

AGREEMENT

BETWEEN

NEWMONT GHANA GOLD LIMITED

AND

THE AHAFO MINE LOCAL COMMUNITY
ON LOCAL EMPLOYMENT

DATED THIS DAY OF 2008

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AGREEMENT

THIS AGREEMENT is dated this day of 2008 BETWEEN NEWMONT GHANA GOLD LIMITED of C825/26 Lagos Avenue, East Legon, Accra (hereinafter called “the Company”) which term shall where the context so admits include its assigns and duly authorized officers) AND the AHAFO MINE LOCAL COMMUNITY (hereinafter referred to as “the Community”).

BACKGROUND

1. The Company is committed to sustainable economic and social development of the Ahafo Mine Local Community, as defined in Schedule 1 attached hereto and its environs and promoting peace and harmony between the Company and the residents of the Ahafo Mine Local Community (hereinafter referred to as the “Community”).
2. The Community is committed to discussions and consultations with the Company on issues of mutual interest to promote peace and harmony between the two (2) parties herein.
3. The Community has expressed concerns about the lack of employment in the Ahafo Mine Local Community and has therefore requested the Company to endeavour to employ as many employees from the Ahafo Mine Local Community as possible.
4. The Company and the Community in response to these concerns have decided to enter into this Agreement.

1.0 NATURE OF AGREEMENT

- 1.1 This document sets forth certain policies that the Company has adopted regarding employment to which the parties express their full commitment. The parties further confirm that this document has been prepared solely to record the mutual understandings reached after extended negotiations.
- 1.2 The parties further agree, acknowledge and confirm that all disputes or grievances of any kind arising out of or related to this document or the policies described therein, shall be settled through mediation and conciliation making use of the Dispute Resolution Committee provided for in the Agreement reached between the Company and the Community dated 2008. The parties therefore renounce their rights to enter into any form of litigation or arbitration on any disputes or grievances arising out of this Agreement.

- 1.3 The parties agree that neither of them may without the fullest consultation with the other and its prior written consent amend any of the provisions of this Agreement.

2.0 EMPLOYMENT OF PERSONS BY THE COMPANY

2.1 *General Principles*

- (a) Where skilled labour is to be employed, the Company shall employ people who have the requisite qualification and experience as it determines fit. The Company shall make the employment process well known in the Community through existing communication mechanisms.
- (b) Where unskilled labour is to be employed, the Company shall make its best efforts to employ only Validated Citizens of the community towns who satisfy the Company's internal assessment criteria established for the employment of unskilled labour. The definition of a citizen of a local community town and citizenship validation process shall be as specified in Schedule 1, Sections 2.4 and 2.5 of this Agreement.
- (c) The parties herein agree that the employment of unskilled labour shall be such that employees are fairly distributed among the community towns using the criteria specified in Section 2.6 of this Agreement.
- (d) In the employment of unskilled labour, the selection of community citizens shall be carried out using the procedure outlined in section 2.7 of this Agreement.
- (e) Subject to Subsection 2.1(a) herein, where the Company has to employ skilled people and there are applicants with comparable qualification and experience the Company shall give preference to those applicants who are validated community citizens.
- (f) The Company shall adopt a policy to ensure that at least 35% of its national workforce in the Ahafo Mining Area, including contractors, are community citizens. The Company shall use its best endeavours to increase the percentage to 50% within ten (10) years of commencement of gold production by the Company in the Ahafo Mine Area.
- (g) The Company shall compile an annual report at the end of each calendar year and present same to the Forum stating the steps it has taken towards the achievement of the target set in Subsection 2.1(f) herein and provide statistics in support thereof.
- (h) Where the Company is unable to make progress towards the achievement of the target set in Subsection 2.1(f) herein, it shall inform the Forum as to the reasons and the strategies it intends to adopt in addressing the said lapse within the shortest possible time.

- 2.2 (a) Notwithstanding the provisions in this Agreement the Company shall expect every employee including those who are community citizens to abide by the Company's rules and regulations.
- (b) The Company shall assess every employee including those who are community citizens by the same performance appraisal criteria existing in the Company.
- (c) The Company shall apply the same sanctions to every employee, including those who are community citizens, for breach of rules or poor performance.
- 2.3 (i) The Community shall encourage qualified skilled community citizens to seek employment with the Company.
- 2.3 (ii) The Community shall counsel community citizens in the employ of the Company to abide by the Company's rules and be diligent workers.

