

COMMUNITY DEVELOPMENT AGREEMENT

THIS AGREEMENT made this 1st day of December, 2017 (hereinafter "**Agreement**").

BETWEEN:

NALCOR ENERGY, a body corporate existing pursuant to the *Energy Corporation Act*, SNL 2007, c. E-11.01 (hereinafter called "**NALCOR**")

And

NUNATUKAVUT COMMUNITY COUNCIL INC., a corporation under the laws of Newfoundland and Labrador (hereinafter called "**NCC**"), its successors and assigns

(each of NALCOR and NCC being a "**Party**" and collectively, the "**Parties**")

WHEREAS:

- A. NALCOR has been and will be performing work and delivering services in Labrador.
- B. NCC is comprised of approximately 6,000 members who self-identify as Southern Inuit and reside primarily in communities throughout central and southern Labrador.
- C. The Parties consider it to be in their mutual interest to partner in establishing a strategic relationship based on mutual respect and trust.
- D. The Parties believe that a positive relationship between NCC and NALCOR may have beneficial socio-economic benefits for NCC and its members.
- E. The Parties hereby wish to enter an agreement without any admission as to the respective assertions of the other Party.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

DEFINITIONS

1. Capitalized terms set out in this Agreement shall have the meaning ascribed to them herein. Additionally, in the Agreement and in the Schedules attached thereto, the following terms and expressions shall have the following meanings:

“Future Nalcor Projects” means all large scale future Nalcor resource development projects in Labrador in and around NCC communities including the Gull Island Project;

“Gull Island Project” means the project consisting of the construction of a hydroelectric generating station located at Gull Island, Labrador;

“Muskrat Falls Project” means the hydroelectric project at Muskrat Falls on the Churchill River;

“NCC Members” means members of NCC as determined by the Constitution of NCC;

“Labrador Transmission Project” means the construction, operation and maintenance of the transmission system through southern Labrador from Muskrat Falls to Forteau Point; and

“Nunacor” means Nunacor Development Corporation, a wholly owned subsidiary of NCC, operating under the direction of NCC.

OBJECTIVES

2. The Parties agree to work together to achieve the following objectives:
 - a) To maintain their relationship with candour, openness and mutual respect;
 - b) To jointly engage with respect to environmental protection, and health/well-being of NCC Members and communities as set out in Schedule “A-1”;
 - c) To provide commercial opportunities and encourage access to employment related opportunities as set out in Schedule “C”;
 - d) To provide greater certainty with respect to NCC cooperation for NALCOR’s projects and operations in Labrador; and
 - e) To foster an inclusive corporate culture and workplace environment within NALCOR that is consistent with Schedule “B” or NALCOR’s diversity and inclusion strategies.

ENGAGEMENT

3. The Parties agree to engage each other in accordance with the principles and values on the various matters described in Schedule "A" as further detailed in Schedules "A-1" to "D" inclusive.
4. Employment and business opportunities by NALCOR will be managed in accordance with Schedule "C".

REPRESENTATIONS AND WARRANTIES AND EFFECTIVE DATE

5. Each Party represents and warrants that it has the legal power, capacity and authority to enter into this Agreement and carry out its obligations hereunder.
6. The execution and delivery of this agreement and the consummation of the transactions contemplated herein by it has been duly authorized by all necessary corporate action on its part. NCC further represents and warrants that the Agreement does not breach its constitution, constating documents, or conflict with any of its other obligations.
7. This Agreement becomes effective (the "**Effective Date**") upon its execution.

DESIGNATED AUTHORITIES AND IMPLEMENTATION

8. Each Party shall appoint one key contact individual and an alternate contact individual, to act for it in carrying out this Agreement (the "**Designated Authorities**"). The Designated Authorities shall be the President of NCC and his or her delegate and the CEO of NALCOR and his or her delegate.
9. The Parties agree that they will be entitled to rely on the decisions and actions of the Designated Authorities for purposes of carrying out this Agreement. In the event that there are any changes with respect to the individuals appointed as a Designated Authority, the respective Party shall notify the other Party in writing of the replacement names of such individuals.
10. The Designated Authorities shall monitor the implementation of this Agreement and meet semi-annually or at such other period mutually agreed upon by the Parties, to determine whether the commitments set out in this Agreement are being satisfactorily achieved and whether any amendments are required.
11. The Parties will establish such working groups as set out in Schedule "A-1".

12. Except as otherwise provided herein, the Parties shall each be responsible for paying for all costs of their own participation in, including but not limited to, any working groups, meetings, discussions, sessions, including all such costs for appointed members, advisors and invited guests.

