

Collective Agreement

Between

Xstrata Nickel
Sudbury Operations

And

Sudbury Mine, Mill & Smelter Workers
Union Local 598 (CAW)

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TABLE OF CONTENTS

Article 1	- Scope	1
Article 2	- Recognition	2
Article 3	- Management Rights	3
Article 4	- Union-Management Relationship	4
Article 5	- Contracting Out	4
Article 6	- No Discrimination or Harassment	6
Article 7	- Union Security	7
Article 8	- No Cessation of Work	8
Article 9	- Union Representation	8
Article 10	- Grievance Procedure	9
Article 11	- Arbitration	12
Article 12	- General Provisions: Grievances and Arbitration	14
Article 13	- Discharge and Discipline	16
Article 14	- Mines Bonus	17
Article 15	- Seniority	18
Article 16	- Job Postings	21
Article 17	- Layoffs	31
Article 18	- Recalls	36
Article 19	- Travel Allowance	39
Article 20	- Leaves of Absence	39
Article 21	- Probationary Employee	42
Article 22	- Student Employee	42
Article 23	- Designated Employee	43
Article 24	- Hours of Work	43
Article 25	- Technological Change	52

Article 26	- Educational Assistance	54
Article 27	- Skilled Trades & Apprentices	55
Article 28	- Disabled Employees	61
Article 29	- Vacations	62
Article 30	- Health and Safety	66
Article 31	- Pensions and Health Benefits	71
Article 32	- Wages	74
Article 33	- Bulletin Boards	77
Article 34	- Authority	78
Article 35	- General	78
Article 36	- Term of Agreement and Re-Negotiation	78
Schedule "A"	- Hourly Wage Rates	80
Schedule "B"	- Occupation and Job Class Schedule	81
Schedule "C"	- Extended Shift Schedules	86
Schedule "D"	- Apprentices	92
Schedule "Q"	- Letters	93

ARTICLE 1 – SCOPE

1.01 EMPLOYEES COVERED BY THIS AGREEMENT

The employees covered by this Agreement shall be all of the employees of the Company in the Sudbury District, except:

- (a) Supervisors and persons above the rank of supervisor
- (b) Office, Clerical and Technical staff, including those individuals in the Office, Clerical and Technical Bargaining Unit,
- (c) Employees in a confidential capacity in matters relating to labour relations.

The words "employee" and "employees" wherever used in this Agreement refer to such employees as are covered by this Agreement.

Words importing the masculine gender shall include the feminine.

1.02 ORGANIZATION

For the purpose of applying the provisions of this Agreement, the Business Units, Operations and Departments shall be as follows:

Sudbury Mines/Mill Business Unit

- (a) Craig Mine Operations
 - (i) Craig Production Department
 - (ii) Craig Maintenance Department
- (b) Fraser Mine Operations
 - (i) Fraser Production Department
 - (ii) Fraser Maintenance Department
- (c) T. L. Mine Operations
 - (i) T.L. Production Department
 - (ii) T.L. Maintenance Department
- (d) Strathcona Mill Operations
 - (i) Strathcona Mill Production Department
 - (ii) Strathcona Mill Maintenance Department

- (e)** Central Services Operations
 - (i) Central Services Maintenance Department
 - (ii) Construction Crew Maintenance Department
 - (iii) Central Mine Services Production Department**

Sudbury Smelter Business Unit

- (a) Smelter Operations
 - (i) Smelter Production Department
 - (ii) Smelter Maintenance Department

Any additional Business Unit, Operation or Department created as described in section 1.03 will be included under this section 1.02.

1.03 CHANGES TO ORGANIZATIONAL STRUCTURE

Where the Company intends to allocate new or renewed operations into existing Business Units, Operations or Departments or create additional Business Units, Operations or Departments or delete or combine Operations or Departments as may be required it will consult the Union and, where possible, provide the Union with 30 days notice of such action.

ARTICLE 2 – RECOGNITION

2.01 EXCLUSIVE BARGAINING AGENT

The Company recognizes the Union as the exclusive bargaining agent for all the employees with respect to rates of pay, hours of work and other working conditions.

2.02 FULL TIME UNION REPRESENTATIVE

The Company will release a senior Union Representative from his job on a daily basis to attend to Union business on behalf of those employees covered by this Collective Agreement. To enable the senior Union Representative to do this, the Company will provide the Union with office space at each Business Unit. The senior Union Representative will be required to keep in regular contact with the Human Resources Manager at each Business Unit and will notify him of his planned absence in advance.

The Company will pay the senior Union Representative at Job Class 26 plus C.O.L.A. and

nickel price bonus and will pay the cost of benefits premiums for those items set out in Article 31 (Pension & Health Benefits). During this appointment the employee shall accumulate seniority and credited service. Upon termination of his appointment the employee shall return to his former department and occupation if it still exists; if his occupation no longer exists the provisions of section 17.02 (Layoffs in Excess of 14 Days) shall be applied to determine a new occupation.

An employee will be granted leave of absence without pay in order to provide relief for the Local Unit Chair from January 1st to January 31st, 2010. Such employee will attend to Union Business at the sites on behalf of those employees covered by the Collective Agreement and continue to be covered by his/her benefits during this period.

2.03 BARGAINING UNIT WORK

With specific regard to the performance of work by supervisory personnel, the Company agrees with the principle of retaining for employees the work normally done by them. Accordingly, supervisory personnel shall not perform work that is normally done by employees (except work of an emergency or casual nature) where qualified employees are reasonably available to do such work. It shall not be a violation of this section for supervisory personnel to perform such work where it is done:

- (a) in the course of instructing or training employees;
- (b) to overcome production and maintenance difficulties;
- (c) in the course of research and development programs; or
- (d) to protect the safety of employees or equipment.

2.04 NON-SUPERVISORY INDIVIDUALS

Non-supervisory individuals employed by the Company who are not employees (as defined herein) shall not perform work not normally done by them which work is normally done by employees.

ARTICLE 3 - MANAGEMENT RIGHTS

3.01 MANAGEMENT RIGHTS

The Union agrees that the Company has the exclusive right and power to manage the plants and mines, direct the working forces and to hire, promote, transfer, demote or lay off, and to suspend, demote, discharge or otherwise discipline employees for just cause. Provided, however, that the Company agrees that any exercise of these rights and powers

in conflict with any of the provisions in this Agreement shall be subject to the provisions of the grievance procedure.

ARTICLE 4 – UNION-MANAGEMENT RELATIONSHIP

4.01 RELATIONSHIP

In order to overcome the many challenges facing the Business Units, it is essential that the Company and the Union maintain a professional relationship that will support the work that has to be done to increase the long-term viability of the Operations and enhance the job security of the employees. To accomplish this, the Business Units and Union will work to ensure constructive communication so that issues can be identified and resolved as early and effectively as possible through the process described in 4.02 (Union-Management Meetings) below.

4.02 UNION-MANAGEMENT MEETINGS

Matters of interest, which are not proper subjects to be dealt with under the grievance procedure may be discussed at meetings by the Union and Management at the Sudbury Mines/Mill Business Unit and the Sudbury Smelter Business Unit. There shall be no more than 5 representatives from each party at the Sudbury Mines/Mill Business Unit and 3 representatives at the Sudbury Smelter Business Unit. The Union President will be present at each meeting and will be included in the numbers outlined above. The parties will meet, as required, at dates to be mutually agreed.

Before each meeting, the parties will submit agenda items for consideration. A copy of the minutes of the meetings will be given to each party.

ARTICLE 5 – CONTRACTING OUT

5.01 CONTRACTING OUT

The Company recognizes the concerns of the Union regarding the effects of contracting out on such matters as employment, job security and job opportunity and will therefore, use their best efforts to minimize the contracting out of core production and maintenance work. The Business Units agree to consider this and the following factors when making the decision on whether to contract out work:

- (a) whether the work requires specialized equipment and/or competencies which are not required on a continuous basis for core production and maintenance;

- (b) whether the performance of the contracted work by employees would require hiring and/or training of new employees or replacements whose employment would not continue beyond the completion of the contracted work;
- (c) the availability at the Operation of manpower, equipment, skills, engineering, supervision and services, to operating and cost efficiency and the time required to do the work.

Furthermore, no regular employee of the Business Unit shall be demoted, laid off or discharged as a direct result of any work being contracted out by his own Business Unit.

