



ISLAMIC REPUBLIC OF AFGHANISTAN  
**Ministry of  
Mines and Petroleum**

**Kunar-Nangerhar Marble & Travertine of Lolanj Parwan Negotiations - Form of Mining  
Concession**  
**The Negotiation Meeting Minutes**  
**Aug 5, 2019**

**OPENING & EXECUTIVE SUMMARY**

The Third negotiation meeting with NSC took place in H.E DM AGS's office where the 5 important remaining points were discussed and the negotiation team both from MoMP & NSC reached to conclusion. The details are followed by given table.

**PARTICIPANTS (Negotiation Teams)**

Entity	Name	Title
Ministry of Mines and Petroleum	H.E Husaindad Shafai	Deputy Minister for Geological Survey
	Dr. Khyber Khishki	Senior Policy Adviser and LSMU Acting Head
	Sher Shah Rasoul	APC Coordinator
	Ahmad Shah Gardezi	Cadaster Representative
	Asadullah Khinjani	Legal Dept. Representative
NSC	Mr. Asif Stanikzai	President NSC
	Mr. Latif Stanikzai	Vice President NSC
	Rahmuddin Mashkor	Quarry Manager NSC
	Gul Rahman Fayez	Quality Control Manager NSC





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**Ministry of  
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NO	NSC Comments	NSC Stand	MoMP Stand	Mutual Agreement
1	<p><b>Cost of Independent Expert</b></p> <p>This is totally unfair that the cost and fee payments of independent expert should solely be paid by the CH.</p> <p>Clarification required, why CH would do that alone?</p> <p>There is a need of correction of language.</p>	<p>There shall be a time limit for a specific limit to resolve the dispute within specific time frame.</p> <p>We shall not be responsible for prolong time.</p>	<p>DM: If there is no dispute in giving actual or realistic market value reports, the MoMP shall not have any issue else there is a need of independent expert.</p>	<p>The parties agreed with hiring of independent expert by MoMP (in terms of dispute between the two parties) and NSC shall bear the cost of the IE as per assignment.</p>





2	<p><b>Royalty</b></p> <p>The royalties are categorized in accordance with Mineral Law of 2018, e.g. processed 2.5%. In dimensional stones, the processing of Travertine/Marble is very tricky and troublesome. For instance, it is rare to get a block and process it for slab of 2.5*2, 2*2, 2*1m, without any crack or fault (problems in dimensional stone naturally occurs due to various stress). Thus, royalty shall be fixed according to the worth of pure slab in international market.</p> <p>There shall be a separate and lower than categorized royalty for processed tiles, as in international market demand slab than tiles. So, it has to be adjusted accordingly and language shall be changed/corrected.</p>	<p>This is hard to pick a categorized royalty.</p> <p>It is not acceptable and not feasible to give 7.5% royalty or the cutting and polishing cannot be considering as final product.</p> <p>If it is onsite, then we can negotiate it.</p> <p>Our polishing machine solely cost 1.2M USD.</p>	<p>By law of 2018 and Mining regulations of 2019, it states the fixed royalty of 7.5% and the Ministry cannot bypass it.</p>	<p>Mutual Agreement on 7.5% Royalty subject to schedule 6 of Mining Regulations of 2019.</p>
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3	<b>Insurance</b>  All the equipment/Machineries and Factories are Company's own property and we are fully Afghan Based Company and it is not feasible for us to get this Insurance, shall negotiate with Government on ways what is possible for Afghan based Company to provide  This terms shall revised and the Language shall be corrected.			<p>Based on the availability of the insurance services, the NSC shall comply with it. Meanwhile, the NSC shall also comply with internal insurance policy.</p> <p>This also subject to Mineral Law of 2018 and the mining regulation of 2019, rights of labors shall be preserved in accordance- with applicable law.</p>
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4	<b>Domestic Security Plan</b>  The security shall not be limited to licence area only, but also important to secure off sites (rather than licence area.			The negotiation teams both from NSC & MoMP agreed with terms subject to domestic security plan that NSC shall conduct security assessment of the sites, prepare and submit the security plan to MoMP. If deemed necessary to hire armed guard keeping APPF in account, NSC will be responsible to provide the site security as per applicable law.
5	<b>Guarantor</b>  CH has already provided certain bonds to guarantee performance.  At this stage both parties must provide guarantees.			Natural Stone Company previously claimed that they have made investment over 11 Million USD in this sector, under NSC's name therefore, it has no guarantor. Thus, the Negotiation teams agreed that NSC shall not have any guarantor as all investment made by NSC only.





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H.E. Husaindad Shafai

AhmadShah Gardezi

Mr. Latif Stanikzai

Dr. Khyber Khishki

Asadullah Khinjani

Rahmuddin Mashkor

Sher Shah Rasoul

Mr. Asif Stanikzai

Gul Rahman Fayez





ISLAMIC REPUBLIC OF AFGHANISTAN  
**Ministry of  
Mines and Petroleum**

**Commencement of Kunar-Nangerhar Marble & Travertine of Lolanj Parwan Negotiations - Form  
of Mining Concession  
The Negotiation Meeting Minutes  
Aug 3, 2019**

**OPENING & EXECUTIVE SUMMARY**

The Second round of the Negotiations on Kunar-Nangerhar Marble & Lolanj Parwan Travertine of Projects with the preferred bidder "Natural Stone Co." was held on Aug 3, 2019 at the Ministry of Mines and Petroleum. The meeting was opened and chaired by Mr Husaindad Shafai, Deputy Minister of Geology & Survey. The Second negotiation meeting with NSC which took place in H.E DM AGS's office where all the remaining points were discussed except Five points which remained outstanding issues, to be discussed and followed in 3<sup>rd</sup> round of negotiation. Details are followed by tables.