OBLIGATIONS OF THE PARTIES

13. NCC will seek such NCC Member input or authorization as it considers appropriate for any matters set out in Schedule "A".
14. NCC will use reasonable efforts to ensure that NCC Members are aware of any commitments or obligations of either Party under this Agreement.
15. The Parties acknowledge that nothing herein abrogates or derogates from exercising any existing right or remedies available to NCC with respect to:
 - (a) any claims for financial compensation for losses due to any NALCOR project;
 - (b) participation by NCC in the course of any environmental assessment of any part of any existing or Future NALCOR Projects as provided for under legislation or regulation.
16. The Parties acknowledge that nothing herein waives any claim by either Party including, but not limited to, those arising from: (i) personal injury to, or loss of health by an individual; (ii) damage to property; or (iii) claims in relation to easements, family traplines or harvest areas or access to country foods.
17. Provided that Nalcor is in compliance with Schedule "A-2", NCC will not organize or initiate, conduct that is intended to or which prevents, delays, hinders or interferes with the construction, operation or decommissioning of any NALCOR project covered by this Agreement.
18. The Parties acknowledge that nothing herein waives, releases, surrenders, or prevents the exercise of any right available to NCC Members, to their constitutional rights of freedom of expression and assembly.
19. NALCOR and NCC acknowledge and agree that NCC is not liable for the actions of NCC Members if they are not acting under the direction or instruction, or as agents for, NCC.
20. The parties acknowledge that Nalcor is bound by the Lower Churchill Innu Impact and Benefits Agreement dated November 18, 2011 ("IBA") and the Lower



Churchill Construction Projects Benefits Strategy between Nalcor and the Government of Newfoundland and Labrador ("**Benefits Strategy**"). The parties agree to respect the IBA, all IBA commitments and the Benefits Strategy.

21. NALCOR shall provide funding to NCC during each year of this Agreement in the amounts and instalments specified in Schedules "A-1" through "D" ("the Funding") as further described in Schedule "D-2". All dollar amounts in the funding are expressed in nominal Canadian dollars.
- (a) NCC agrees to use the Funding for the purposes set out in Schedules "A-1" through "D-2" and for no other purpose.
 - (b) NCC shall provide an annual accounting to NALCOR of the expenses incurred pursuant to the Funding received.
 - (c) Throughout the Term, Nalcor shall have the right to audit, examine and inspect, yearly and at reasonable times and locations, all documentation and records of NCC that are reasonably related to the Funding provided by Nalcor to NCC pursuant to this Agreement, and all such associated expenditures, for the purpose of confirming compliance with the terms and conditions of this Agreement. In the event the audit determines that such Funding in any year has not been utilized in accordance with the terms and conditions of this Agreement, NCC shall repay such amounts to Nalcor and in case of failure to repay, Nalcor shall have the right to deduct from the next year's Funding amounts to NCC, any such amounts that have been misapplied.

SEVERABILITY

22. The provisions of this Agreement are severable. If any provision is declared to be void or unenforceable, it shall be severed and the remaining provisions of this Agreement shall continue to have full force and effect.

APPLICABLE LAWS

23. This Agreement shall be governed by and interpreted in accordance with the laws of the province of Newfoundland and Labrador and the laws of Canada applicable therein and all actions, suits, and proceedings arising out of this Agreement shall be determined in a court of competent jurisdiction in the Province of Newfoundland and Labrador, subject to any right of appeal to the Supreme Court of Canada.
24. The Parties agree to abide by all applicable laws in the performance of this Agreement.

VALIDITY

25. No Party will encourage or support any challenge, by a third party, to the validity of this Agreement or to any provision of this Agreement.

ENTIRE AGREEMENT; NATURE OF THIS AGREEMENT

26. As of the Effective Date, this Agreement constitutes the entire agreement entered into between the Parties with respect to the subject matters set forth herein and will supersede any prior agreement, negotiation or understanding between the Parties. There are no other collateral agreements or understandings related to the subject matter hereof.
27. This Agreement is made without prejudice to the positions taken by any Party in any other forum. It is not to be construed as conferring, recognizing, limiting, denying, abrogating or derogating from any Aboriginal, treaty, constitutional or other rights, benefits, claims or privileges of the Parties. This Agreement is not a treaty or land claim agreement within the meaning of section 25 or 35 of *The Constitution Act, 1982*.
28. The Parties acknowledge that this Agreement is between NALCOR and NCC only and that the Crown is not in any way a party to this Agreement.
29. NCC shall indemnify and save harmless NALCOR from all claims, demands, damages, suits or other proceedings arising from acts or omissions of the NCC, its agents or servants in performance of this Agreement. Notwithstanding, NCC shall not be liable for any indirect, incidental, consequential, special, punitive or exemplary damages or for any loss of use, revenue or profit.
30. NALCOR shall indemnify and save harmless NCC from all claims, demands, damages, suits or other proceedings arising from acts or omissions of NALCOR, its agents or servants in performance of this Agreement. Notwithstanding, Nalcor shall not be liable for any indirect, incidental, consequential, special, punitive or exemplary damages or for any loss of use, revenue or profit.