5.02 CONTRACTING, PROMOTION & RECALL OF EMPLOYEES

When contracting out work of a duration of 14 calendar days or more, the specific Business Unit where the work is required shall, having regard to the availability of manpower, equipment, skills, engineering, supervision and services, to operating and cost efficiency and the time required to do the work;

- (a) promote employees who have been demoted through the application of Article 17 (Layoffs) and;
- (b) recall employees who have been laid off in accordance Article 18 (Recall).

providing, however, that these employees can perform the normal requirements of the job and are readily available.

5.03 DEFINITION OF "DEMOTION"

For the purposes of this Article 5 (Contracting Out), demotion shall mean a move to a lower job classification and paid the lower job classification wage rate or being removed from a job which pays mine bonus to a job which does not pay mine bonus.

5.04 DEMOTED OR RECALLED EMPLOYEES

If it is determined at arbitration that the Company in its application of sections 5.01 (Contracting Out) and 5.02 (Contracting, Promotion & Recall of Employees) failed to promote an employee who was demoted or recall a laid off employee, the Company shall pay him the following compensation with respect to the period which is in question:

- (a) earnings lost based on his regular rate for the time lost during the period when not promoted or recalled, limited to a maximum of 40 hours per week, less the amount of

- money earned by the employee during the time lost;
- (b) shift premium applicable to his normal hours of work lost;
- (c) weekend premium applicable to his normal hours of work lost;
- (d) holiday pay he would otherwise have been entitled to;
- (e) cost of living allowance lost based on his normal hours of work lost;
- (f) premiums for any or all of Supplemental(Semi-Private) Plan, Extra Care Expenses Plan, Drug Plan, Group Life Insurance Plan, Accidental Death and Dismemberment Plan and Dental Plan provided any laid off employee has actually paid such premium.

ARTICLE 6 - NO DISCRIMINATION OR HARASSMENT

6.01 NO DISCRIMINATION OR HARASSMENT

- (a) All employees are expected to treat others with courtesy and consideration and to discourage discrimination and harassment.
- (b) There shall be no discrimination or harassment by the Company or the Union or its members against any employee because of Union activity or membership or non-membership in any trade union, or because of the employee's sex, race, creed, color, nationality, ancestry, place of origin, ethnic origin, citizenship, sexual orientation, age, marital status, family status, handicap or political opinions. Harassment will not be subject to the grievance procedure but shall, however, be investigated promptly by a Senior Human Resources Representative and the Union Services Representative who will attempt to resolve complaints.
- (c) For the purpose of this Article 6, 'Harassment' is defined as engaging in a course of vexatious comment or conduct that is known or ought reasonably to be known to be unwelcome where such comment or conduct consists of words or actions by persons acting on behalf of the Company or Union, the Company, a supervisor, a co-worker or any other individual employed by the Company, which denies individual dignity or respect or causes humiliation to another employee.
- (d) Proper discussions between an employee and a supervisor related to performance issues or disciplinary matters or work assignments or other work related items do not constitute harassment.
- (e) No person shall be required, as a condition of employment, to become or remain a member of any union or other organization, and no statements or representations to

the contrary shall be made.

- (f) There shall be no solicitation of membership in any union organization or collection of union dues or any union activity anywhere on Company property. This clause shall not be construed to prevent employees from engaging in casual conversation relating to Union affairs.
- (g) Stewards, Union safety representatives or employees filling any other Union position shall not be denied any rights or benefits provided for in this collective agreement because of their Union activity.

ARTICLE 7 - UNION SECURITY

7.01 UNION DUES

The Company shall, during the life of this Agreement, and as a condition of each employee's continued employment, deduct an amount from each pay of each employee which in total over two pays shall equal the Union's monthly dues. Deductions will be remitted to the Union together with a list of names of employees from whom such deductions were made on the Monday following each pay day.

If no deduction is made from any pay by reason solely of the employee being away on vacation, that deduction will be made from the next pay due to such employee.

The amount of Union monthly dues currently in effect in accordance with the Union's constitution shall be certified by the Union to the Company by letter signed by the President or the Financial Secretary of the Union.

7.02 ADDITIONAL UNION DUES

- (a) The Company will pay to the Union the amount of Union Dues payable for any employee the Company moves to a job outside the bargaining unit on a temporary basis.
- (b) The Company will deduct monthly from those pensioners certified by the Union to the Company the amount of pensioners' dues in effect.

ARTICLE 8 - NO CESSATION OF WORK

8.01 NO CESSATION OF WORK

Neither the Union nor any employee shall take part in or call or encourage any strike, sit down, slow down, or any suspension of work against the Company which shall in any way affect the operations of the Company, nor shall the Company engage in any lockout at its Operations.

8.02 ESSENTIAL SERVICES

The Union will use its best efforts to see that the employees who normally perform work which is required to be performed to prevent the destruction or serious deterioration of machinery, equipment or premises, or serious environmental damage, will perform such work during any strike by employees in the bargaining unit.

ARTICLE 9 – UNION REPRESENTATION

9.01 NUMBER & DISTRIBUTION OF UNION REPRESENTATIVES

The Union will designate one employee from each Operation as a Chief Steward. The Union will designate employees to be Stewards, but the aggregate total of Chief Stewards and Stewards will not be more than one for each thirty employees. Such Stewards will be equally distributed at each Operation based on the total number of Production & Maintenance employees at that Operation.

The Union shall notify the Company of any change in Chief Stewards and Stewards.

The Company recognizes that it may be necessary to adjust a Chief Steward's regular work schedule to enable him to be accessible to both the membership and the Company. Any such modifications will be established jointly by the Chief Steward and the **Senior Management Representative** at each Operation.

9.02 TIME OFF TO ATTEND MEETINGS WITH SUPERVISORY PERSONNEL

A Chief Steward or Steward, shall be allowed such time off as shall be reasonably required to attend meetings scheduled by management and subject to obtaining permission in advance from his supervisor, which permission shall not be unreasonably denied.

9.03 UNION LEAVE

The Company will grant a day's leave with pay and an additional day's leave without pay per month for the Chief Stewards to enable them to meet as a group to review grievance answers and to address other issues arising out of the Union-Management relationship.

In addition to the above, the Company will grant Stewards one day per quarter to attend to Union business. Such time will be paid at the employee's base rate, plus cost-of-living allowance, plus nickel bonus.

9.04 PAY FOR UNION BUSINESS

The Company shall pay Chief Stewards and Stewards at their basic rate, plus cost-of-living allowance, plus any applicable off-shift premium, for any time lost during their regular shifts in connection with section 9.02 (Time Off to Attend Meetings with Supervisory Personnel) and 12.03 (Time Off to Attend Grievance Meetings). However, payment shall not be made for any time, which is held to be an abuse of the provisions of sections 9.02 and 12.03. The Company shall notify the Union of any such withholding of payment and the details of the alleged abuse.

Where the Company requires a Chief Steward or Steward to travel from his regular place of work to attend any meetings with supervisory personnel, the Company will pay a travel allowance.

9.05 GRANTED LEAVES OF ABSENCE WITH PAY

,Where the Company grants a Steward a leave of absence with pay from his regularly scheduled shift for the purposes of Union business, such time will be considered as time worked for the purpose of calculating entitlement to overtime under section 24.03 (Overtime Rate).

ARTICLE 10 - GRIEVANCE PROCEDURE

10.01 RESOLUTION OF COMPLAINTS

Employees and/or stewards representing the employees, along with supervisors, will be encouraged to settle any complaint, difference or dispute before proceeding with the grievance procedure.

Should any difference (hereinafter called a "grievance") as to the interpretation, application, administration or alleged violation of this Agreement, not be resolved, an earnest effort shall be made to settle such grievance without undue delay in the manner outlined below.

10.02 STAGE ONE

An aggrieved employee shall, provided it is done with reasonable promptness, state his representations in writing to the designated management representatives(s) at Stage One who shall be his immediate first line Supervisor and the second line Supervisor of the area in which the grievance arose. Such representation shall state the nature of the grievance, the remedy sought and the provisions of this Agreement upon which it is alleged the grievance is based, provided that:

- a) any omission of such a provision shall not prejudice the determination of the grievance on its merits at any stage of the procedure including arbitration, and
- b) reference to any provision shall not prevent the employee from relying on any other provisions of the Agreement.

The management representative shall establish a mutually agreed upon date for a Stage One hearing which shall not be more than 8 calendar days from the date the management representative was advised of the request for a Stage One meeting. Where the employee does not work on day shift within the period of 8 calendar days due to shift schedules the grievance shall be heard during the next period that the employee works on a cycle of day shifts.