**PARTICIPANTS (Negotiation Teams)**

Entity	Name	Title
Ministry of Mines and Petroleum	H.E Husaindad Shafai	Deputy Minister for Geological Survey
	Dr. Khyber Khishki	Senior Policy Adviser and LSMU Acting Head
	Sher Shah Rasoul	APC Coordinator
	Ahmad Shah Gardezi	Cadaster Representative
NSC	Asadullah Khinjani	Legal dept. Representative
	Mr. Asif Stanikzai	President NSC
	Mr. Latif Stanikzai	Voice President NSC
	Rahmuddin Mashkor	Quarry Manager NSC
	Gul Rahman Favez	Quality Control Manager NSC





NO	NSC Comments	NSC Stand	MoMP Stand	Mutual Agreement
32	<b>Clause 5.3) Addition made</b> Terms used are confusing in order to avoid future doubts. Instead, changed.	The "mining proposal" term is confusing. The language shall be changed and write instead exploitation application/documents.	The "Mining proposal" is just the title.	Mutual Agreement on language shall be changed as "Mining Proposal" including the 1. A Feasibility Study; 2. A Mining Proposal; 3. A proposed Environmental Management Plan; 4. A proposed Local Content Plan; 5. A proposed Community Development Plan;
33	<b>Clause 5.5)</b> The Article 25 (9) doesn't exist in Mineral law 2018			Mutual agreed.
34	<b>Clause 5.5.1) Refusal of Mining Proposal by HEC</b> Justification of refusal shall be provided.			Mutual agreed.





35	<b>Clause 5.6) Grant of Exploitation Licence</b> The NSC would like to take both Licenses "Exploration and Exploitation" at once without additional bidding process for Exploitation			See the Mutual Agreement in item 4.
36	<b>Clause 5.8) CH failure in PB</b> Term is explained in comment above (exploration performance bond).			Mutual Agreed.
37	<b>Clause 8.1.1) Approval of plans</b> Clarification required on the grant of licence prior to plan approval.			Mutual Agreed.
38	<b>Clause 8.1.2) Approval of plans</b> Clarification required.			Mutual Agreed





39	<b>Clause 12.1.2) Conditions of Exploration Licence</b> Any due date? when shall we receive it.			Mutual Agreement on 3 months' prior notice subject to Applicable Law.
40	<b>Clause 13.1.2) Condition of Exploitation Licence</b> When shall we receive it.			See above.
41	<b>Clause 14.1) Surface Rent</b> If the land is a private entity, then the land acquisition shall be applied, else CH is liable to pay to the MoMP.			Mutual Agreement subject to article 71 Mineral Law 2018.
42	<b>Clause 16.2.1) Cost of Independent Expert</b> This is totally unfair that the cost and fee payments of independent expert should solely be paid by the CH.	There shall be a time limit for a specific limit to resolve the dispute within specific time frame. We shall not be responsible for prolong time.	DM: If there is no dispute in giving actual or realistic market value reports, the MoMP shall not have any issue else there is a need of independent expert.	Internal Policy related issue which remained as "outstanding issue".





	Clarification required, why CH would do that alone?  There is a need of correction of language.			
43	<b>Clause 16.2.1) Cost of Independent Expert</b>  The royalties are categorized in accordance with Mineral Law of 2018, e.g. processed 2.5%. In dimensional stones, the processing of Travertine/Marble is very tricky and troublesome. For instance, it is rare to get a block and process it for slab of 2.5*2, 2*2, 2*1m, without any crack or fault (problems in dimensional stone naturally occurs due to various stress). Thus, royalty shall be fixed according to the worth of pure slab in international market.  There shall be a separate and lower than	This is hard to pick a categorized royalty.  It is not acceptable and not feasible to give 7.5% royalty or the cutting and polishing cannot be considering as final product.  If it is onsite, then we can negotiate it.  Our polishing machine solely cost 1.2M USD.	By law it stated this way and we can bypass it.  Note: they have applied and made mind for 2.5% royalty and they would not accept 7.5%.	Internal Policy related issue which remained as "outstanding issue".





	categorized royalty for processed tiles, as in international market demand slab than tiles. So, it has to be adjusted accordingly and language shall be changed/corrected.			
44	<b>Clause 16.3.2.1) Payment of CH</b> These are very less and not feasible.			See the Mutual Agreement in item 42.
45	<b>Clause 17.3) Taxpayer</b> Does the CH reserve the rights to select QEIT status or no?			Mutual Agreement.
46	<b>Clause 17.3) Taxpayer</b> NSC believes that CH shall be treated as QEIT for both exploration and exploitation.			Mutual Agreement.
47	<b>Clause 21.1) Financial Reporting</b>			Mutual Agreement subject to IFRS based financial





	NSC shall be treated as Domestic/National company			report shall be submitted by NSC.
48	<b>Clause 24) Insurance</b> All the equipment/Machineries and Factories are Company's own property and we are fully Afghan Based Company and it is not feasible for us to get this Insurance, shall negotiate with Government on ways what is possible for Afghan based Company to provide			Internal Policy related issue which remained as "outstanding issue".
49	<b>Clause 25.3) CH Obligation</b> They shall subject to due process or dispute resolution to avoid improper violation claims.			Agreed above





50	<b>Clause 26.5) EITI</b> CH may not/able to comply for all steps. Clarification is required.	What EITI wants? What are the steps. Clear it to us.	Grdezi sb: Explained the objectives of EITI. It is solely the matter of transparency.	Mutual Agreement subject to EITI Requirements.
51	<b>Clause 26.5) EITI</b> CH may not require to fulfill all the required things including annual payment.	We are agree with Standards of EITI, the payment and membership shall be explained.	No cost or further expenses shall be taken from NSC and it is free of cost.	Mutual Agreement subject to EITI Requirements.
52	<b>Clause 27.3) Environmental Permit</b> Environmental law reference shall be inserted.		We shall insert environmental law.	Mutual Agreement.
53	<b>Clause 28.1.2) Labour</b> It is not feasible to comply with international laws as NSC is a national company and shall be dealt with national laws. Language shall be corrected.			Mutual Agreement.