NO AGENCY

31. Nothing herein shall be construed to create a relationship of agency, fiduciary or similar relationship between the Parties.

INFORMATION SHARING

32. The Parties will make reasonable efforts to provide or exchange information as needed, on a timely basis, to give effect to this Agreement. Any confidential



and/or proprietary information will be identified as such prior to its communication and the Parties will execute such non-disclosure agreements as may be appropriate.

33. Public statements, media releases or publications that pertain to the implementation of this Agreement will be discussed and mutually approved by the Parties prior to release.

ENUREMENT

34. This Agreement shall ensure to the benefit of and be binding upon NALCOR, NCC and their respective successors and permitted assigns, as the case may be in accordance with the terms of this Agreement.

TERM AND TERMINATION

35. This Agreement shall come into effect at the Effective Date.
36. The term of this Agreement shall be six (6) years from the Effective date, terminating on the 30th day of November, 2023 (the "**Term**"), unless the Term is extended by mutual agreement of the Parties.
37. This Agreement may be terminated by mutual agreement at any time throughout the Term, or by replacement with a more definitive agreement expressly releasing this Agreement as mutually agreed by the Parties. After three (3) years, the Agreement may be terminated by either party upon ninety (90) days prior written notice.

NOTICES

38. Any notices or communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered to, or sent by prepaid registered or certified mail, or confirmed facsimile, addressed as follows:

- (a) in the case of a notice or communication to NALCOR:

500 Columbus Drive
P.O. Box 15200, Station A
St. John's NL Canada A1B 0P5

Attention: General Counsel
E-mail: NalcorGeneralCounsel@nalcenergy.com
Fax: (709) 737-1782

- (b) in the case of a notice or communication to NCC:

NunatuKavut Community Council
200 Kelland Drive
PO Box 460, Stn. C
Happy Valley-Goose Bay, NL A0P 1C0

Attention: President
Fax: (709) 896-0594

or to such other address as either Party may notify the other in accordance with this paragraph, and if so delivered shall be deemed to have been given when delivered, or at the time of confirmation of electronic transmission if sent by facsimile if such day is a business day, otherwise the next business day following, and if so mailed shall be deemed to have been given on the third business day after the date of mailing except in the case of a mail strike or other disruption of postal service in which case it shall be deemed to have been given on the third business day after such strike or disruption ceases.

AMENDMENT

39. This Agreement may be amended from time to time by consent of the Parties hereto by an instrument in writing. No term in this Agreement may be changed or waived except in writing. No waiver shall constitute a continuing waiver unless expressed as such.

ASSIGNMENT

40. Neither this Agreement nor any of the rights or obligations of the Parties under this Agreement may be assigned, in whole or in part, by any Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

EXTENDED MEANINGS

41. In this Agreement, words importing gender shall 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.

SCHEDULES

42. The Parties agree that the Schedules "A-1" through "D-2" form part of this Agreement.

43. The division of this Agreement into Parts and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed in their respective names by their duly authorized representatives.

NALCOR ENERGY

Per: _____

Name

Per: _____

Name

**NUNATUKAVUT COMMUNITY COUNCIL
INC.**

Per: _____

Name

OK

Schedule "A"

1. Muskrat Falls Project and Labrador Transmission Project – "A-1"
2. Future NALCOR Projects in Labrador – "A-2"
3. Cartwright – "A-3"
4. Community Capacity Building and Sustainability Funding – "A-4"
5. Energy Commercial Relationship – "A-5"
6. Workplace Environment and Cultural Accommodations – "B"
7. Training, Employment and Business Opportunities – "C"
8. Implementation and Administration – "D-1"
9. Payment Schedule – "D-2"