The employee may be accompanied to the hearing by a Steward from his Operation, who is reasonably familiar with the work. Should a Steward be unavailable, the Chief Steward may attend. Each will be allowed one-half hour off for discussion plus reasonable travel from their work place and clean-up time prior to such meeting.

The management representative(s) shall give his or their decision in writing within 8 calendar days from the date upon which such representations were presented. The Services Representative and Chief Steward shall be sent a copy of the answer at Stage One.

10.03 STAGE TWO

If the matter is not satisfactorily resolved, the Chief Steward may, within 5 calendar days after the Step One answer was or should have been given, submit a written notice requesting further consideration of the grievance at Stage Two.

The management representative shall notify the Chief Steward of a meeting place and shall arrange to meet within 9 calendar days to discuss the grievance.

At the Stage Two meeting, the written Stage One representations of the Union shall be presented to the designated management representative(s) by up to two union representatives, one of whom must be the Chief Steward, who will be allowed one hour off for discussion plus reasonable travel and clean-up time prior to such meeting.

The management representative(s) shall give his or their decision on behalf of the Company within 9 calendar days from such meeting.

10.04 GRIEVANCES PROCEEDING DIRECTLY TO STAGE TWO

Upon mutual agreement, grievances that are beyond the control of the first and/or second line supervisor (such as bumping or contractor grievances) may progress to Stage Two directly.

Notice in writing requesting consideration of layoff grievances shall be given by the Union Services Representative to the designated management representative(s) for Stage Two within 30 calendar days from the date of layoff. An earnest effort shall be made to hear such grievances as soon as practicable. The management representative(s) shall give his or their decision on behalf of the Company within 9 calendar days from such meeting.

A grievance alleging that an employee has been discharged without just cause shall be dealt with under the provisions of Article 10 (Grievance Procedure) except that such grievance shall be initiated at Stage Two of the grievance procedure and must be presented within 10 calendar days after the date of discharge. The Company shall extend such 10 day period where there is a reasonable excuse for the grievance not having been presented within such period.

10.05 GROUP GRIEVANCE

In the event that two or more employees have grievances relating to the interpretation, application, or administration or alleged violations of the provisions of this Agreement which are sufficiently common in nature that they may be conveniently dealt with together, the Company and the Union may mutually agree that such grievances shall constitute a group grievance. A grievance involving two or more employees shall be presented by not more than one of the employees in the group concerned.

10.06 DIRECT DIFFERENCE

Any difference arising directly between the Company and the Union as to the interpretation, application, administration or alleged violation of this Agreement, may be submitted in writing by either of such parties to the other requesting a meeting to discuss

the difference. The meeting between not more than three representatives of the Union and management representatives of the Company shall be held at a mutually acceptable time within 21 days after receipt of such submission. If the parties are unable to settle a difference within 14 days from the meeting then the party to whom the notice was delivered shall reply in writing to the difference within 21 days from the meeting.

10.07 GRIEVANCES REGARDING SELECTION OF APPLICANTS

If, through a settlement of a grievance (including arbitration), the promotion of an employee to fill a vacancy or the demotion of an employee is reversed, such employee and any employees filling any vacancies created by such promotion or demotion shall revert to their former occupational classification.

ARTICLE 11 – ARBITRATION

11.01 REFERRAL TO ARBITRATION

Any grievance, including a question as to whether a matter is arbitrable, that has not been satisfactorily settled under sections 10.03 (Stage Two) or 10.04 (Grievances Proceeding Directly to Stage Two), or any difference directly between the Union and the Company that has not been satisfactorily settled in accordance with section 10.06 (Direct Difference), may by notice in writing given to the other party within 21 days from the date when the written decision of the management representative(s) at Stage Two was or should have been delivered be referred either by the Company or the Union to arbitration for final and binding settlement, without stoppage of work, as hereinafter provided.

11.02 METHOD OF ARBITRATION

The single arbitrator procedure as set out in this Article is the preferred procedure in the majority of cases that advance to arbitration.

When a party refers a grievance to arbitration in accordance with 11.01 (Referral to Arbitration), they may request on the notice that the grievance be heard by a Board of Arbitration.

11.03 TIME LIMITS

Where one party refers a grievance to arbitration in accordance with this Article, either that party or following 12 months, the party to whom the notice was delivered, may inquire regarding the availability of the arbitrator(s), and make arrangements for the hearing.

11.04 ARBITRATORS

The single arbitrator shall be selected in rotation from the following: M. Teplitsky, G. Charney, K. Burkett, K. O'Neil, W. Rayner, S. Tacon, B. Welling, A. Barrett, and K. Whitaker. A single arbitrator shall have all the powers as provided under the Labour Relations Act of Ontario, as amended from time to time. The Company and the Union shall each be responsible for one-half of the expenses and fees payable to the arbitrator.

If the grievance referred to arbitration is settled prior to the hearing another outstanding grievance may be referred to arbitration by mutual agreement of the Company and the Union.

11.05 BOARD OF ARBITRATORS

In any case in which a Board of Arbitrators shall be required under this Agreement, the Company and the Union shall each appoint one arbitrator and the two arbitrators so appointed shall appoint a third. No person may be named as an arbitrator who has participated directly in an attempt to settle the grievance. The arbitrators to be appointed by the Company and the Union shall be appointed within 10 days from the date of receipt of notice of arbitration. In the event that either party shall fail to appoint an arbitrator within the time provided, the other party may request the Minister of Labour of the Province of Ontario to appoint an arbitrator on behalf of the defaulting party.

If the grievance referred to a Board of Arbitration is settled prior to the hearing another outstanding grievance may be referred to the Board of Arbitration by mutual agreement of the Company and the Union.

11.06 PAY FOR BOARD OF ARBITRATION

The Company and the Union shall respectively pay the expenses and fees payable to the arbitrator selected by each, and the Company and the Union shall each be responsible for one-half of the reasonable expenses and fees payable to the third arbitrator.

11.07 APPOINTMENT OF THIRD ARBITRATOR

If the arbitrator appointed by the Company and the arbitrator appointed by the Union fail to agree within 3 weeks upon the appointment of a third arbitrator, the Ontario Labour-Management Arbitration Commission shall be requested to choose a third arbitrator.

11.08 SCOPE OF ARBITRATION

In any arbitration the written representation of the Union made at Stage Two and the decision of the Company at Stage Two of the grievance procedure (or in the case of a difference directly between the Company and the Union the written submission by the party initiating the discussion of the difference and the written reply of the other party) shall be presented to the arbitrators and the award of the arbitrators shall be confined to determining the issue set out in the written representation.

Such written representation shall state the nature of the grievance, the remedy sought and the provision of this Agreement upon which it is alleged the grievance is based, provided that:

- a) any omission of such a provision shall not prejudice the determination of the grievance on its merits at any stage of the procedure including arbitration, and
- b) reference to any provision shall not prevent the employee from relying on any other provisions of the Agreement.

11.09 FINDINGS OF THE ARBITRATOR(S)

The findings of the Arbitrator(s) or the majority of the Board of Arbitrators as to the facts and as to the interpretation, application, administration or alleged violation of this Agreement, including the question as to whether the matter is arbitrable, shall be final, conclusive and binding upon all parties concerned, but in no event shall the arbitrator be authorized to alter, modify or amend any part of this Agreement.

If an Arbitrator(s) decides that the Company failed to exercise its judgement pursuant to section 16.13 (Job Selection) in a fair and reasonable manner the Company shall fill the vacancy with the applicant having the greatest seniority, providing he has the ability, knowledge, training and skill to do the job.

Where an Arbitrator(s) determines that an employee has been discharged or otherwise disciplined by the Company for just cause, the arbitrator may substitute such other penalty for the discharge or discipline as the Arbitrator(s) considers just and reasonable in all the circumstances.

ARTICLE 12 – GENERAL PROVISIONS: GRIEVANCES & ARBITRATION

12.01 FAILURE TO PROCESS GRIEVANCE

Failure to process a grievance from one Stage to the next Stage or to arbitration within the

specified time limits will be deemed an abandonment of such grievance. Failure to reply to a grievance within the specified time limit will permit the grieving party to proceed to the next higher Stage, including arbitration.

Notwithstanding the above paragraph, any time limit fixed by Article 10 (Grievance Procedure) and Article 11 (Arbitration) may be extended by agreement of the Company and the Union.

12.02 GRIEVANCE REGARDING RATE OF PAY

A grievance alleging that any employee has failed to receive the rate of pay to which he is entitled under this Agreement, having regard to the application of seniority or rates of pay, must be presented in writing within 10 days after the pay day for the pay period in which the grievance arose. The Company shall extend the period of 10 days where there is a reasonable excuse for the grievance not having been presented within such period.

