITS AGAINST COSTS

The Tribunal may, directly or through the Institute, from time to time, require the parties to deposit by Cash, certified cheque, or irrevocable letter of credit, to the Institute in trust, equal amounts as an advance for the anticipated costs and expenses of the arbitration including the Tribunal’s fees and expenses.

If the required deposits are not made within 15 days after receipt of the request, the Tribunal or the Institute shall inform the parties so that another party may make the required payment.

If the required deposits are not made within 30 days after receipt of the request, the Tribunal may continue the arbitration under Rule 37 or order the suspension or termination of the proceeding.

41. PAYMENT OUT OF DEPOSITS

The Institute may, from time to time, pay to the Tribunal from any deposit it holds, any amount it considers reasonable and appropriate for fees earned or expenses incurred by the Tribunal.

After the final award has been made, a settlement has been reached or the arbitration abandoned or otherwise finally disposed of, the Institute shall apply any deposits it holds to the costs of the arbitration, including any unpaid Tribunal fees and administrative fees, render an accounting to the parties of the deposits received and applied and return any unexpended balance to the parties in proportion to their contributions or as may be directed by the Tribunal in the final award.

42. CLOSURE OF HEARINGS

Where the parties have, on inquiry, advised they have no further evidence to give or submissions to make, or the Tribunal considers further hearings to be unnecessary or inappropriate, the Tribunal may close the hearings.

On its own motion or on the application of a party, the Tribunal may, in exceptional circumstances, reopen the hearings to receive evidence or submissions concerning a matter at any time before the issuance of a partial final award or final award concerning that matter.

43. SETTLEMENT

The Tribunal may encourage settlement of the dispute and, with the written agreement of the parties, may order that mediation, conciliation or other procedures be used by the parties at any time during the arbitration proceedings to encourage settlement.

If, during the arbitration proceedings, the parties settle the dispute, the Tribunal shall, upon receiving confirmation of the settlement or determining that there is a settlement, terminate the proceedings and, if requested by the parties, record the settlement in the form of an arbitration award on agreed terms.

44. AWARD

The Tribunal may make a partial final award finally determining an issue or part of a dispute.

The Tribunal may make an interim award that shall subsequently be incorporated into and become part of a final award.

The Tribunal shall make its final award with respect to the matters determined in the award within 60 days after the hearings have been closed or such further period as may:

- (a) be agreed to in writing by the parties, or
- (b) be directed by a court of competent jurisdiction.

Awards of the Tribunal shall be in writing and shall, unless the parties otherwise agree, state the reasons upon which they are based. The Tribunal shall deliver to the Institute sufficient originally signed copies of any award for each party. Upon payment of all outstanding Institute and Tribunal fees and expenses, copies of the award will be delivered to the parties by the Institute.

Where the Tribunal consists of more than two Arbitrators, the award shall be made by a majority of the Tribunal. Where there is no majority decision, the decision of the Chair of the Tribunal shall be the award.

45. INTEREST

The Tribunal may order interest to be paid in an award for such time and in such amount as it considers just and reasonable.

46. COSTS

The Tribunal shall be entitled to fix the costs and expenses of the arbitration, including reasonable legal fees, the costs and expenses of the arbitration and the Tribunal, and the fees of the Institute. If costs and expenses are awarded, such costs and expenses shall be made part of the award. The Tribunal shall be entitled to make separate awards for legal costs and the fees and expenses of the arbitration and shall be entitled to apportion costs and expenses between the parties.

47. AMENDMENTS AND CORRECTIONS TO THE AWARD

A Tribunal may, on the application of a party or on its own initiative, amend or vary an award or interim award to correct:

- (a) a clerical or typographical error;
- (b) an accidental error, slip, omission or other similar mistake; or
- (c) an arithmetical error made in a computation.

An application by a party to amend or vary shall be made within 15 days after that party is notified of the award.

An amendment or variation shall not, without the consent of the parties, be made more than 30 days after the parties have been notified of the award.

A party may, within 15 days after being notified of the award, apply to the Tribunal for clarification of the award, and the Tribunal may clarify the award where it considers it appropriate, in which case the clarification becomes part of the award.

A party may, within 30 days after receiving the award, apply to the Tribunal to make an additional award with respect to claims presented in the proceedings. An amended, varied or additional award shall be filed by the Tribunal with the Institute.

Unless otherwise agreed, the award of the Tribunal shall be final and binding and there shall be no appeal.

48. IMMUNITY

Neither the Institute nor the Tribunal shall be liable to any party for any act or omission in connection with any arbitration conducted under the Rules. The Tribunal and the Institute shall have the same protections and immunity as a Judge of the Superior Court in the province or territory in which the arbitration takes place.

49. SIMPLIFIED ARBITRATION PROCEDURE

- (a) Where the parties agree in writing the arbitration shall be conducted in accordance with this simplified procedure section and Schedule “B” to the Rules.
- (b) The time periods for a simplified procedure arbitration, other than those time periods specifically provided for under sub-rules (c), (d) and (j) of this Rule, shall be those set out in Schedule “B”.

- (c) The simplified arbitration shall be conducted by a single Arbitrator appointed by the Institute within 14 days after the filing of the Submission to Arbitration or Notice of Request to Arbitrate.
- (d) Within 14 days of the appointment of the Arbitrator, the Arbitrator shall convene a pre-arbitration meeting of the parties which may be held by conference telephone call, video conferencing or other means as the Arbitrator may direct to determine:
 - (i) a timetable for the conduct and completion of all pre-hearing and preliminary matters in a period not to exceed 90 days from the date of the commencement of the arbitration;
 - (ii) the time and place of the hearing; and
 - (iii) such other directions as may be necessary.
- (e) Rules 14, 15, 22, 26(h), and 30 shall not apply to the conduct of the arbitration.
- (f) Unless agreed by the parties or ordered by the Arbitrator, there shall be no oral discovery.
- (g) No transcript of the proceedings shall be required.
- (h) Sworn statements of evidence shall be filed at the hearing in lieu of examination in chief and shall be subject to cross-examination and re-examination only.
- (i) The record of the arbitration shall consist of the documents and exhibits produced and filed by the parties.
- (j) The Arbitrator shall deliver the award and reasons for the award within 14 days from the completion of the hearing.

SCHEDULE “A”

ARBITRATION ADMINISTRATIVE FEE SCHEDULE

Under the fee schedule, an Initial Filing Fee, payable by the filing party, and a Case Service Fee, payable by each party filing a defence or counterclaim, will cover all ADR Institute services from the time a case is filed until it is awarded or settled. This fee schedule eliminates hearing and postponement fees and miscellaneous expenses.

AMOUNT OF CLAIM	INITIAL FILING FEE	CASE SERVICE FEE
Above \$0 to \$10,000	\$350	\$175
Above \$10,000 to \$75,000	\$600	\$300
Above \$75,000 to \$150,000	\$1,000	\$500
Above \$150,000 to \$500,000	\$2,000	\$1,000
Above \$500,000 to \$1,000,000	\$4,000	\$2,000
Above \$1,000,000	\$5,000	\$3,000
Date Payment Due	On filing Notice of Request or Submission to Arbitrate	On filing of Statement of Defence which may include a Counterclaim

SCHEDULE “B”

SIMPLIFIED RULE TIME PERIOD

RULE	TIME PERIOD
27	All references to 14 days shall be to 10 days.