Schedule "A-1"
Muskrat Falls Project & Labrador Transmission Project

- (a) Nalcor and NCC are committed to fostering a future improved relationship with each other. With the bulk of the Muskrat Falls Project ("MFP") and the Labrador Transmission Project ("LTP") now being complete, Nalcor and NCC acknowledge that information sharing and dialogue between the Parties regarding environmental protection is beneficial and both Parties agree to do so, in order to jointly engage on environmental related monitoring, reporting, and mitigation with respect to the MFP and LTP. NCC may make recommendations to Nalcor regarding environmental-related monitoring, reporting, and mitigation as it relates to the MFP and LTP. Nalcor agrees to reasonably incorporate NCC Indigenous and traditional knowledge in the monitoring and evaluation of appropriate measures to be implemented to prevent or reduce adverse environmental effects resulting from the MFP and LTP. Nothing in this agreement shall be construed to limit Nalcor's, as proponent, full and final decision making authority with respect to all matters relating to environmental mitigation, monitoring, and management measures in relation to MFP and LTP, as permitted by law.
- (b) As a commitment to this future improved relationship, Nalcor and NCC agree that nothing in this Schedule "A-1" shall be construed as to limit or prohibit additional or future NCC involvement in the environmental monitoring, reporting, or mitigation, with respect to the MFP and LTP that the parties may subsequently agree to in the future.
- (c) Nalcor and NCC agree that the commitments made within this Schedule "A-1" shall not displace or derogate from any process implemented pursuant to the Independent Expert Advisory Committee ("IEAC"), and are not meant to duplicate any process undertaken by the IEAC or affect the validity of any processes, results or recommendations of the IEAC. Nalcor and NCC further agree that the commitments made by Nalcor in this Schedule "A-1" do not prevent Nalcor from entering similar agreements or from entering similar working relationships with other Indigenous or non-Indigenous groups.
- (d) In the spirit of this improved relationship, Nalcor shall provide funding to NCC to conduct a baseline dietary survey and hair sampling program for NCC Members residing in Upper Lake Melville. The study shall be implemented independently by NCC. Eligible costs of the study ("Eligible Study Costs") shall be up to a maximum of one hundred and fifty thousand dollars (\$150,000.00).

The purpose of this study is to collect additional data from NCC Members. This additional study shall be considered supplemental to the previous diet survey and hair sampling study conducted by Golder Associates.



Nalcor is to receive all raw data and results collected as a part of this program. Methods for the collection of dietary survey data and hair sampling shall follow the same protocols that were utilized by Golder Associates as outlined in the Dietary Survey and Human Biomonitoring Program (December 2015).

- (e) In the spirit of fostering an improved relationship, NCC and Nalcor shall jointly engage with respect to stability monitoring of the MFP area (including the North Spur). Nalcor agrees to reasonably incorporate the information provided by NCC into the Nalcor stability monitoring of the MFP area (including the North Spur).
- (f) Nalcor shall provide to NCC the Emergency Response Plan for Winter Head Pond Elevation and Full Supply Elevation for evaluation purposes. NCC shall make any recommendations as it relates to NCC Indigenous and traditional knowledge.
- (g) Nalcor shall provide all relevant safety information detailing the results of the stability monitoring of the MFP area (including the North Spur) and LTP area (the "**Safety Report**"), to NCC, on a quarterly basis. Nalcor shall consult with NCC regarding all announcements concerning safety monitoring as it relates to NCC Members and required alerts to NCC Members.
- (h) Nalcor shall jointly engage with NCC regarding land and access issues including Nalcor's intended access road use and decommissioning plans in the LTP and MFP areas, with the purpose of addressing issues arising with respect to use of land and potential associated disruptions.
- (i) Nalcor and NCC shall jointly engage in measures to assist with the food security of NCC Members that make use of the LTP and MFP area for family traplines or harvest areas or access to country foods. Nalcor and NCC agree that, to protect against potential loss of food security in the LTP and MFP area, proactive steps must be taken. Provided that there is a food security issue caused by Nalcor in relation to the LTP or MFP and no Federal and Provincial Government food security programs exist to address NCC food security issues for the LTP and MFP area, Nalcor and NCC shall establish a working group to jointly assess if such alternative nutritional food sources are required, and if so make recommendations with respect to: (i) Which such options are best for the NCC Members; and (ii) how they should be operated and funded. Nalcor acknowledges and agrees that Government social assistance and other similar programs are not food security programs.