12.03 TIME OFF TO ATTEND GRIEVANCE MEETINGS

A Chief Steward or Steward, who obtains permission in advance from his supervisor, shall be allowed such time off as required to attend grievance meetings as provided in Article 10 (Grievance Procedure) and such time will not be unreasonably denied.

12.04 CHIEF STEWARD REPRESENTATION AT GRIEVANCE MEETINGS

A Chief Steward from one Operation may represent an employee from another Operation, but may only represent an employee from his own Business Unit.

12.05 PRESENCE OF EMPLOYEE AT GRIEVANCE MEETING

An aggrieved employee, if he so desires, may be present at the first stage of the grievance procedure, unless he is part of a group grievance in which case one individual will represent the Group. The grievor may choose to be present at the second stage of the grievance procedure, however, if the grievance is scheduled outside of the grievor's regular shift schedule, he will not be paid to attend, the time will not be considered time worked nor will it be counted in the calculation of any overtime payments.

12.06 PERSONAL MATTERS

Nothing in this Agreement shall prevent an individual employee from presenting any of his personal matters to the Company.

ARTICLE 13 - DISCHARGE AND DISCIPLINE

13.01 NOTICE OF DISCHARGE, SUSPENSION & INVESTIGATORY SUSPENSION

Any notice of discharge or notice of suspension, including an investigatory suspension, shall be given to the employee in the presence of a Steward in his Department, but if such a Steward is not available then in the presence of any other Steward who is reasonably available. Lack of availability of a Steward will not nullify notice of discharge or suspension. The Company will confirm the reasons for such discharge or suspension to the employee and the Union in writing and in any case, it shall notify the Union within 24 hours of such discharge. Failure to notify shall not be construed as nullifying such discharge.

13.02 PAY UPON REINSTATEMENT

If a discharged, demoted or suspended employee is reinstated as the result of an arbitration the Company shall pay him the following compensation with respect to the period for which he is reinstated:

- (a) earnings lost based on his regular rate for the time lost during the period of discharge, demotion or suspension limited to his average regularly scheduled weekly hours of, less the amount of money earned by the employee during the time lost;
- (b) shift premium applicable to his normal hours of work lost;
- (c) weekend premium applicable to his normal hours of work lost;
- (d) holiday pay he would otherwise have been entitled to; and
- (e) premiums for any or all of Supplemental (Semi Private) Plan, Extra Care Expenses Plan, Drug Plan, Group Life Insurance Plan, Accidental Death and Dismemberment Plan and Dental Plan provided that the employee;
 - (i) has notified the Company within 14 days following his discharge that he intends to pay such premiums during the period pending the disposition of his discharge in the grievance procedure or by arbitration and;
 - (ii) has actually paid such premium.

13.03 WARNINGS AND SUSPENSIONS

The Company will give an employee a copy of any written warning in the presence of a Steward, if requested, without requiring the employee to sign for it and will notify an employee of any oral reprimand entered on his record. Written warnings (but not suspensions) for absence without leave or for failing to notify the Company of intended absence shall be removed from an employee's record and shall be disregarded in determining discipline for subsequent infractions of a like nature if after three calendar months there is no repetition of such offence.

Any other written warning (but not a suspension) shall be removed from an employee's record and shall be disregarded in determining discipline if in the 6 months following such warning there is no further misconduct. In any event a written warning (but not a suspension) shall be removed from an employee's record and shall be disregarded in determining discipline 12 months after the issuance of such warning,

A suspension notice other than a suspension notice for breach of Article 8 (No Cessation of Work) shall be disregarded in determining discipline two (2) years after the issuance of such suspension. A suspension notice for breach of Article 8 (No Cessation of Work), shall be disregarded in determining discipline three (3) years after the issuance of such suspension.

ARTICLE 14 - MINES BONUS

14.01 MINES BONUS COMMITTEE

The Union may establish for each of the Company's mines, a Bonus Grievance Committee to consist of not more than two employees per mine, each of whom must be reasonably familiar with contract work in the mine. The Union shall advise the Company forthwith of the names of the members of such committees and shall notify the Company whenever any changes are made.

The Company will give members of the Bonus Grievance Committee, the Union President and the Union Services Representative special training each year in the Company's bonus system. The Company will promptly advise the Bonus Committee of changes to the system. Where the Company intends to make substantive changes to the bonus system, it will make its best efforts to provide training, in advance of implementing the changes, to the Bonus Grievance Committee. Time spent while receiving training will be with no loss in pay, including any bonus, to the persons involved.

Up to two members of the Bonus Grievance Committee who are not Stewards from the Mines Operations shall be granted time off in accordance with 9.03 (Union Leave).

14.02 BONUS COMPLAINTS (STEP ONE)

Each Bonus Grievance Committee shall be entitled at reasonable times, but not more than twice a month, to present to the Superintendent of its department and such other representatives of the Company as may be present, any complaints or objections with regard to any mines contract bonus applied in its department during the preceding or current month including any matters pertaining to a particular contract on which an employee or crew may have been working during the preceding month or may be working currently. The Bonus Grievance Committee shall notify the Superintendent of the department concerned in writing at least three working days prior to any such meeting of the particular contracts to be considered thereat, specifying in reasonable detail the nature of the complaint or objection. The Superintendent shall make every effort to give his answer in writing not later than 10 days from any such meeting.

14.03 BONUS COMPLAINTS (STEP TWO)

If any such complaint or objection is not disposed of to the satisfaction of the Bonus Grievance Committee, it shall be entitled to apply in writing to the relevant Mine Manager, specifying in reasonable detail the nature of the complaint or objection, to present any such complaint or objection to a meeting of the Company Committee composed of the relevant Mine Manager and 3 other representatives appointed by the Company. Such application shall be made in writing at least three working days prior to the meeting with the Company Committee and shall be made within a reasonable time after the meeting with the Superintendent referred to in section 14.02 (Bonus Complaints (Step One)). The Company Committee will meet each Bonus Grievance Committee as may be required for the dispatch of business but not more than once in each month to consider such complaints or objections of which notice has been given as aforesaid. The date, time and place of such meeting shall be fixed by the relevant Mine Manager and notice thereof shall be given to the particular Bonus Grievance Committee. At such meeting the Bonus Grievance Committee may be accompanied by an officer of the Union. The Company Committee shall make every effort to give its answer in writing not later than 7 days from any such meeting.

ARTICLE 15 - SENIORITY

15.01 PRINCIPLE

The Company agrees with the principle of granting preference to employees in promotions, demotions resulting from any change or workforce reduction, lay-offs, and rehiring after lay-offs in accordance with their relative seniority ranking as hereinafter set out.

15.02 DEFINITIONS

For the purpose of this Agreement:

- (a) "seniority date" shall mean an employee's most recent hiring date with the Company (except where such date is the date of rehiring after a lay-off in accordance with section 18.02 (Recall Procedure).
- (b) an employee's "seniority" shall mean the length of time from his seniority date and such seniority shall be maintained and accumulated during:
 - (i) a lay-off within any period during which he has recall rights,
 - (ii) any leave occasioned by illness or injury.
 - (iii) any leave of absence granted by the Company, or
 - (iv) any leave of absence granted under section 20.03 (Maternity Leave) or 20.04 (Parental/Adoption Leave); and
- (c) "credited service" shall mean an employee's seniority less any period of:
 - (i) leave in excess of four weeks for some reason other than disabling injury, illness or compassionate grounds, leave granted for Union purposes, jury duty, maternity or parental/adoption leave;
 - (ii) absence from work due to any illegal strike;
 - (iii) lay-off for a period continuing through five full payroll periods (based on bi-weekly payroll periods).

15.03 LOSS OF SENIORITY

An employee shall lose whatever seniority and credited service he may have accumulated if he:

- (a) quits and does not rehire within a period of 6 months,
- (b) is discharged,
- (c) is laid off for lack of work for a period which exceeds the duration of his recall rights as set out in section 18.01 (Recall Rights).
- (d) fails without reasonable cause to return to work immediately upon the completion of any leave of absence which may have been granted, or
- (e) retires or his employment is terminated by mutual agreement.

(f) is in receipt of severance pay as per section 17.01(b) (Severance Pay).

15.04 SENIORITY LISTS

Lists showing the relative seniority dates for each employee in each department will be prepared and maintained. A departmental list shall be available in the office of each department with respect to the employees in such department for reference by employees at reasonable times to determine questions of seniority ranking. The lists shall be revised and brought up to date at least once during each 6-month period and a copy of the Company-wide master list shall be forwarded to the Union.