54	<p><b>Clause 30) Domestic Security Plan</b></p> <p>NSC will provide armed and unarmed security in limited numbers hiring form local community only to watch their equipment, machineries, site facilities and where extraction operations are going on. The APPF is not feasible to hire and we think is not a solution, in case security is required we would like to communicate with Community delegates and will hire security force from local Community.</p> <p>The security of the whole mine areas and transport routs shall be responsibility of Government.</p> <p>We request that the terms and language shall be changed</p>			<p>Internal Policy related issue which remained as "outstanding issue".</p>
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55	<b>Clause 30.1) Domestic Security Plan</b>  The security shall not be limited to licence area only, but also important to secure off sites (rather than licence area.			Internal Policy related issue which remained as "outstanding issue".
56	<b>Clause 30.1.2) Domestic Security Plan</b>  It shall be further defined the defined upon agreement with APPF.			Internal Policy related issue which remained as "outstanding issue".
57	<b>Clause 30.1.2) Domestic Security Plan</b>  As per national company, it is state responsibility to secure the mining site and pay for the APPF and must ensure the security of the entire route from site to the processing plan or the national market.			Internal Policy related issue which remained as "outstanding issue".
58	<b>Clause 30.3) Security Risk Assessment</b>			Mutual Agreement subject to SRA.





	The NSC may not fully pay the total cost and expenses of Third party for security risk assessment, The state shall be responsible to pay the cost as well			
59	<b>Clause 30.3.2.2) Security Risk Assessment</b> It is very obvious that state shall be responsible for the security of national investors and its employees in the country.			Internal Policy related issue which remained as "outstanding issue".
60	<b>Clause 30.7.2) Compliance with approved DSP</b> Clarification is needed for the policy (in written) regarding APPF along the legal basis shall be included.			Internal Policy related issue which remained as "outstanding issue".
61	<b>Clause 30.7.3.1) Compliance with approved DSP</b>			Internal Policy related issue which remained "outstanding issue".





	It absolutely not feasible for this project where CH shall bear the cost.			
62	<b>Clause 30.7.3.2) Compliance with approved DSP</b> Again, it is state responsibility.			Internal Policy related issue which remained as "outstanding issue".
63	<b>Clause 32.1) Public Works</b> NSC has already considered in its submitted proposal the amount which equals 10% of payable Royalty to Government to perform public work programs			Mutual Agreement subject to Public Works.
64	<b>Clause 32.2) Public Works</b> It contradicts with ownership of infrastructure. which means state is			Mutual Agreement subject to Public Works.





	responsible for public works.			
65	<b>Clause 33.6) Expropriation of Infrastructure</b> In agreement and accord with CH.			Mutual Agreement subject to Article 37 of the 2018 Minerals Law.
66	<b>Clause 35.3) Export of Product</b> CH should be allowed to export till the enactment of Mineral policy.			Mutual Agreement Subject to Export of Product.
67	<b>Clause 38.1.2.2) Inspection</b> Only persons approved and recommended by MoMP. No other government institution personnel to acquire or inspect the mining site or activity. Language shall be corrected.	Identify the person, we would not want to have any person without having written permission from MoMP (inspection directorate).	Only authorized person shall intern. There shall be inspector/officer who shall enter the area.	Mutual agreement subject to Inspection.





68	<b>Clause 41.1) Compliance with Direction</b> A legally written and a valid direction which supported by documents.			Mutual Agreement.
69	<b>Clause 41.2) Compliance with Direction</b> A legally written and a valid direction which supported by documents.			Mutual Agreement.
70	<b>Clause 43) Req. of Environmental Bonds</b> Specification is required on entity, either MoMP or NEPA.			Mutual Agreement.
71	<b>Clause 43.2 Req. of Environmental Bonds</b> NSC need Clarification on amount of Environmental Bond		The amount is not specified as it has to go align with area being taken (extended) and once the area is identified/length, then MoMP shall set the bond accordingly.	Mutual Agreement.





72	<b>Clause 46) Default &amp; Termination</b> Clarification is required.		Written notice shall be delivered.	Mutual Agreement.
73	<b>Clause 46) Events of Default</b> As a general practice, there shall be prior written notice to the CH to address potential event of default.	There shall be a prior notice of any default so it is important to have the notice.		Mutual agreement.
74	<b>Clause 46.1.6) Failure to comply with Directions</b> The direction must be supported by valid legal notices in written along evidence.		Format is being made in this regard.	Mutual Agreement.
75	<b>Clause 46.1.9) Change of Control</b> The language shall be changed according to clause 51, there shall be prior		The MoMP shall be informed prior to change of control. Clearly written in regulations.	Mutual Agreement.





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	written consent to change of control.  Further, there is no clue about rejection of change of control, though article 28 of ML is also silent in this regard.			
76	<b>Clause 46.1.11) Failure to Pay</b> After receiving the notice			Mutual Agreement.
77	<b>Clause 52.2.2.2) Deed with State</b> The mining law of 2018 and regulations do not contemplate a deed with the state.			Mutual Agreement.
78	<b>Clause 53.10.2</b> NSC believes it is not feasible in dimensional stone mineral projects. Clarification required			Mutual Agreement.





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79	<b>Clause 59) Guarantee</b>  CH has already provided certain bonds to guarantee performance.  At this stage both parties must provide guarantees.			Internal Policy related issue which remained as "outstanding issue".
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Rahmuddin Mashkor

Gul Rahman Fayez



## Commencement of Kunar-Nangerhar Marble & Travertine of Lolanj Parwan Negotiations - Form of Mining Concession

### The Negotiation Meeting Minutes

31<sup>st</sup> July 2019

#### OPENING & EXECUTIVE SUMMARY

The first official meeting to negotiate the Kunar-Nangerhar Marble & Travertine of Lolanj Parwan Projects with the preferred bidder "Natural Stone Co." was held on July 31<sup>st</sup>, 2019 at the Ministry of Mines and Petroleum. The meeting was opened and chaired by Mr. Husaindad Shafai, Deputy Minister of Geology & Survey. In the first round of negotiations, 31 points out 79 were discussed in which 27 of the discussed points were agreed and the 4 others remained outstanding.