Schedule "A-2"
FUTURE NALCOR PROJECTS IN LABRADOR

- (a) Nalcor and NCC are committed to fostering a future improved relationship with each other. Subject to any current contractual obligation that specifically prevents Nalcor from doing so, Nalcor agrees that in the spirit of this improved relationship Nalcor shall notify NCC of all Future Nalcor Projects upon registration with the federal or provincial, or related authority, for environmental assessment.
- (b) With respect to Future Nalcor Projects, Nalcor shall engage with NCC in good faith to promote meaningful NCC participation to assist with the protection of the environment, and reduction of adverse environmental effects of Future Nalcor Projects.
- (c) Provided that a Future Nalcor Project is registered with the federal or provincial, or related authority for environmental assessment, Nalcor and NCC agree that the objective of this Schedule "A-2" is that all Future Nalcor Projects, from the initial planning phase to project completion, are to be meaningfully informed by the knowledge, culture, and lifeways of NCC Members and communities.
- (d) If any Future Nalcor Project is registered with the Federal or Provincial Government, or related authority, for environmental assessment ("Registered Project"), Nalcor and NCC shall meet and engage in good faith negotiations towards a project-specific agreement.

Schedule "A-3"
Cartwright

NALCOR appreciates the strategic importance of the Town of Cartwright ("Cartwright") and agrees to encourage industry participants to consider Cartwright as a location for supply and support to operations occurring in the Labrador South Region as defined by the Canada Newfoundland Offshore Petroleum Board.

1. NALCOR agrees to:

- (a) Fund and administer a joint study with Cartwright in the maximum amount of \$50,000.00 to assist with identifying opportunities to service the Labrador South Region oil and gas sector. Such study shall be jointly commissioned by Nalcor and Cartwright within 120 days of the Effective Date.
- (b) Provide to NCC specific strategic infrastructure funding in the amount of \$250,000.00 each year for five years ("Strategic Infrastructure Fund"), to support Cartwright in its efforts to position the Town as a base for industry participants including but not limited to the following: (a) seismic testing; (b) equipment servicing center; (c) offshore supply center; (d) warehousing; and (e) trans-shipment terminal. Eligible expenditures of this Strategic Infrastructure Fund include only such expenditures required to attract, facilitate and support community infrastructure and implementation of infrastructure projects. Expenditures of the Strategic Infrastructure Fund shall comply with generally accepted accounting principles regarding strategic infrastructure fund. The Strategic Infrastructure Fund shall be payable by Nalcor in accordance with the payment schedule set out at Schedule "D-2":
- (c) Use reasonable efforts to include Cartwright in any future benefits agreement to which it is a party for an offshore project in the Labrador South Region pursuant to the offshore regulations of the Canada-Newfoundland Offshore Petroleum Board.

2. In addition NALCOR agrees to:

- (a) Provide a new fire-fighting truck and related equipment, including hoses, to Cartwright, and training for the operation of same, to assist in establishing a safe environment for Cartwright during operational activities;
- (b) Grant \$50,000.00 to Cartwright for heating upgrades to the Cartwright community recreation center;
- (c) Continue the upgrade of Cartwright street lighting to LED lighting; and

- (d) Reclamation of town infrastructure affected by the shipment of transformers and related equipment.

Handwritten signature or initials in the bottom right corner of the page.

Schedule "A-4"
Community Capacity Building and Sustainability Funding

Throughout the Term, NALCOR shall make the following contributions:

- (i) Except as otherwise set out herein and in accordance with the payment schedule set out at Schedule "D-2", annual contribution of \$600,000.00 to the Investing in NunatuKavut Communities Infrastructure Program ("INCIP") or any successor program or other related NCC programs with similar purposes, provided that successor programs or related NCC programs does not conflict with the IBA or the Benefit Strategy. INCIP will invest in infrastructure projects in Labrador communities that have maximum positive impact on communities and contribute to its overall wellbeing and advances sustainability. The objectives of the program are to facilitate opportunities for communities to define and prioritize community infrastructure needs and interests and to fund infrastructure planning and projects based on community priorities. The annual contributions shall be invoiced by NCC on the 1st day of March and payable on the 1st day of April in each year of the Term as follows (except for Year 1, as defined in Schedule "D-2", wherein an additional invoice shall be issued by NCC on December 1, 2017 and payable on January 1, 2018 as set out in Schedule "D-2").

The Parties agree that the total annual contribution payable in Year 1 (as defined in Schedule "D-2") of the Term shall be \$900,000.00 and in Year 6 (as defined in Schedule "D-2") of the Term shall be \$300,000.00.