The Union will be provided with a list of employees who have been laid off. The list will show the seniority date, occupation and job class the employee held prior to his lay-off.

Each month the Union will be provided with a list of laid off employees recalled to work. The list will show the employee's seniority date, the occupation and job class to which he was recalled.

Each month the Union will be provided with a list of employees it attempted to recall and the address to which the recall notice was sent.

15.05 SENIORITY OF INDIVIDUALS ENTERING UNIT

Nothing in this Agreement shall preclude the Company from transferring any individual to the category of an employee; provided, however, that:

- (a) The seniority date of an individual who has never been in the bargaining unit shall be the date on which he first entered the bargaining unit.
- (b) An employee who leaves or has left the bargaining unit and re-enters within one year shall be entitled to bring his full Company service with him for the purpose of determining his seniority ranking.
- (c) If an employee leaves the bargaining unit for more than one year and then returns or is returned to the bargaining unit, the employee on re-entering the unit:
 - (i) will be credited with the seniority he had accumulated in the bargaining unit up to such time as he had left the bargaining unit and will again begin to accumulate seniority in the bargaining unit, and
 - (ii) will not be credited with seniority for the time he had been out of the bargaining unit for the purposes of Article 16 (Job Postings) until 24 months have elapsed from the date of re-entry to the bargaining unit. Following this 24 month period,

seniority will then also include, for the purposes of Article 16, the time the employee had been out of the bargaining unit, and

- (iii) will not be credited with seniority for the time he had been out of the bargaining unit for the purposes of Article 17 (Layoffs) until 36 months have elapsed from the date of re-entry to the bargaining unit. Following this 36 month period seniority will then also include, for the purposes of Article 17, the time the employee had been out of the bargaining unit.

An individual re-entering the bargaining unit shall return to the same occupational classification he held when he left, or if his former occupational classification no longer exists then the individual shall re-enter the bargaining unit provided he does not displace anyone in the bargaining unit with greater seniority.

ARTICLE 16 – JOB POSTINGS

16.01 PREAMBLE

This Article details the steps taken when filling production and skilled trades/services vacancies.

(a) In summary, the steps to fill a production occupation vacancy are:

(i) Retransfer (16.26)

- (ii) Production Department Job Posting (16.02, 16.03)
- (iii) Business Unit Vacancy Notice (16.04, 16.05, **Letter 15**)
- (iv) Opportunity to Train (16.14)
- (v) Vacancy Notice in Other Business Unit (16.06, 16.07)
- (vi) Recall (16.15)
- (vii) New Hire (16.17)

(b) In summary, the steps to fill a skilled trades/services occupation vacancy (except for the occupation of Leader, which will be filled in accordance with the Production vacancy steps) are:

(i) Retransfer (16.26)

- (ii) Maintenance Department Job Posting (16.09)
- (iii) Opportunity to Train (16.14)
- (iv) Recall (16.15)
- (v) New Hire (16.17)

Specific details for each of the steps in A) and B) above are outlined in the remainder of this Article, including the General Provisions sections.

16.02 PRODUCTION DEPARTMENT JOB POSTINGS

When a Business Unit determines that a vacancy occurs in a Production Department in an Operation, a Production Department Job Posting notice will be posted on the related bulletin boards within that Operation for a period of **10** calendar days. Excluded from this are:

- (a) vacancies occurring in a bargaining unit occupation belonging to Job Class 4 or lower.
- (b) temporary vacancies considered by the Business Unit to be 23 calendar days duration or less.
- (c) vacancies caused by absences due to vacation.

All notices shall designate:

- (a) the Occupation
- (b) the Operation
- (c) the type of shift
- (d) the initial immediate supervisor
- (e) the job class
- (f) with respect to the underground occupations, where applicable, the initial duties (including the initial work area) will also be included.

If the Business Unit knows the vacancy is temporary with a duration of more than 23 calendar days, except for vacancies due to vacations, an estimate of its probable duration will also be included.

Every six months the Business Unit will review and re-post temporary job postings as necessary.

16.03 ELIGIBILITY TO APPLY FOR PRODUCTION DEPARTMENT JOB POSTING

An employee in the Production Department where the vacancy occurs (including an employee absent from work by reason of illness, injury, vacation, maternity or parental/adoption leave, union leave);

- (a) who is in a different occupation; or
- (b) who is in the same occupation but is assigned to one type of shift while the posted work is for another type of shift;

may apply in writing for such posted work within **10** calendar days. Selection will be in accordance with Article 16.13 (Job Selection).

16.04 BUSINESS UNIT VACANCY NOTICE

Where a Production Department Job Posting has been posted as per 16.02 (Production Department Job Postings) and has not been filled, the Business Unit may determine that a vacancy still occurs and post a Business Unit Vacancy Notice at the other Operations within that Business Unit for a period of **10** calendar days.

16.05 ELIGIBILITY TO APPLY FOR BUSINESS UNIT VACANCY NOTICE

An employee in such Business Unit (including an employee absent from work by reason of illness, injury, vacation, maternity or parental/adoption leave, union leave) who has one year of service or more may apply. Applications received during the **10** day posting period specified in 16.04 (Business Unit Vacancy Notice) will be considered in the following order:

(a) Transfer Within Same Occupation - Employees working at another Operation in the Business Unit in the same occupation as the posted vacancy. (i.e. a Miner A at Fraser Mine Operations may wish to apply for a Miner A position at Craig Mine Operations). The senior applicant shall be transferred provided he has the ability, knowledge, training and skill to fulfill the normal requirements of the job.

An employee so transferred may request, within the time frame of one rotation (not to exceed five shifts), to return to his former Operation and to the actual occupation he held immediately before having been transferred.

(b) Change of Occupation - Any employee in the Business Unit who is in an occupation other than the posted occupation. Selection will be in accordance with Article 16.13 (Job Selection).

16.06 VACANCY NOTICE IN THE OTHER BUSINESS UNIT

Where a Production Department Job Posting (as per 16.02) and a Business Unit Vacancy Notice (as per 16.04) have been posted and remain unfilled, the Business Unit may determine that a vacancy still occurs and post a Vacancy Notice In The Other Business Unit for a period of **10** calendar days.

16.07 ELIGIBILITY TO APPLY FOR VACANCY NOTICE IN THE OTHER BUSINESS UNIT

An employee who works in a Business Unit other than that where the vacancy occurs,

(including an employee absent from work by reason of illness, injury, vacation, maternity or parental/adoption leave, union leave) who has one year of service or more may apply. Applications received during the **10** day posting period specified in 16.06 (Vacancy Notice In The Other Business Unit) will be considered in the following order:

(a) Transfer Within Same Occupation - Employees working in another Business Unit in the same occupation as the posted vacancy. The senior applicant shall be transferred provided he has the ability, knowledge, training and skill to fulfil the normal requirements of the job

An employee so transferred may request, within the time frame of one rotation (not to exceed five shifts), to return to his former Operation and to the actual occupation he held immediately before having been transferred.

(b) Change of Occupation - Any employee in another Business Unit who is in an occupation other than the posted occupation. Selection will be in accordance with Article 16.13 (Job Selection).

16.08 COMBINATION POSTING

Where the Business Unit deems it efficient to do so, one notice may be posted for a period of **10** calendar days that encompasses any combination of the postings and notices outlined in this Article, namely the Production Department Job Posting, Business Unit Vacancy Notice and Vacancy Notice in Other Business Unit. In these cases, first preference will be given to Departmental applicants as per 16.03 (Eligibility to Apply for Production Department Job Postings) followed by Business Unit applicants as per 16.05 (Eligibility to Apply for Business Unit Vacancy Notices) and then other Business Unit applicants as per 16.07 (Eligibility To Apply For Vacancy Notice In The Other Business Unit).

SKILLED TRADES/SERVICES VACANCIES

16.09 MAINTENANCE DEPARTMENT JOB POSTING

When a Business Unit determines that a skilled trades/services vacancy occurs in a Maintenance Department in an Operation, a Maintenance Department Job Posting notice will be posted on the related bulletin boards at all of the Business Units for a period of **10** calendar days. Excluded from this are:

- (a) vacancies occurring in a bargaining unit occupation belonging to Job Class 4 or lower.
- (b) temporary vacancies considered by the Business Unit to be 23 calendar days duration or

less.

- (c) vacancies caused by absences due to vacation.