Prior to the start of negotiation between two parties, the parties agreed on terms of negotiating the aforementioned projects based on Minerals Law of 2018 and a draft Mining Regulations (dated: 9<sup>th</sup> July 2019).

Additionally, the General Directorate of Legal Services of the MoMP stated: "Finalization of the Mining Regulations has been completed and will soon be submitted to the Cabinet for approval. Finalization of the negotiation of the contract is not legally restricted but cannot be signed before the mining regulation is approved".

#### PARTICIPANTS (Negotiation Teams)

Entity	Name	Title
Ministry of Mines and Petroleum	H.E Husaindad Shafai	Deputy Minister for Geological Survey
	Dr. Khyber Khishki	Senior Policy Adviser and LSMU Acting Head
	Sher Shah Rasoul	APC Coordinator
	Ahmad Shah Gardezi	Cadaster Representative
	Asadullah Khinjani	Legal Dept. Representative



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NSC	Mr. Asif Stanikzai	President NSC		
	Mr. Latif Stanikzai	Vice President NSC		
	Rahmuddin Mashkor	Quarry Manager NSC		
	Gul Rahman Fayez	Quality Control Manager NSC		
No	NSC Comments	NSC's Stand	MoMP Stand	Mutual Agreement





1.	<p><b>GUARANTOR</b></p> <p>-NSC is not a new company, we invested over 15 million USD on two factories located in Kabul, Industrial Parks and one of the leading company in this Sector doing mining processing and exporting therefore, no need this term and would like to request to Elaborate this term.</p> <p>-Elaborate the Term.</p> <p>-NSC is itself guaranteed for the processing plants being built in two different locations under sole license.</p>	<p>-It's obvious we have established two processing plants and company inside the country so we would like to keep NSC being the guarantor.</p> <p>- NSC is an afghan owned national company and it doesn't have any official affiliation or any group (sister, mother) company.</p> <p>-We have a small construction company based in UAE, it's capacity is not that big enough which shall become the guarantor of the NSC.</p> <p>- the financial documents from bank are provided to MoMP.</p>	<p>Whatever the law states we shall go with.</p> <p>-DM: We shall be given surety that there is a supporting company which should help in the entire project.</p> <p>- financial security is not only required on processing plan but rather important in the site of the project.</p> <p>-there shall be financial supportive documents which should state and confirm that the NSC can be the guarantor.</p>	<p>Internal Policy related issue which remained as "outstanding issue".</p>
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2.	<b>Mineral Law</b> -Is it possible? there is a need of further justifications so that we can satisfy NSC.			Mutual Agreement.
3.	<b>R: D) Conversion of Rights</b> -Elaborate the conversion of rights.			Mutual Agreement subject to Article 74(5) of the 2018 Minerals Law.





4.	<b>R: D) Conversion of Rights</b>  -The concessions shall represent both of the licenses not a single one, as to avoid future doubts and troubles.	  -This point shall be very clear to us.  -During exploration phase we shall be doing marketing by taking part in expos and is it feasible to do branding?  - yes we are agreeing with the exploration to be taking place in a good and better way.	  -the article 40 of Law is explained to the party (NSC) and strictly narrated they cannot bypass law.  -DM: The article of the Law shall be revised and shall be checked well for further explanation where it leads us.  - yes, for the sake of branding and marketing it is feasible to do so in a very little quantity.  -DM: Our past experience stops us that we shall never allow any company take the mineral out for sale during exploration phase.	  Mutual Agreement subject to Article 40 of the 2018 Minerals Law.
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5.	<b>R: E) Right of Priority</b> -In accordance with article 25(7) of law, this statement contradicts, it is better to consider it for both so to avoid concession holder for the additional bidding process.			Mutual Agreement
6.	<b>R: G) Public Availability of the Concession</b> -The privacy of NSC shall be preserved.	-The list of the confidential information we would not want to get publish on Ministry's website will be deliver to committee soon. -bank statement, bid bond etc shall be preserved.		Mutual Agreement subject to NSC's privacy.





7.	<b>R: G) Public Availability of the Concession</b>  -NSC needs assurance of protecting its business and confidential information, meanwhile, needs more clarifications keeping Regs 2018 in account			Mutual Agreement subject NSC's privacy.
8.	<b>Clause 1.1 a) Exploration Program</b>  -Due process shall be in consideration and NSC would like to know general practice of being proposed.	-if the dispute was not resolved would it go for arbitration?  - we shall be prior notified.	- yes	Mutual agreement
9.	<b>Clause 1.1 c) Local Content Plan</b>  -Add: Prior to applicable Mineral Law.			Mutual Agreement
10.	<b>Clause 1.1 d) Bankruptcy</b>  -Add: Declaring Bankruptcy			Mutual Agreement





11. <b>Clause 1.1 j) Events Happening</b> -NSC believes to be able to meet these obligations, but it is also a matter of fact that, certain events may not be followed by the involvement of a third country.			Mutual Agreement
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*[Handwritten signature]*