2.4 Definitions

The citizen of a community town shall be:

- (i) A person who hails from the community town, or
- (ii) A person whose father or mother hails from the community town; or
- (iii) A person who lives in the community town and has immovable property in the community town or its environs; or
- (iv) A person, living in or outside the community town who is married to somebody hailing from the community town; or
- (v) Any person living in a community town whom the youth leader, the Assembly member and the Chief/Omanhene consider worthy of according the rights of a citizen (and therefore becomes a citizen).

2.5 Citizenship Validation

- 2.5.1 For the purpose of seeking employment with the Company or with a Contractor working for the Company, the evidence of a community citizenship shall be the original of a duly completed citizenship validation form that bears the following:
- (i) the signature or thumbprint and passport size photograph of the citizen seeking employment endorsed by the Chief/Omanhene of his or her community town;
- (ii) the signatures of the youth leader, assembly member and the Chief/Omanhene of the citizen's community town validating him or her as a citizen – the

signatures shall always be in the colour selected by the signatories that will always identify the town; and

- (iii) a serial number that relates to, and identifies the community town of the citizen.
- 2.5.2 Subject to subsection 2.5.1 herein the citizenship validation forms shall be produced by the Company and lodged with the Chief/Omanhene of every community town.
 - 2.5.3 A citizen of a community town seeking employment with the Company or a Contractor working with the Company shall obtain two citizenship validation forms from the Chief/Omanhene of the citizen's town. The citizen shall fill out both forms and sign them, affix his or her photograph to the forms and submit them to the youth leader, the Assembly member or the Chief/Omanhene of his or her town for validation.
 - 2.5.4 The youth leader, the assembly member and the Chief/Omanhene of the citizen's town shall validate citizenship based on the information provided by the citizen and where they are satisfied of the citizenship, confirm their validation by appending their signatures to the forms.
 - 2.5.5 The Chief/Omanhene shall endorse the photograph affixed to each form as being the true likeness of the validated citizen. The Chief/Omanhene shall keep one of the forms and release the other to the citizen.
 - 2.5.6 The citizen seeking employment with the Company or a Contractor working with the Company shall attach the original of the duly completed citizenship validation form to his or her application for employment.
 - 2.5.7 The Company shall not accept the photocopy of a duly completed citizenship validation form as evidence of citizenship.
 - 2.5.8 The Company shall not be held responsible for the citizenship of an employee whose citizenship has been validated and cannot dismiss such employee on account of wrong validation.

2.6 *Criteria for the Distribution of Unskilled Labour among Community Towns*

- 2.6.1 The Company shall apply the following criteria to ensure that the employment of every hundred (100) unskilled labour is fairly distributed among the community towns:
 - (i) ten per centum (10%) of the employees are distributed equally among the community towns;

- (ii) fifteen per centum (15%) of the employees are distributed among the community towns such that the town with the biggest size of land in the mining lease gets the biggest share;
- (iii) twenty per centum (20%) of the employees are distributed among the community towns such that the town with the largest population gets the biggest share;
- (iv) twenty-five per centum (25%) of the employees are distributed among the community towns such that the town that shows the greatest commitment to this Agreement (for sustainability, development and peace) gets the biggest share; and
- (v) thirty per centum (30%) of the employees are distributed among the community towns such that the town with the biggest size of land covered by actual and planned active mining gets the biggest share.
- (vi) The formula for the sharing/selection of community employees by the Community shall be as stated or provided for in ANNEX 1 attached hereto.
- (vii) Notwithstanding the provisions of the immediately preceding sub-section, the following Community Towns, namely, Kenyasi No.1, Kenyasi No.2, Ntotroso, Wamahinso and Gyedu do hereby agree that the total number of employees allotted to them (each year or on any occasion) by Newmont as provided for under Annex 1 Table 2 (two) attached hereto, should be lumped together and divided into four (4) equal portions and distributed amongst them as follows:-
 - (a) One (1) portion each to Kenyasi No.1, Kenyasi No.2 and Ntotroso, and
 - (b) One half ($\frac{1}{2}$) portion each to Wamahinso and Gyedu.