All notices shall designate:

- (a) the Occupation
- (b) the Operation
- (c) the type of shift
- (d) the initial immediate supervisor
- (e) the job class

If the Business Unit knows the vacancy is temporary with a duration of more than 23 calendar days, except for vacancies due to vacations, an estimate of its probable duration will also be included.

Every six months the Business Unit will review and re-post temporary job postings as necessary.

16.10 ELIGIBILITY TO APPLY FOR MAINTENANCE DEPARTMENT POSTING

An employee who works at either Business Unit, (including an employee absent from work by reason of illness, injury, vacation, maternity or parental/adoption leave, union leave) who has one year of service or more may apply for the initial vacancy and any subsequent vacancies that result from the initial vacancy. Applications received during the **10** day posting period specified in 16.09 (Maintenance Department Job Posting) will be considered in the following order:

- (a) Transfer - Full consideration and due preference will be given to transfer applications from employees in any Maintenance Department who wish to transfer from one occupation to the same occupation and for each subsequent vacancy that results from the initial posting, give full consideration and due preference to transfer applications. In filling vacancies by transfer, the Business Unit will select the senior employee who has completed his probationary period and can fulfil the normal requirements of the job.
- (b) Change of Occupation within Maintenance Department - An employee in any Maintenance Department who is in an occupation other than the posted occupation. Selection will be in accordance with Article 16.13 (Job Selection).
- (c) Change of Occupation and Change of Department - An employee in any Department who is in another occupation. Selection will be in accordance with Article 16.13 (Job Selection)

16.11 APPLICATIONS FOR MAINTENANCE DEPARTMENT POSTING

Employees may have no more than one application on file at one time and each application shall allow for 2 (two) sites preference.

The employee selected to fill the initial or subsequent vacancies shall have up to one day to visit the new site before accepting the transfer providing that he has never worked at the new site or been on a previous site visit.

Applications become null and void when the posted vacancy and each subsequent vacancy that resulted from the first posting are filled.

A copy of all applications will be forwarded to the Union Hall.

16.12 ACCEPTANCE OF POSITION

An employee so selected on a skilled trades/services vacancy shall have until 4:00 p.m. on the day following the day that he was notified that he was successful to accept or decline the position.

If a site visit was required he shall have until 4:00 p.m. on the day following the visit to accept or decline the position.

Additional time will not be unreasonably withheld. Failure to notify the Company will be deemed a refusal.

GENERAL PROVISIONS

16.13 JOB SELECTION

In filling vacancies the Business Unit shall consider the following two factors in determining which employees are to be selected:

- (a) seniority ranking of the employees, and
- (b) the ability, knowledge, training and skill of the employee to do the job.

When in the judgement of the Business Unit, which shall not be exercised in an unfair and unreasonable manner, factor (b) is to all intents and purposes equal as between two or more employees their seniority ranking shall govern except as hereinafter provided.

Tests used in the job posting procedure will be relevant to the normal requirements of the job.

16.14 OPPORTUNITY TO TRAIN

Where a Business Unit anticipates a future requirement for trained employees in an occupation in a Department or where a posting has gone unfilled the Business Unit may post an "Opportunity to Train" posting in that Department. All employees in the Department, shall have the opportunity to apply for such opportunities and selection shall be based upon seniority provided they have the basic knowledge, education and ability to be trained in the work required.

During the period of training, employees will retain the rate of pay of their permanent job posting and will be ineligible to apply for a job posting until the training period has been completed.

Upon completion of the training period, the employee shall return to his former occupation.

An employee who is unable to complete the training satisfactorily shall be returned to his former occupation if it still exists or to a suitable vacancy and shall not reapply for an opportunity to train for a permanent posting in the same occupation for a period of two years.

Unless he has obtained a permanent posting at an equal or higher job class, during a period of 3 years after the employee has successfully completed the training, he will automatically be considered as having applied for any position posted for the job. Selection will be made in accordance with 16.13 (Job Selection).

16.15 RECALL OF LAID OFF EMPLOYEES

If the Business Unit determines that a job remains vacant after the posting procedures have been exhausted the Business Unit will recall the senior employee from the recall list who is qualified to fill the normal requirements of the available job in reverse order to that in which lay offs were carried out subject to the provision of Article 18 (Recalls).

16.16 ASSIGNMENT OF EMPLOYEE TO A JOB

Where there is no successful applicant, the name of the employee assigned to the job shall be posted on the bulletin board and he shall be paid the applicable hourly rate from the date of his assignment.

16.17 HIRING OF A NEW EMPLOYEE

If the Business Unit determines that a job remains vacant after the posting and recall procedures have been exhausted the Business Unit will hire an individual.

16.18 MOVEMENT OF SUCCESSFUL APPLICANT

Within 14 calendar days after the expiry of the posting period required by section 16.02 (Production Department Job Postings), 16.04 (Business Unit Vacancy Notice), 16.06 (Vacancy Notice in Other Business Unit) and 16.09 (Maintenance Department Job Posting), as applicable, the Business Unit shall choose the successful applicant, if any, and place him in the vacancy if it then exists. If the successful applicant agrees to fill the job vacancy and the Business Unit fails to place him in the vacancy by the end of the 14th day, it shall, commencing on the 15th day, pay him the rate applicable for that job. If the successful applicant declines to accept the job the Business Unit shall by written notice post the name of the applicant declining the job along with the date and the name of the successful applicant who has agreed to take the job. The Business Unit shall pay the successful applicant who has agreed to accept the job the rate applicable from the date such successful applicant was selected for the job.

The Business Unit will, after the 15th day, if the successful applicant has not been placed in the vacancy, pay a travel allowance to the employee based on the allowance currently in effect for the difference in distance the employee is required to travel between his home and the location of his former job and his home and the location of the job he successfully applied for. The travel allowance is not applicable to any employee other than the applicant selected to fill the initial vacancy that was posted in the first instance. The name and employment number of the successful applicant for every such vacancy shall be posted for at least 7 calendar days during the aforesaid period of 14 calendar days on the bulletin board on which notice of such vacancy was posted. With respect to vacancies so filled the seniority date of the successful applicant shall be noted.

The successful applicant(s) will be moved to his new job no later than thirty days from the date that the notice of the successful applicant(s) was posted.

16.19 APPLICATIONS FROM THOSE ON UNION LEAVE

An employee on a Union leave of absence may apply for jobs in accordance with Article 16 which are posted in the Department or Business Unit in which he worked immediately prior to commencing such leave.

When an employee on a Union leave of absence is the successful candidate for a job

posting and elects to remain on leave, the Business Unit shall fill the posting by selecting another successful candidate from amongst those applicants who applied for the original job posting. If the vacancy has not been filled by the foregoing, the Business Unit shall apply the provisions of Article 16 (Job Postings).

Upon completion of the leave of absence the employee shall be placed in the actual job for which he was the successful candidate and if such job no longer exists or there are surplus employees in the occupation, the provisions of Article 17 (Layoffs) will apply.

16.20 CHANGE IN TYPE OF SHIFT

- (a) When, in the interest of efficiency of operations, the Business Unit assigns an employee in any occupation from one type of shift to another in the same occupation it will, to the extent permitted by the requirements of operations, have regard to the seniority ranking of the employees reasonably available.
- (b) Where the Company reduces the size of a crew in an underground workplace it shall have regard to the seniority ranking of the employees in the crew.

16.21 FAMILIARIZATION

An employee who fills a vacancy under Article 16 (Job Posting) or has been demoted under Article 17 (Lay off) shall be given a reasonable period (not to exceed 10 shifts) to familiarize himself with the particular work place or area of the job.

16.22 TEMPORARY PROMOTIONS, DEMOTIONS AND TRANSFERS

- (a) In making temporary promotions, demotions and transfers of a temporary nature (i.e. for periods of an employee's vacation or having a duration of between 3 working days and 23 calendar days) the Business Unit will, to the extent permitted by the requirements of operation, have regard to the seniority ranking of the employees reasonably available.
- (b) An employee who is transferred temporarily to another department at the Company's request shall retain all his rights under Article 15 (Seniority) in the Department from which he was temporarily transferred and shall acquire no posting rights in the department to which he is temporarily transferred as a result of such temporary transfer.

16.23 NOTIFICATION TO UNION

The Union will be supplied with copies of posted job vacancies and with copies of the names of the successful applicants and/or any other subsequent movement of employees as a result of the job selection process.

16.24 TEMPORARY VACANCY

Any employee who fills a temporary vacancy shall, on its termination, revert to his former occupation. Notwithstanding the immediately preceding sentence, an employee who fills a temporary vacancy shall at his option, on its termination exercise his seniority and displace the employee within his respective first-line supervisor's group (second line supervisor's group for maintenance departments) who has the least seniority and who occupies the same occupation on a temporary basis. Such employee who is displaced shall revert to his former occupation.