12.	<b>Domestic Security plan</b>  NSC will provide armed and unarmed security in limited numbers hiring form local community only to watch their equipment, machineries, site facilities and where extraction operations are going on. The APPF is not feasible to hire and we think is not a solution, in case security is required we would like to communicate with Community delegates and will hire security force from local Community.  The security of the whole mine areas and transport routes shall be responsibility of Government.  We request that the terms and language shall be changed	<ul style="list-style-type: none"><li>-we are failed to find the policy regarding DS.</li><li>-For us, due to highest costs hiring APPF, it not feasible to us.</li><li>- Talking about the situation we see in Kunar-Nangerhar which is of 27km, the places are on high risk security, so we shall be working for the community so they shall protect us.</li><li>- language shall be changed and also the conditions shall be specified and we shall be exploring some more options.</li><li>- we shall study more as this is issue is very important to us.</li></ul>	<ul style="list-style-type: none"><li>- the MoMP has no right to change the law.</li><li>- DM: NSC shall show the local community in terms of serving them then you can get protected by them.</li><li>- We shall be looking for the security plan based on security assessment provided by NSC.</li></ul>	Internal Policy related issue which remained as "outstanding issue".
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13.	<b>Good Industry Practice:</b> -Provide us some references for GIP which shall commonly be accepted.	-As our work is standard and we have seen it in international market, so we are good to go.	Mutual agreement subject to GIP.
14.	<b>Good Industry Practice:</b> -From Afg perspective it is tough to meet the international standards as there is lack of expertise, technical capacities, technologies, power requirements and the infrastructure. there is need of appropriate language which shall be added.		Mutual Agreement subject to GIP.





15.	<b>Motor Vehicle Insurance</b>  All the equipment/Machineries and Factories are Company's own property and we are fully Afghan Based Company and it is not feasible for us to get this Insurance, shall negotiate with Government on ways what is possible for Afghan based Company to provide.  This terms shall revised and the Language shall be corrected.	<p>-Give us some reference of the insurance. Where does MoMP gets insurance from?</p> <p>- we do have insurance for workers and labor force and it is in NSC's policy and we do give up to 100000af\$ for the deceased person.</p> <p>We give medical allowances for the sick employees and also we pay for the injured along with some compensation.</p> <p>But doing insurance by international company, it costs a lot and also the money goes out of country.</p>	DM: we are agreeing that the vehicles and equipment's are NSC's property but labor and workforce is not insurance.	Internal Policy related issue which remained as "outstanding issue".
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16.	<b>Workers' Compensation Insurance</b>  All the equipment/Machineries and Factories are Company's own property and we are fully Afghan Based Company and it is not feasible for us to get this Insurance, shall negotiate with Government on ways what is possible for Afghan based Company to provide.			Internal Policy related issue which remained as "outstanding issue".
17.	<b>Regulation</b> -The draft regulations shall only be adopted when the final version is finalized.			Mutual agreement.





18. <b>Clause 4.5) Termination Notice CH fails to submit bid docs</b>  -NSC believes the documents are already submitted to the ministry, still there is a need of opinion of legal expert.	Send us the documents through email.	Agreed	Mutual Agreement
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19.	<b>Clause 4.5) Termination Notice CH fails to submit bid docs</b>  -As a general practice, upon rejection of such submission, a new submission shall be made and the Ministry shall have up to 4 weeks to review the document and inform the party upon rejection and acceptance. Thus, if the party didn't hear back from Ministry within specific time, then it shall be deemed approved.			Mutual Agreement subject to prior termination notice.
20.	<b>Clause 4.7.1) Exploration prog.</b>  -Is there any time limit of evaluation of the EP?	The 90 days' period is too much, can it be less than this?	It is up to 90 days, the MoMP shall evaluate it as soon as possible.	Mutual agreement.





21.	<b>Clause 4.7.2) Notification to CH</b> -A prompt notification of Business days (5-10) shall be made.			Mutual Agreed within 10 days.
22.	<b>Clause 4.11) CH failure in PB</b> -There might be some driving forces such as Bank issuing failure which could cause a delay. There is a need of language correction which shall support CH			Mutual Agreement
23.	<b>Clause 4.11) CH failure in PB</b> -NSC would wish to have at least one-time extension possibility.	There is always issues with local bank. so this is important to have the extension possibility.	Ok, the NSC shall provide us the documents.	Mutual Agreement subject to strong justification being provided by NSC for the sake of extension.
24.	<b>Clause 4.12) State Benefits</b> -The benefits of the states are not defined and identified.			Mutual Agreement subject to state benefits being preserved.





25.	<b>Clause 4.12) State Benefits</b> Elaborate the Benefits of the State only and why?			See above.
26.	<b>Clause 4.14) Prompt Notification</b> Clause means that both parties have notice obligations.			Mutual Agreed.
27.	<b>Clause 4.18) Grant of Exploration Licence</b> There is a need of justification.	The bid shall not go for the next round of bid.		Mutual agreement.
28.	<b>Clause 5.1) Right of Priority</b> As per Mineral law of 2014, both of the licenses shall be awarded keeping this concession in account			See the Mutual Agreement in item 4.





29.	<b>Clause 5.1) Right of Priority</b> NSC expects grant of exploitation license right after the submission and approval of exploration license.			See the Mutual Agreement in item 4.
30.	<b>Clause 5.1) Right of Priority</b> The recital E of this concession states that this MC grants both exploration and exploitation license without exercising right of priority. little more clarification on right of priority is required			See the Mutual Agreement in item 4.





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31.	<b>Clause 5.2) App for Exploration Licence</b> the language shall be corrected. NSC shall not require an application for the grant of exploitation license, rather, it shall be given upon completion of the exploration.			<b>Mutual Agreement.</b>
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ISLAMIC REPUBLIC OF AFGHANISTAN  
**Ministry of  
Mines and Petroleum**

H.E Husaindad Shafai

Dr. Khyber Khishki

Shershah Rasoul

AhmadShah Gardezi

Asadullah Khinjani

Mr. Asif Stanikzai

Mr. Latif Stanikzai

Rahmuddin Mashkor

Gul Rahman Fayez





**Kunar-Nangerhar Marble & Travertine of Lolanj Parwan Negotiations - Form of Mining Concession**  
**The Negotiation Meeting Minutes**  
**March 18, 2020**

**OPENING & EXECUTIVE SUMMARY**

The internal negotiation meeting took place in H.E DM AGS's office where the important remaining points regarding timelines were discussed and the negotiation team reached to conclusion. The details are followed by given table.