2.7 Procedure for Unskilled Labour Recruitment

- 2.7.1 The Company shall keep an inventory of validated citizens of each community town; this inventory shall be a list of citizens who have either worked with the Company or Contractor working for the Company during the exploration and construction stage.
- 2.7.2 Whenever the number of people in the inventory of a community town is smaller than the expected number satisfying the fair distribution quota the Company shall ask the said community town to make up the difference by providing the name(s) of validated citizens to be added to the inventory; the name(s) of such citizens shall be provided by the Chief/Omanhene of the town and the Company shall provide training for such citizens.
- 2.7.3 The Company shall keep inventory for each community town in a transparent box with three padlocks; the key to one padlock shall be kept by the Chief/Omanhene

of the town, the key to the second padlock shall be kept by the assembly member of the town and the key to the third padlock shall be kept by the Company.

2.7.4 The Company shall use the following procedure to select people from the community towns:

- (i) The Company shall notify the Community of the vacancy for unskilled labour and declare the community town(s) from which people are to be selected to ensure that the employment of unskilled labour is fairly distributed among the community towns;
- (ii) The Company shall send the transparent box(es) to the respective community town(s) and invite citizens to inspect the picking of name(s) of people needed to fill the vacancy from the transparent box;
- (iii) The Company shall invite any person(s) not seeking for the job in question from the witnesses to dip a hand in the transparent box and pick name(s) of people to be employed; and
- (iv) The Company shall employ the citizen(s) whose name(s) is/are picked and who pass(es) the Company's internal criteria established for the employment of such persons.

3.0 EDUCATION AND TRAINING PRINCIPLES

3.1 Notwithstanding any provisions in this Agreement funds donated by the Company for the benefit of the Community may be used to support specialised training institutions in return for admission quota for validated Community citizens so that after training they may become employable by the Company.

3.2 (a) The Community shall send their children to primary school, support them and encourage them to study.

(b) The Community shall support their children through secondary and tertiary education and encourage them to study disciplines that will make them employable by the Company.

(c) The Company shall engage National Service personnel from the Community annually, train them on the job and offer them employment in the Company having regard to available vacancies.

4.0 ILLEGALITY

4.1 If any provision or term of this Agreement or any part thereof shall become or be declared illegal, invalid or unenforceable for any reason whatsoever including but without limitation by reason of the provisions of any legislation or other provisions

having the force of law or by reason of any decision of any Court or other body or authority having jurisdiction over the parties such terms or provisions shall be divisible from this Agreement and shall be deemed to be deleted from this Agreement provided always that, if any such deletion substantially affects or alters the basis of this Agreement, the parties shall negotiate in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances.

SCHEDULE 1 DEFINITION AND COMPOSITION OF THE AHAFO MINE LOCAL COMMUNITY

1) Definition: The Ahafo Mine Local Community refers to:-

- a) community towns that are physically located on the Mining Lease of NGGL within the current operational area of the Ahafo Mine Project or within the Mining Lease area under active exploration.
- b) community/traditional area that has a significant amount of its traditional land covered by the Mining Lease of NGGL within the current operational area of the Ahafo Mine Project or within the area of the Mining Lease under active exploration.

2) Composition: For the time being, the Ahafo Mine Local Community is made up of the following two Districts and the main community towns and their settlements and environs:

a) Tano North District: The community towns covered by this Agreement are:-

Terchire
Adrobaa
Yamfo
Susuanso
Afrisipakrom

b) Asutifi District: The community towns covered by this Agreement are:

Kenyasi No. 1
Ntotroso
Wamahinso
Kenyasi No. 2
Gyedu.

Review of Composition: Subject to Subsection (1) herein, the composition of the Ahafo Mine Local Community shall be reviewed annually to include community towns based on updated maps provided annually by the Company.

ANNEX 1

Table 1 Weighting Factors for Sharing Employees

Criteria	Population		Mining Concession		Active Mining Area	
	Size	Factor	Size	Factor	Size	Factor
Terchire	3,458	0.10	30	0.08	0	0.000
Adrobaa	2,149	0.06	30	0.08	0	0.000
Yamfo	8,312	0.25	46	0.12	0	0.000
Susuanso	2,465	0.07	56	0.15	0	0.000
Afrisipakrom	800	0.02	24	0.06	0	0.000
Kenyasi No. 1	4,088	0.12	48	0.13	2,023	0.250
Ntotroso	4,088	0.12	48	0.13	2,023	0.250
Wamahinso	2,044	0.06	24	0.06	1,012	0.125
Kenyasi No. 2	4,088	0.12	48	0.13	2,023	0.250
Gyedu	2,044	0.06	24	0.06	1,012	0.125
Total	33,537	1.00	378	1.00	8,093	1.00