16.25 COMBINING OCCUPATIONS

When the Company combines the work of two or more occupations to create a new occupation or occupation(s) it shall:

- (a) At least sixty (60) days in advance of the introduction of the new occupation notify the employees in the existing occupations of the change and provide written notice to the Union.
- (b) Provide the incumbent employees who normally perform the work, giving preference to seniority, with the necessary training to meet the normal requirements of the new occupation.
- (c) Relocate, in accordance with section 17.02 (layoffs In Excess Of 14 Days), those employees who may be displaced by the creation of the new occupation or who are unable, having been trained, to meet the normal requirements of the new occupation.
- (d) Provide the incumbents with reasonable opportunity to meet the standards set for training.

16.26 RETRANSFERS

The Company commits that an employee who was transferred to another department as a result of a reduction in production requirements or the closing down, either permanently or for a period of indefinite duration, of all or any part of a department (whether or not such reduction or closing down includes any layoffs) will be added to the retransfer list for that department. If the Company determines that a permanent vacancy occurs in the former department and in the

occupation that the employee was transferred from, the employee can exercise retransfer rights in order of his seniority ranking on the retransfer list for his former department before the Company posts the vacancy.

The employee's retransfer rights will be in effect for 3 years from the date when the employee was transferred to the other department. The employee's retransfer rights shall be only for the original department he was transferred from for the reasons stated above.

An employee who declines a retransfer will be removed from the retransfer list and no longer have retransfer rights to his former department.

ARTICLE 17 – LAYOFFS

17.01 COMPANY PROGRAMS

Where permanent workforce reductions have not been achieved through attrition, the following programs will apply as set out below:

(a) Voluntary Early Retirement Incentive (VERI)

In the event of permanent downsizing or permanent job loss the Company will provide employees, who are eligible to retire under the terms of the Revised General Pension Plan, with the opportunity to take advantage of a Voluntary Early Retirement Incentive (VERI) in order to minimize the number of permanent layoffs. The number of VERI's offered will not be less than the number of anticipated layoffs and shall be offered on a seniority basis:

- (i) Where the permanent reductions are to occur within a production occupation, to all production employees within that area of the Business Unit (i.e. Mines Operations, Mill Operations or Smelter Operations) or;
- (ii) Where the permanent reductions are to occur within a Skilled Trades Occupation, to all employees within this trade across both Business Units.

Employees who qualify and are selected according to their seniority will be scheduled for retirement dates over a period not to exceed eight (8) months in order to meet the operating needs of the company.

Those employees who actually qualify for the VERI and retire under the terms of the Revised General Pension Plan will be provided with a Voluntary Early Retirement

Incentive payment of \$1,000 per year of service with a minimum payment of \$20,000.

It is understood that temporary workforce reductions and workforce reductions caused by attrition will not trigger the terms of the Voluntary Early Retirement Incentive.

(b) Severance pay

Severance pay for an employee shall be calculated based on a factor of \$1,000 per year of service with a minimum payment of \$4,000 and a maximum payment of \$30,000. Severance pay shall include any entitlement of an employee under the Employment Standards Act of Ontario and applicable regulations.

An employee, upon receipt of severance pay shall lose his right to recall and shall be presumed to no longer have any seniority with the Company or be deemed to be an employee of the Company.

Severance pay will not be paid to any employee who is terminated for just cause, or who leaves the employ of the Company prior to the effective date of his layoff.

(c) Supplemental Unemployment Benefits

Employees who have been laid off for lack of work in excess of one week (on either a permanent or temporary basis) and have no remaining annual vacation will be provided with a Supplemental Unemployment Benefit.

Upon ratification and for the life of this Agreement, the Company shall be liable for an amount equal to \$1,000,000 which shall be utilized to provide a benefit of \$175 per week on a basis of 6 weeks per year of service (with a minimum of 26 weeks and a maximum of 50 weeks).

Employees who are in receipt of severance pay as per (b) above, will not be eligible for the Supplemental Unemployment Benefit.

17.02 LAYOFF IN EXCESS OF 14 DAYS

In all cases of reduction in the workforce of duration in excess of 14 days, including those of an emergency nature, other than as provided in section 17.05 (Vacation Shutdown) employees affected will have the opportunity to be relocated in the order of their seniority ranking in accordance with the following placement and bumping sequence:

a) Production Occupations

I. Placement into Vacancy within his Occupation in his Department

- II. Placement into Vacancy within his Occupation in his Business Unit
- III. Bump within his Occupation in his Department
- IV. Bump within his Occupation in his Business Unit
- V. Placement into Vacancy within his job class in his Department
- VI. Placement into Vacancy within his job class in his Business Unit
- VII. Bump within his job class in his Department
- VIII. Bump within his job class in his Business Unit
- IX. Placement into Vacancy in the next lower job class in his Department
- X. Placement into Vacancy in the next lower job class in his Business Unit
- XI. Bump in the next lower job class in his Department
- XII. Bump in the next lower job class in his Business Unit

Where the surplus employee in the highest Job Class with the most seniority is to bump the junior employee, where possible, in his Department or in his Business Unit in the next lower Job Class in an occupation which has been redesigned by the company, such senior employee will be allowed to exercise his seniority provided he can perform the duties of one of the former occupations which now comprise the redesigned job. If the Business Unit requires such senior employee to perform the duties of more than one of the former occupations in the redesigned job, the Business Unit shall provide the senior employee with such reasonable training as will enable the employee to meet the requirements of operations.

b) Skilled Trades/Services Occupations

- I. Placement into Vacancy within his Occupation in his Business Unit
- II. Placement into Vacancy within his Occupation in the other Business Unit
- III. Bump within his Occupation in his Business Unit
- IV. Bump within his Occupation in the other Business Unit
- V. Placement into Vacancy within his job class in his Business Unit
- VI. Placement into Vacancy within his job class in the other Business Unit
- VII. Bump within his job class in his Business Unit
- VIII. Bump within his job class in the other Business Unit
- IX. Placement into Vacancy in the next lower job class in his Business Unit
- X. Placement into Vacancy in the next lower job class in the other Business Unit
- XI. Bump in the next lower job class in his Business Unit
- XII. Bump in the next lower job class in the other Business Unit

c) In the application of all of the bumping language outlined in 17.02 (a) & (b) and the review process outlined in 17.03 (a) & (b) (Review Process), a Production Department employee may only bump into or be placed into a job within another Production Department. Similarly, a Maintenance Department employee can only bump into or be placed into a job within another Maintenance Department. However, in the application of 17.03 (c) and 17.04, this restriction will not apply.

17.03 REVIEW PROCESS

- (a) After the process outlined in 17.02 (Layoffs in excess of 14 days) above has been completed on paper, all of the bumping and placements will be reviewed to determine if an employee with a seniority date below the cut off line for layoffs is still retaining a position. If this is the case, notice of this position will be posted in that Department and employees in that Production Department may apply and selection will be made in accordance with 16.13 (Job Selection). If the employee retaining the position is in a Maintenance position, the position will be posted across the Business Units and selection will be made in accordance with 16.10 (Eligibility to Apply for Maintenance Department Posting).
- (b) If there is no successful applicant for any such posted job, the Business Unit will select the senior employee from the Business Unit in which the vacancy occurred who had worked in the occupation on a permanent basis previously and who would otherwise be laid off and can meet the normal requirements of the job.
- (c) Should the job still remain unfilled, the Business Unit will select the senior employee who would otherwise be laid off and can meet the normal requirements of the job and place him in it.
- (d) An employee who would be permanently laid off out of seniority ranking and be unable to retain a job in his own Business Unit as per 17.02 and 17.03 will be provided with an appropriate one-time training period of up to one (1) month for the purpose of training to give him the opportunity to meet the normal requirements of the job in an occupation occupied by a junior employee in his Business Unit.

17.04 BUMPING BETWEEN BUSINESS UNITS

Where an employee has exhausted all opportunities within his own Business Unit, he may;

- (a) opt to be laid *off* from his own Business Unit and have his name placed on the recall list as per Article 18 (Recall).
- (b) providing that his seniority is higher than others who are not being laid off, bump to another Business Unit providing that he displaces the junior employee in an Occupation which he has previously held and can perform the normal requirements of the job. Failing this an employee may;
 - (i) bump the junior employee in the lowest Job Class in the other Business Unit, provided he is senior to that employee.