**PARTICIPANTS (Negotiation Team)**

Entity	Name	Title
Ministry of Mines and Petroleum	H.E Husaindad Shafai	Deputy Minister for Geological Survey
	Shershah Rasoul	APC Coordinator
	AhmadShah Gardezi	Cadaster Representative
	Emran maroofi	Legal Dept. Representative



1	Recital D: a reference to be added to the cabinet decision approving the marble and travertine concessions.	Agreed
2	<b>Motor Vehicle Insurance</b> means motor vehicle insurance, covering all mechanically propelled vehicles that are required to be registered under Applicable Law and are at any time used by the Concession Holder in connection with its Mineral Activities, including: (a) insurance that is compulsory under Applicable Law governing the use of motor vehicles and liability for personal injury or death; and (b) liability insurance for third party property damage with a sum insured of not less than [USD\$insert] per occurrence;	Motor Vehicle Insurance means motor vehicle insurance, covering all mechanically propelled vehicles that are required to be registered under Applicable Law and are at any time used by the Concession Holder in connection with its Mineral Activities, including: (a) insurance that is compulsory under Applicable Law governing the use of motor vehicles and liability for personal injury or death; and (b) liability insurance for third party property damage with a sum insured of not less per occurrence than may be required under Applicable Law or any applicable policy of the State or any subdivision of the State;
3	<b>Public Liability Insurance</b> means public and third party liability insurance: (a) covering legal liability for: (i) damage to any real or personal property of third parties; and (ii) the injury to, or death of, any person other than liability which Applicable Law requires to be covered under a workers' compensation insurance policy, arising out of any Mineral Activities of the Concession Holder; (b) covering third party liability for the use of any Infrastructure or equipment not covered under Motor Vehicle Insurance policy; and (c) with a limit of liability of not less than [USD\$insert] for any one occurrence;	Public Liability Insurance means public and third party liability insurance: (a) covering legal liability for: (i) damage to any real or personal property of third parties; and (ii) the injury to, or death of, any person other than liability which Applicable Law requires to be covered under a workers' compensation insurance policy;



4	<p><b>Workers' Compensation Insurance</b> means insurance against liability under Applicable Law for death or injury to persons employed or otherwise engaged by the Concession Holder in accordance with the requirements of the relevant Applicable Law covering claims and liabilities of up to [USD\$insert] from:</p> <p>(a) any person employed or otherwise engaged by the Concession Holder in connection with the Mineral Activities of the Concession Holder; and</p> <p>(b) any person who conducts Mineral Activities who may be deemed under Applicable Law to be a worker of the Concession Holder.</p>	<p>Workers' Compensation Insurance means insurance against liability under Applicable Law for death or injury to persons employed or otherwise engaged by the Concession Holder in accordance with the requirements of the relevant Applicable Law covering claims and liabilities of up to amounts that may be required under Applicable Law or any applicable policy of the State or any subdivision of the State from:</p> <p>(a) any person employed or otherwise engaged by the Concession Holder in connection with the Mineral Activities of the Concession Holder; and</p> <p>(b) any person who conducts Mineral Activities who may be deemed under Applicable Law to be a worker of the Concession Holder.</p>



5	<p>4.15 Subject to clause 4.16, the State may terminate this Concession by notice in writing to the other parties:</p> <p>4.15.1 if any Condition Precedent has become incapable of satisfaction and that Condition Precedent has not been waived in accordance with clause 4.12 within [60] business days after the occurrence of the fact, matter or circumstance which caused that Condition Precedent to become incapable of satisfaction; or</p> <p>4.15.2 if any Condition Precedent has not been satisfied or waived in accordance with clause 4.12 on or before the applicable End Date.</p>	60 Business Days
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6	<b>Approval of Mining Proposal</b>	
	<b>5.4</b> Upon receipt of the documents required by clause <b>Error! Reference source not found.</b> , the State shall procure that the Ministry (and the Mining Technical Committee, as applicable) evaluate the Mining Proposal lodged by the Concession Holder within [20] days accordance with Article 28(5) to 28(9) (inclusive) of the Minerals Law, having regard to the target time-frames specified in any guidelines approved under Article 28(12) of the Minerals Law.	20 Days
	<b>5.5</b> Without limiting Article 28(9) of the Minerals Law, the State shall procure that the Ministry notifies the Concession Holder in writing within [5] business days after determination of: <b>5.5.1</b> the refusal or approval of the Mining Proposal by the High Economic Council in accordance with Article 28(8) of the Minerals Law; and <b>5.5.2</b> if the Mining Proposal is approved, the imposition of any conditions relating to the Mining Proposal upon the Exploitation Licence pursuant to Article 28(8) of the Minerals Law.	5 Business Days
7	<b>Variation of Approved Exploration Program</b>	20 Days
	<b>12.2</b> The Concession Holder may apply for variation of the Exploration Licence or an Approved Exploration Program by lodging with the Ministry an application for such variation in accordance with the Regulations, which application shall include, without limitation, a proposed amended Exploration Program with the Ministry. The Ministry shall grant the application for a variation of the Exploration Licence if the proposed amended Exploration Program is approved in accordance with Article 33 of the Minerals Law.	
	<b>12.3</b> The Concession Holder acknowledges that, pursuant to Article 33(2) of the Minerals Law, the Ministry may grant or refuse the variation requested pursuant to clause 12.2 with the prior recommendation of the Mining Technical Committee and the approval of the High Economic Council.	
	<b>12.4</b> The State shall procure that the Ministry notifies the Concession Holder in writing of the grant or refusal of the variation requested within [20] days of the Ministry's decision to grant or refuse such request	