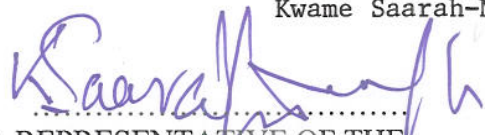
Table 2 Sharing of Employment Opportunities (100 employees)

Percentage	10%	15%	20%	30%	25%	Total
Community town	Shared Equally	Shared by Population	Shared by Concession	Shared by Activities	Shared by Commitment	
Terchire	1.0	1.5	1.6	0.0	2.5	7
Adrobaa	1.0	1.0	1.6	0.0	2.5	6
Yamfo	1.0	3.7	2.4	0.0	2.5	10
Susuanso	1.0	1.1	3.0	0.0	2.5	8
Afrisipakrom	1.0	0.4	1.3	0.0	2.5	5
Kenyasi No. 1	1.0	1.8	2.5	7.5	2.5	15
Ntotroso	1.0	1.8	2.5	7.5	2.5	15
Wamahinso	1.0	0.9	1.3	3.8	2.5	10
Kenyasi No. 2	1.0	1.8	2.5	7.5	2.5	15
Gyedu	1.0	0.9	1.3	3.8	2.5	10
Total	10	15	20	30	25	100

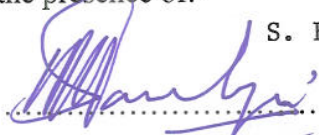
IN WITNESS of which the parties hereto have set their hands this 29th day of May 2008.

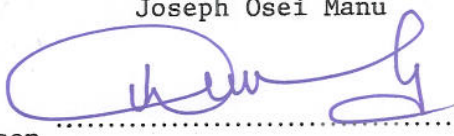
SIGNED for and on behalf of the
NEWMONT AHAFO DEVELOPMENT
FOUNDATION by


)
)
)

Kwame Saarah-Mensah

REPRESENTATIVE OF THE
NEWMONT AHAFO DEVELOPMENT
FOUNDATION (No. 1)

In the presence of:-

1.  S. B. Nsenkyire

Joseph Osei Manu


2.  Nicholas Fosu Johnson

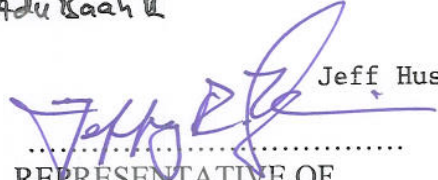
REPRESENTATIVE OF THE
NEWMONT AHAFO DEVELOPMENT
FOUNDATION (No. 2)

3.  Nana Kofi Abiri


4.  Nana Ansah Adu Baah

SIGNED for and on behalf of NEWMONT
GHANA GOLD LIMITED) by

)
)

Jeff Huspeni

REPRESENTATIVE OF
NEWMONT GHANA GOLD LTD.
(No. 1)

In the Presence of: Dan Michaelson

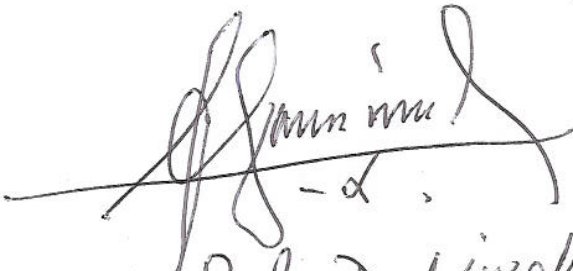
1. 

Nick Cotts

REPRESENTATIVE OF

2.  Chris Anderson

NEWMONT GHANA GOLD LTD.
(No. 2)


Prof. D. Mivelu-Gyimah
Moderator, ASRF
29.05.08

OATH OF PROOF BY A WITNESS.

I, _____ of _____ make oath and say that on the _____ day of _____ 2008, I was present and saw the within-named parties duly execute the Instrument now produced to me and that the parties read over the contents of the document to their understanding before making their respective signatures hereto.

SWORN AT SUNYANI THIS _____ DAY OF _____ 2008 }
}
} D E P O N E N T

HIGH COURT REGISTRAR, SUNYANI.

CERTIFICATE OF PROOF BY THE HIGH COURT REGISTRAR.

On the _____ day of _____ 2008 at _____ 0'clock in the forenoon or soon thereafter this Instrument was proved before me by the oath of the witness-named -----
----- to have been duly executed by the WITHIN-NAMED PARTIES.