- (ii) Except as otherwise set out herein and in accordance with the payment schedule set out at Schedule "D-2", annual contribution of \$25,000.00 to the Southern Inuit Traditional Education Program or a successor program. In 2016, the Southern Inuit Education Program was launched in various schools throughout NunatuKavut. NCC worked closely with the schools to re-introduce Southern Inuit traditional knowledge and skills into the curriculum. During the school year, students get hands-on experience in building komatiks, making snowshoes, learning crafts and surviving on the land. It is taught by NunatuKavut knowledge holders in the community. The annual contributions shall be invoiced by NCC on the 1st day of March and payable on the 1st day of April in each year of the Term as follows (except for Year 1, as defined in Schedule "D-2", wherein an additional invoice shall be issued by NCC on December 1, 2017 and payable on January 1, 2018 as set out in Schedule "D-2").

The Parties agree that the total annual contribution payable in Year 1 (as defined in Schedule "D-2") of the Term shall be \$37,500.00 and in Year 6 (as defined in Schedule "D-2") of the Term shall be \$12,500.00.

- (iii) Except as otherwise set out herein and in accordance with the payment schedule set out at Schedule "D-2", annual contribution of \$75,000.00 to the George Roberts Community Grants Program or a successor program. The George Roberts Community Grants Program was established in December 2013 to assist communities and groups in NunatuKavut to celebrate their culture while improving economic, social, physical and mental well-being. It is named after the late George Roberts, a proud NCC Member from Norman Bay whose years of volunteering and commitment contributed to the betterment of his community and the communities of others. The annual contributions shall be invoiced by NCC on the 1st day of March and payable on the 1st day of April in each year of the Term as follows (except for Year 1, as defined in Schedule "D-2", wherein an additional invoice shall be issued by NCC on December 1, 2017 and payable on January 1, 2018 as set out in Schedule "D-2").

The Parties agree that the total annual contribution payable in Year 1 (as defined in Schedule "D-2") of the Term shall be \$112,500 and in Year 6 (as defined in Schedule "D-2") of the Term shall be \$37,500.00.

Schedule "A-5"
Energy Commercial Relationship

- (a) NALCOR and Nunacor wish to enter into a commercial relationship which may take the form of an unincorporated joint venture, limited partnership or such other commercial arrangement which they agree is appropriate (the "Commercial Arrangement"), in order to conduct energy related commercial activities in Labrador in and around NCC communities. The purpose of the Commercial Arrangement would be to advance and develop alternate energy activities, including the possible creation of a company in Labrador for the purpose of providing economically viable alternate energy and smart energy solutions to NCC communities, and to provide Nunacor with a participatory role in the Commercial Arrangement in order to support Nunacor in growing and expanding their business interests into the energy sector. NALCOR and Nunacor shall meet and engage in good faith negotiations towards the Commercial Arrangement no later than twelve (12) months after the Effective Date of this Agreement.
- (b) NALCOR shall bear all costs of establishing the Commercial Arrangement, including capital, legal costs, accounting costs, and regulatory costs. Following the establishment of the Commercial Arrangement, all costs resulting from the Commercial Arrangement shall be reimbursed from the revenue generated through the Commercial Arrangement.
- (c) The Commercial Arrangement shall have a Management Committee comprised of an equal number of managing representatives from NALCOR and Nunacor. NALCOR and Nunacor shall nominate their own managing representatives. The Management Committee shall be chaired by a senior NALCOR Manager for the development phase of the Commercial Arrangement.
- (d) It is contemplated that NALCOR will be the initial operator of the Commercial Arrangement and shall have the right to propose work programs and conduct work. The cost of each work program will be funded by revenue generated through the Commercial Arrangement. Nunacor shall have the right to provide recommendations for alternative energy activities in and around NCC communities.
- (e) Subject to any non-disclosure agreements and upon receipt of applicable consents, NALCOR shall provide all related studies or reports regarding alternate energy development opportunities in Labrador in and around NCC communities.
- (f) The Parties will jointly contribute advice, knowledge and assistance in seeking and obtaining all necessary permits, licenses and consents required for the

Commercial Arrangement to conduct all necessary commercial activity, upon approval of all plans by the Management Committee.

- (g) This Schedule "A-5" is to be considered a statement of intention to effect the proposed transaction in accordance with the terms and conditions outlined herein, and no legally binding obligation will be created until a definitive Commercial Arrangement is mutually agreed and executed by NALCOR and Nunacor with respect to the above.