8	Variation of Approved Mining Proposal	20 Days
<p>13.2 The Concession Holder may apply for variation of the Exploitation Licence or an Approved Mining Proposal by lodging with the Ministry an application for such variation in accordance with the Regulations, which application shall include, without limitation, a proposed amended Mining Proposal. The Ministry shall grant the application for a variation of the Exploitation Licence if the proposed amended Mining Proposal is approved in accordance with Article 33 of the Minerals Law.</p> <p>13.3 The Concession Holder acknowledges that, pursuant to Article 33(2) of the Minerals Law, the Ministry may grant or refuse the variation requested pursuant to clause 13.2 with the prior recommendation of the Mining Technical Committee and the approval of the High Economic Council.</p> <p>13.4 The State shall procure that the Ministry notifies the Concession Holder in writing of the grant or refusal of the variation requested within [20] days of the Ministry's decision to grant or refuse such request.</p>	<p>9 30.3 The Concession Holder shall, or shall procure an appropriately qualified third party to, undertake a security risk assessment in respect of the Licence Area as soon as practicable after the date of grant of the Exploration Licence, which security risk assessment shall include a comprehensive assessment of:</p>	<p>“or shall procure an appropriately qualified third party to” TO BE REMOVED</p>



10	<b>Approval of Domestic Security Plan</b>	
60.4	The Concession Holder shall:	
60.4.1	lodge with the Ministry a report setting out full details of the results of the security risk assessment undertaken by the Concession Holder under clause 1; revise the proposed Domestic Security Plan submitted by it pursuant to clause <b>Error! Reference source not found.</b> in consultation with the Ministry, as soon as practicable after the completion of the security risk assessment referred to in clause 1; and	
60.4.3	lodge that revised Domestic Security Plan with the Ministry for approval.	10 Days
60.5	The State shall procure that, within [10] days after receipt of a revised proposed Domestic Security Plan lodged under clause 31:	
60.5.1	the Ministry conducts an assessment of the proposed Domestic Security Plan in accordance with the Regulations; and	
60.5.2	if the Ministry:	
60.5.2.1	approves the proposed Domestic Security Plan in accordance with Article 85 of the Regulations, the Ministry shall notify the Concession Holder in writing of that approval (together with details of any conditions imposed on that approval) within five business days after such approval; or	5 business Days
60.5.2.2	requires amendments to the proposed Domestic Security Plan in accordance with Article 85 of the Regulations or otherwise provides any feedback in relation to the proposed Domestic Security Plan, the Ministry shall notify the Concession Holder in writing of those amendments or that feedback within five business days after such determination (as applicable).	5 business Days
60.6	If the Ministry issues a notice to the Concession Holder under clause 60.5.2.2, then:	
60.6.1	the Concession Holder shall revise the proposed Domestic Security Plan to incorporate the amendments required and address the feedback provided by the Ministry (as applicable);	
60.6.2	the Concession Holder shall resubmit the proposed Domestic Security Plan (including the revisions referred to in clause 60.6.1) to the Ministry as soon as practicable after receipt of that notice;	
60.6.3	within [30] days after receipt by the Ministry of a proposed Domestic Security Plan resubmitted under clause 60.6.2, the State shall procure that the Ministry reassesses that proposed Domestic Security Plan and issues a notice to the	30 Days



	<p>Concession Holder in accordance with the steps referred to in clauses 60.5.1 and 60.5.2; and</p> <p>60.6.4 the steps referred to in clauses 60.6.1 to 60.6.3 (inclusive) shall be repeated until such time as the Ministry approves the relevant proposed Domestic Security Plan in accordance with Article 85 of the Regulations.</p> <p><b>Replacement of Approved Domestic Security Plan</b></p> <p>60.8 The Concession Holder shall review and update the Approved Domestic Security Plan and lodge a proposed Domestic Security Plan to replace that Approved Domestic Security Plan as and when required by Article 86 of the Regulations.</p> <p>60.9 The Concession Holder acknowledges that the Concession Holder may apply to replace an Approved Domestic Security Plan (whether the relevant variations are required by clause 60.7 or otherwise) by lodging a proposed Domestic Security Plan with the Ministry in accordance with Article 86 of the Regulations.</p> <p>60.10 The State shall procure that, within [10] days after receipt of a proposed Domestic Security Plan lodged under clause 60.9:</p> <p>60.10.1 the Ministry conducts an assessment of the proposed Domestic Security Plan in accordance with the Regulations; and</p> <p>60.10.2 if the Ministry:</p> <p>60.10.2.1 approves the proposed Domestic Security Plan in accordance with Article 86 of the Regulations, the Ministry notifies the Concession Holder in writing of that approval (together with details of any conditions imposed on that approval) within five business days after such approval; or</p> <p>60.10.2.2 requires amendments to the proposed Domestic Security Plan in accordance with Article 86 of the Regulations or otherwise provides any feedback in relation to the proposed Domestic Security Plan, the Ministry notifies the Concession Holder in writing of those amendments or that feedback (as applicable) within five business days after such determination.</p>	10 Days
11	<p><b>REPORTING</b></p> <p>66 <b>Reporting generally</b></p> <p>66.1 Without limiting any other provision of this clause 61, the Concession Holder shall:</p>	5 business Days



	<p>66.1.1 lodge with the Ministry or other relevant Authority all reports, returns, statements and other documents as and when required by this Concession or Applicable Law;</p> <p>66.1.2 ensure that all documents lodged by or on behalf of the Concession Holder with any Authority are true, complete, correct and not misleading as at the date on which such documents are dated;</p> <p>66.1.3 without limiting clause 66.1.2., not withhold or omit any material information known to the Concession Holder or any Representative of the Concession Holder from any document lodged by or on behalf of the Concession Holder with any Authority; and</p> <p>66.1.4 provide written notice to the Ministry of any event, circumstance, condition or combination thereof that causes the Concession Holder to violate clause <b>Error! Reference source not found.</b> within three business days of the occurrence of such event, circumstance or condition.</p>	3 business Days
12	<p><b>Notice of termination</b></p> <p>76.3 If the Ministry terminates this Concession pursuant to Article 40(9) of the Minerals Law, then the State shall procure that the Ministry issues a written notice to the Concession Holder confirming the effective date of the termination within [14] days of such determination.</p>	14 Days
13	<p><b>Other consequences of termination of Concession</b></p> <p>77.2 Upon the termination of this Concession for any reason:</p> <p>77.2.1 the Concession Holder shall provide copies of all Mining Information generated during the Concession Term to the Ministry within [60] days of the date of termination, at no cost to the Ministry;</p>	60 days
14	<p><b>Return of Performance Bonds and Environmental Bonds</b></p> <p>78.7 The State shall procure that the Ministry:</p> <p>78.7.1 within [10] days following receipt of a notice issued by the Concession Holder pursuant to clause <b>Error! Reference source not found.</b>, conducts an</p>	10 Days