GIVEN UNDER MY HAND AND OFFICIAL SEAL

HIGH COURT RESGISTRAR, SUNYANI.

PREPARED BY:

AHAFO SOCIAL RESPONSIBILITY FORUM MEMBERS

	<u>MEMBERS</u>	<u>S T A T U S</u>
1	Prof. D. Mireku-Gyimah	Moderator
2	Mr Kwame Saarah-Mensah	Co-Moderator
3	Hon Ignatius Baffour-Awuah	Brong Ahafo Regional Minister
4	Hon E. A. Debrah	MP, Tano North Constituency
5	Hon Alhaji Collins Dauda	MP, Asutifi South Constituency
6	Hon Nicholas L. Anane-Agyei	DCE, Tano North District Assembly
7	Hon Opoku Peprah	DCE, Asutifi District Assembly
8	Mr Dan Michaelson	General Manager, ESR – Ahafo Mine
9	Mr Randy Barnes	External Affairs Manager, Ahafo Mine
10	Mr Emmanuel Ato Aubynn	External Affairs Supt., Ahafo Mine
11	Hon Paul Okoh	MP, Asutifi North Constituency
12	Mr Nicholas Fosu Johnson	Hon. P.M. Tano North District Assembly
13	Mr S. B. Nsenkyire	Hon. Presiding Member, ADA
14	Nana Osei Kofi Abiri	Omanhene, Kenyasi No. 1
15	Nana B. G. Boateng	Ankobeahene, Kenyasi No.1
16	Odencho K. Nsiah Ababio	Omanhene, Kenyasi No.2
17	Nana Kontor Fofie	Krontihene, Kenyasi No. 2
18	Barima Twereku Ampem III	Chief, Ntotroso
19	Nana Amoasah Owusu III	Krontihene, Ntotroso
20	Nana Ansah Adu-Baah II	Omanhene, Yamfo
21	Nana Baffour Awuah III	Gyasehene, Yamfo
22	Nana Antwi Tabiri II	Chief, Susuanso
23	Nana Osei Boahene	Nifahene, Susuanso
24	Nana Kwaku Beniana	Ag Chief, Terchire
25	Nana John Acheampong	Kyidomhene, Terchire
26	Nana Agyei Twum II	Chief of Wamahinso
27	Nana Ofori Bonsu	Akwamuhene, Wamahinso
28	Nana Antwi Bosiako II	Chief of Adrobaa

29	Nana Opoku Fofie	Krontihene Adrobaa
30	Nana Bonini Nkrawiri IV	Chief of Afrisipakrom
31	Nana Kwaku Poku	Akyeamehene of Afrisipakrom
32	Nana Ankoanna Apoma Kyekyeku III	Chief of Gyedu
33	Nana Baffour Okyere Darko Amoako II	Krontihene of Gyedu
34	Mr Stephen Owusu-Afriyie	Gyedu Youth Representative
35	Mrs Lucy Adutwumwaah	Asutifi District Women Representative
36	Mrs Mary Addai	Asutifi District Women Representative
37	Mrs Leticia Anokye	Asutifi District Women Representative
38	Mrs Dora Osei Kufuor	Tano North District Women Representative
39	Mrs Christiana Nyamekye	Tano North District Women Representative
40	Mrs Mary Amoah	Tano North District Women Representative
41	Mr Awuah Boateng	Susuanso Youth Representative
42	Mr Joseph Acheampong	Terchire Youth Representative
43	Mr Ernest Kofi Owusu	Kenyasi No. I Youth Representative
44	Mr Joseph Danso	Kenyasi No. II Youth Representative
45	Mr Edward Kufuor-Barnes	Yamfo Youth Representative
46	Mr Danso Abeam	Adrobaa Youth Representative
47	Mr Bismarck Adjin-Frimpong	Afrisipa Youth Representative
48	Mr Stephen Antwi	Wamahinso Youth Representative
49	Mr Asante Ameyaw Joseph	Ntotroso Youth Representative
50	Nana Atuahene-Acheampong	Asutifi District Farmers Representative
51	Mr. A. K. Adjei	Tano North District Farmers Representative
52	Mr Isaac Oware-Aboagye	Asutifi NGO's Representative
53	Mrs Margaret Anane Agyei	Tano North NGO's Representative
54	Charles B. Antuokuu	UMaT, Recorder