Schedule "B"**WORKPLACE ENVIRONMENT AND CULTURAL ACCOMMODATIONS**

1. NALCOR shall foster and maintain an inclusive workplace that includes the following elements:
 - a) creating a corporate culture and work environment that is receptive and favourable to the social and cultural values of Indigenous people and that ensures, to the extent it is practical to do so, the protection and support of the social and cultural values of Indigenous people;
 - b) provide cultural awareness training to relevant employees of NALCOR pursuant to Schedule "C" Business Opportunities Section 8; and
 - c) encourage an anti-discrimination environment.
2. Throughout the Term, NALCOR shall consult with NCC regarding the content of any cultural awareness training sessions that it provides to its employees.
3. NALCOR has an established Workplace Diversity and Inclusion Policy which is attached hereto as Exhibit B-1 to which it is committed.
4. NALCOR shall comply with the Historic Resources Act, RSNL 1990 c. H-4 and associated regulations (*Archaeological Investigation Permit Regulations and Paleontological Resource Regulations*)
5. Upon the signing of this Agreement, the Parties shall meet and engage in good faith negotiations towards an information sharing agreement addressing the identification and safeguarding of Southern Inuit archaeological and cultural material for cultural/spiritual sites. A process will be established to safeguard the confidentiality and address the appropriate use and ownership of any NCC Indigenous and Traditional Knowledge.

Schedule "C"

TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES**Training and Employment**

1. On an ongoing basis, subject to Applicable Laws, confidentiality obligations and receipt of applicable consents, NALCOR and NCC will exchange information respecting training programs and the participation of NCC Members in training programs and shall work together in the development of a training strategy in order to encourage access to employment opportunities with NALCOR or in the energy business in and around NCC communities. This shall include:
 - (a) Assigning NCC and NALCOR representative(s) to lead this effort;
 - (b) Information-sharing, pursuant to subsections 3 (a) and (c) of this Schedule "C" to support NCC in identifying strategic training and skills development opportunities for NCC Members;
 - (c) Working collaboratively to identify opportunities to support career exploration and skills development for NCC Members. Such opportunities may include supporting the NCC's existing employment programs for NunatuKavut youth by offering student work placement(s) or internship(s), if available and subject to any existing collective agreements with Nalcor and/or any of its subsidiaries and the IBA and the Benefits Strategy, and/or career information session(s) specific to NALCOR and the energy business; and
 - (d) Collaborative efforts to encourage NCC Members to apply for existing scholarships offered by NALCOR, with the exception of IBA scholarships. This shall include an opportunity for NCC to provide feedback regarding selection criteria for existing scholarships.
2. NALCOR agrees to provide written support and assistance to NCC for any qualified applications, for training funds associated with employment in the energy industry that may be submitted by NCC to funding agencies.
3. Subject to any existing collective agreements with Nalcor and/or any of its subsidiaries and the IBA and the Benefits Strategy, the Parties agree to use reasonable efforts to encourage employment opportunities for NCC Members through the following:
 - (a) NCC shall make reasonable efforts to provide NALCOR with information relating to the skills and qualification of NCC Members;

AL
Q

- (b) NALCOR will give consideration to any input provided by NCC in the development and implementation of its employment, recruitment, retention, and diversity strategies; and
 - (c) NALCOR shall meet with NCC within ninety (90) days of NCC's submission pursuant to section 3(a) above. NALCOR will provide information respecting anticipated labour requirements, recruitment and employment strategies and employment qualifications and employment opportunities and shall continue to provide such information as it becomes available.
- 4. NALCOR shall use reasonable efforts to encourage access to employment opportunities for NCC Members in accordance with NALCOR's corporate Diversity & Inclusion strategies and commitment to encouraging access to employment opportunities for Indigenous peoples.
 - 5. NALCOR shall provide to NCC annual updates on its Diversity & Inclusion Advisory Council goals for Indigenous employment and, where appropriate, provide opportunities for feedback and meaningful participation in setting quantifiable goals and objectives for Future NALCOR Projects.

Business Opportunities

- 1. At the request of NCC, Nalcor shall provide information regarding its policies related to advertising new tenders, submission of tenders by prospective bidders, and evaluation of tenders. Nalcor shall further provide supplier information sessions in relation to each of the above topics to NCC or NCC Member Businesses.
- 2. The Parties agree to use reasonable efforts to encourage access to business opportunities in the Labrador Transmission Project, Future Nalcor Projects and in NALCOR's general operations for NCC member businesses registered at the Nunatukavut Business Registry ("NCC Member Businesses").
- 3. Where commercially reasonable, Nalcor shall specifically consider Nunacor for business opportunities with NALCOR. Nalcor and Nunacor shall meet and jointly engage to explore business opportunities no later than ninety days (90) days after the Effective Date of this Agreement.
- 4. NALCOR shall work collaboratively with Nunacor and NCC to identify opportunities to encourage knowledge and technology transfer to NCC Member Businesses. Such opportunities may include: (a) project secondments, if available; (b) special topic supplier development workshops; and (c) other supplier development opportunities.