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15	<p>inspection of the Licence Area with a view to verifying the compliance by the Concession Holder with the commitments made in the Approved Exploration Program and Approved Mining Proposal (as applicable) and Approved Environmental Management Plan; and</p> <p>78.7.2 within five days following verification by the Ministry of the compliance by the Concession Holder with the commitments made in the:</p>	5 Days
15	<p><b>Expropriation of land in favour of Concession Holder</b></p> <p>83.9 If Article 71(1) of the Minerals Law applies, the State shall procure that the Ministry prepares for the approval of the High Economic Council an application for the compulsory acquisition of any relevant land owned or occupied by another Person as soon as practicable following the first to occur of:</p>	120 Business Days
16	<p><b>Change of contact details</b></p> <p>89.2 The Concession Holder acknowledges that:</p> <p>89.2.1 pursuant to the Minerals Law, it is responsible for ensuring that the address recorded in the Register is correct; and</p> <p>89.2.2 it may change its recorded address and email address in accordance with the Regulations.</p> <p>89.3 If the State gives the Concession Holder three business days notice of a change of its address or email address, any notice or communication is only given by the Concession Holder if it is delivered, posted or emailed to the latest address or email address.</p> <p><b>Time notice is given</b></p> <p>89.4 Any notice or communication is to be treated as given at the following time:</p> <p>89.4.1 if it is delivered, when it is left at the relevant address;</p> <p>89.4.2 if it is sent by post, five business days (or, in the case of a notice or communication posted to another country, [10] business days) after it is posted; or</p> <p>89.4.3 if it is sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received</p>	<p>3 business days</p> <p>5 business days</p> <p>10 business days</p>



17	As there is no condition precedent in both travertine and marble projects so this part should be removed from concession.	Removed
1.1	<b>Exploration Program</b> The Exploration Program submitted and approved in accordance with clause <b>Error!</b> <b>Reference source not found.</b> shall: 1.1.1 be submitted by the Concession Holder to the Ministry within the time period specified in clause <b>Error! Reference source not found.</b> (if and to the extent that the Exploration Program has not been submitted to the Ministry prior to the Effective Date); 1.1.2 comply with the requirements of the Minerals Law and the Regulations; 1.1.3 be consistent with any procedures issued under Article 5(2) of the Regulations; 1.1.4 be consistent with the 2014 Bid Documents; and 1.1.5 provide a detailed summary of the following commitments: 1.1.5.1 A minimum expenditure of USD \$[*]. 1.1.5.2 A drilling program with the following objectives: (a) chemical and physical characterisation of travertine resource; and (b) qualitative and quantitative evaluation of mineable parts of travertine deposits.	USD \$269,000.00
18	<b>Mining Proposal</b> The Mining Proposal in respect of the Exploitation Licence for the proposed [travertine quarry] shall: 2.3.1 [provide that production will commence [30] days after the grant of the exploitation licence in respect of the travertine quarry]; 2.3.2 comply with the requirements of the Minerals Law and the Regulations; 2.3.3 be consistent with any procedures issued under Article 5(3) of the Regulations; 2.3.4 be consistent with the Bid Documents; and 2.3.5 provide a detailed summary of the following commitments: 2.3.5.1 [Phased development or other Exploitation commitments be added in consultation with the Ministry].	30 Days



	2.3.5.2	The estimated capital cost of implementing the Mining Proposal is US\$ [*].	US\$ 614,000.00 for the first year of Exploitation
19	<b>Proposed Plans for Exploration</b> 2.4 The Concession Holder acknowledges that in respect of an Exploration Licence, the Concession Holder shall obtain approval to each of the Proposed Plans in accordance with clause <b>Error! Reference source not found.</b> 2.5 The proposed Environmental Management Plan shall: 2.5.1 comply with the requirements of the Minerals Law and the Regulations; 2.5.2 be consistent with any procedures issued under Article 5(2) of the Regulations; 2.5.3 be consistent with the Bid Documents; and 2.5.4 provide a detailed summary of the following commitments: 2.5.4.1 A dust protection strategy to effectively protect against dust pollution. 2.5.4.2 A landscape and reforestation strategy to maintain a natural setting, including the planting of trees and bushes around the roads and boundary of the project. 2.5.4.3 Sewage treatment system to collect and dispose of sewage from the Mineral Activities, including accommodation facilities. The sewage treatment system will include: (a) Mechanical and biological treatment. (b) Water purification so that water can be re-used for the travertine exploitation process. (c) Sludge to be used as fertiliser in areas where reforestation is anticipated. 2.5.4.4 A rehabilitation management plan which will include buffers to roads, protection of significant vegetation and karst structures and the preservation of at least [effected] hectares of vegetation. 2.5.4.5 Effective management of air quality, water quality and noise quality. 2.6 The proposed Local Content Plan shall: 2.6.1 comply with the requirements of the Minerals Law and the Regulations; 2.6.2 be consistent with any procedures issued under Article 5(2) of the Regulations; 2.6.3 be consistent with the Bid Documents; and 2.6.4 provide a detailed summary of the following commitments:	<b>Effectuated</b>	20 person, 10 Technical



2.6.4.1	A comprehensive job opportunity strategy which will target the recruitment and training of [20] Afghan staff comprising [10] technical and administrative staff and [10] unskilled workers;	10 administrative
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H.E Husaindad Shafai

AhmadShah Gardezi

Shershah Rasoul

Emran Maroofi