5. NCC shall maintain and update the NunatuKavut Business Registry and other relevant information associated with such businesses, including a description of the works, goods or services offered by such businesses and any relevant expertise or experience.
6. Representatives of NALCOR and NCC shall meet on a quarterly basis, or as otherwise mutually agreed, to report on the business opportunities for NALCOR operations in Labrador.
7. NCC acknowledges that any NCC Member Business interested in supplying works, goods or services to NALCOR must demonstrate that it is qualified, through Nalcor's pre-qualification process, before it may be considered by NALCOR.
8. The Parties agree that NCC shall provide cultural awareness training to employees of Newfoundland and Labrador Hydro in Labrador and Churchill Falls (Labrador) Corporation Limited. NALCOR shall bear all reasonable costs of the cultural awareness training.

Schedule "D-1"
IMPLEMENTATION and ADMINISTRATION

- (i) NALCOR shall pay to NCC an amount of two million and five hundred thousand dollars Canadian (\$2,500,000) ("Implementation Payments") over six years, except as otherwise set out herein and in accordance with Schedule "D-2", to assist NCC with expenditures associated with fulfilling NCC's responsibilities under this Agreement.
- (ii) Implementation Payments of \$208,333.33 shall be due and payable in semi-annual installments and shall continue for a period of six years, except as otherwise set out herein and in accordance with Schedule "D-2". Implementation Payments shall be invoiced by NCC on the 1st day of September and on the 1st day of March in each year of the Term payable by NALCOR as follows (except for Year 1, as defined in Schedule "D-2", wherein an additional invoice shall be issued by NCC on December 1, 2017 and payable on January 1, 2018 as set out in Schedule "D-2").

The Parties agree that the total payable Implementation Payments in Year 1 (as defined in Schedule "D-2") of the Term shall be \$624,999.99 and that there shall be no semi-annual instalment of \$208,333.33 due or payable by Nalcor on October 1, 2023 in Year 6 (as defined in Schedule "D2") of the Agreement.

- (iii) NCC shall comply with generally accepted accounting principles regarding expenditures claimed pursuant to this Agreement.

Schedule "D-2"

PAYMENT SCHEDULE

[see attached]

**SCHEDULE D-2
PAYMENT SCHEDULE**

This payment schedule represents a summary of the annual contributions as noted throughout Schedules "A-1" to "D-1" and is not in addition. Any one-time contributions due by Nalcor remain in the applicable Schedules and are not reflected herein.

Funding	December 1, 2017-November 30, 2018 ("Year 1")			December 1, 2018- November 30, 2019 ("Year 2")		December 1, 2019- November 30, 2020 ("Year 3")		December 1, 2020- November 30, 2021 ("Year 4")		December 1, 2021- November 30, 2022 ("Year 5")		December 1, 2022- November 30, 2023 ("Year 6")	
Strategic Infrastructure Fund	Apr 1 - \$250,000			Apr 1 -\$250,000		Apr 1- \$250,000		Apr 1- \$250,000		Apr 1- \$250,000		Not applicable/no payment due or payable by Nalcor.	
INCIP	Jan 1 - \$300,000	Apr 1- \$600,000		Apr 1- \$600,000		Apr 1- \$600,000		Apr 1- \$600,000		Apr 1- \$600,000		Apr1- \$300,000	
Southern Inuit Traditional Education Program	Jan 1 - \$12,500	Apr 1-\$25,000		Apr 1-\$25,000		Apr 1-\$25,000		Apr 1-\$25,000		Apr 1-\$25,000		Apr1- \$12,500	
George Roberts Community Grants Program	Jan 1- \$37,500	Apr 1- \$75,000		Apr1- \$75,000		Apr 1- \$75,000		Apr 1- \$75,000		Apr 1- \$75,000		Apr 1 - \$37,500	
Implementation Payments	Jan 1- \$208,333.33	Apr 1- \$208,333.33	Oct 1 - \$208,333.33	Oct 1 - \$208,333.33	Apr 1 - \$208,333.33	Oct 1 - \$208,333.33	Apr 1 - \$208,333.33	Oct 1 - \$208,333.33	Apr 1 - \$208,333.33	Oct 1 - \$208,333.33	April 1 - \$208,333.33	Apr 1 - \$208,333.33	Oct 1 - \$208,333.33
													– N/A*

* No payment due or payable by Nalcor.