(ii) should there be no one in the lowest Job Class in the other Business Unit that the employee can bump, he may bump a junior employee in the next progressive higher Job Class provided he can perform the normal requirements of the job and the process continues thereafter until he is unable to attain a job in this process, and then he shall;

(c) be laid off from the Company and have his name placed on the recall list as per Article 18 (Recall).

17.05 VACATION SHUTDOWN

Not more than once in each calendar year between June 1 and September 15, each Operation may schedule a vacation shutdown which will not exceed 30 days. During such shutdown the Operation may require employees to work during all or some of the shutdown period. Employees not required to work will be required to take their regular vacation up to the full length of the shutdown period.

In any year in which such a vacation shut down is scheduled the Operation will not lay off employees for more than an additional 14 days in the same calendar year without recourse to seniority preference as provided in section 17.02 (Layoffs in Excess of 14 Days).

Notification of such a vacation shutdown shall be communicated by March 31" of the year in which the shutdown is to occur.

17.06 PERMANENT CLOSURE

In the case of a permanent closure of all or a portion of a Business Unit, the Company will;

- (a) Offer the Voluntary Early Retirement Incentive in accordance with section 17.01(a) (Voluntary Early Retirement Incentive). If sufficient numbers of employees do not retire under the terms of the Voluntary Early Retirement Incentive, the Company will;
- (b) Implement the bumping procedure as outlined in sections 17.02 (Layoffs in Excess of 14 Days) and 17.04 (Bumping Between Business Units). Employees who have exhausted all opportunities to displace:
 - (i) an employee within their own Business Unit as per section 17.02 (Layoffs in Excess of 14 Days) may; prior to displacing an employee in another Business Unit in accordance with section 17.04 (Bumping Between Business Units), opt to accept severance pay in accordance with section 17.01 (b) (Severance Pay).
 - (ii) any other employee in any Business Unit, in accordance with section 17.02

(Layoffs in Excess of 14 Days) and 17.04 (Bumping Between Business Units) may decide to accept severance pay in accordance with section 17.01 (b) (Severance Pay) or may choose to be laid off and placed on the recall list, in which case they will receive the Supplemental Unemployment Benefit as per 17.01 (c)(Supplemental Unemployment Benefits).

17.07 NORMAL REQUIREMENTS OF THE JOB

Except as outlined in 17.04 (3)(a) (Bumping Between Business Units), the employee must be able to perform the normal requirements of the job before he can be placed in a vacancy or displace another employee.

17.08 REQUIREMENTS OF OPERATIONS

The Business Unit may retain, by seniority, sufficient employees in each occupational classification to meet the requirements of the operations.

17.09 APPLICATION OF OCCUPATIONAL CLASSIFICATION

Where there are surplus employees in more than one Occupation, the bumping process will begin with the highest job class and will proceed in order from highest job class to lowest job class.

17.10 APPLICATION OF SENIORITY

Where there are two or more surplus employees in an Occupation, they shall be arranged in seniority order and the surplus employee with the most seniority starts bumping first.

When a senior employee bumps into an Occupation he will bump the junior employee in that Occupation, regardless of the location of that employee's Operation.

ARTICLE 18 - RECALLS

18.01 RECALL RIGHTS

If an employee is laid off he shall have recall rights for rehiring as set out in Article 18, in the event the Business Unit intends to rehire laid off employees for work other than that of an emergency nature. He shall have recall rights in accordance with his seniority for the

following lengths of time commencing from the date of such lay-off:

Seniority	Length of Recall Rights
Under one year's seniority	18 months
Over one year's seniority and up to four year's seniority	48 months
Over four year's seniority	60 months

Notwithstanding the foregoing, where the Business Unit requires any individual for work of an emergency nature, it shall give any laid off employee an opportunity, consistent with the emergency requirements, to do such work if he:

- (a) has informed the Company he is readily available;
- (b) is readily available, and
- (c) can perform such work.

Prior to being laid off, the Business Unit will provide a form to an employee to enable the employee to indicate to the Company his availability for such emergency work.

18.02 RECALL PROCEDURE

The Company shall maintain a recall list of employees who are laid off. When hiring employees, the Business Unit shall give preference in rehiring to laid off employees on such list who are qualified to fill the normal requirements of the available jobs in reverse order to that in which they were laid off subject to the following provisions:

- (a) notice of recall shall be sent to the laid off employee by registered mail to the last address which he has recorded with the Company or by such other method as may be reasonably available in the circumstances;
- (b) the notice shall stipulate the job to which the laid off employee is being recalled, its probable duration, and the proposed time (which shall be not less than 14 calendar days from date of mailing) and place to report. The laid off employee shall indicate his acceptance as promptly as possible prior to such time;
- (c) laid off employees who accept the recall and report for duty at the time and place

specified in paragraph (b) hereof will be rehired in accordance with their seniority ranking;

- (d) no laid off employee shall be denied rehiring solely because of a medical or physical condition which existed at the time he was laid off;
- (e) the Business Unit shall be entitled to fill any jobs available on a temporary basis pending the rehiring of laid off employees with recall rights provided it shall give any senior laid off employee an opportunity, consistent with the requirements of such temporary job, to do such work if he:
 - (i) has informed the Company that he is readily available,
 - (ii) is readily available, and
 - (iii) can perform the normal requirements of such work.

Prior to being laid off, the Company will provide a form to an employee to enable the employee to indicate to the Company his availability for such temporary work.

- (f) a laid off employee who is unable to report for work as specified in his notice of recall because of injury, illness or other reasonable excuse and who:
 - (i) informs the Company of the injury, illness or other reasonable excuse prior to the time specified in paragraph (b);
 - (ii) confirms in writing as soon as possible that he has so informed the Company of the injury, illness or other reasonable excuse; and
 - (iii) provides satisfactory medical or other evidence of such injury, illness or other reasonable excuse,

shall not lose recall rights solely because of his failure to so report; and

- (g) aside from paragraph (f), if a laid off employee is recalled in accordance with paragraph (b) to an occupational classification other than that from which laid off he may refuse such recall once. If he has so refused, the Business Unit shall not be required to offer a second recall to an occupational classification other than the one from which laid off, unless that occupational classification has been eliminated. If he refuses recall to the occupational classification from which laid off, he shall lose his recall rights.

ARTICLE 19 – TRAVEL ALLOWANCE

19.01 TRAVEL ALLOWANCE

The Company will pay a travel allowance at the current rates to employees who are temporarily assigned to work in a job location other than their regular job location and who are required to provide their own means of transportation from their permanent residences to their new job location. The travel allowance paid will be based on the allowance currently in effect for the difference in distance the employee is required to travel between his home and the location of his former job and his home and the location of his new job.

When an employee is temporarily assigned to a new job location, other than his posted location(s), he shall be paid the travel allowance, as outlined above, for the period of the temporary assignment. In all cases, however, the maximum travel allowance payable is four weeks.

The Company will inform the Union of any changes made to this schedule.

ARTICLE 20 - LEAVES OF ABSENCE

20.01 UNPAID LEAVE FOR UNION BUSINESS, EDUCATIONALS & CONFERENCES

(a) Upon written request to the Company by the Union given not less than one week in advance, wherever possible, the Company will grant leaves of absence without pay to employees named in such request to absent themselves to attend to Union business, conferences, or educationals. A maximum of one employee for each 60 bargaining unit employees in each of the Business Units will be granted such leaves of absences at any one time. Such leave shall not exceed 10 days. The granting of such leaves of absence may be withheld when the granting of same would be unreasonable having regard to the requirements of operations.

Upon written request to the Company by the Union, stewards will be granted two days per year, without pay, to attend Union conferences or educationals.

(b) In addition to the above, the Company will grant, on application by the Union, an unpaid leave of absence to an employee who is elected or appointed to a full-time position in the local union or National Union (CAW). No leave granted shall be for a period in excess of one year nor less than three months. Upon request by the Union the unpaid leave may be extended for a period of not more than one year at a time.

Not more than three employees shall at any one time be absent on such leave of absence.

During this appointment the employees shall accumulate seniority and credited service. In addition, the Company will pay the cost of benefits premiums for those items set out in Article 31 (Pension & Health Benefits) for one of the employees on leave. Upon termination of the appointments the employees shall return to their former department and occupation if it still exists; if the occupation no longer exists the provisions of section 17.02 (Layoffs in Excess of 14 Days) shall be applied to determine a new occupation.

20.02 UNPAID PERSONAL LEAVE OF ABSENCE

The Company will grant an employee a leave of absence without pay up to six months for personal reasons if:

- (a) he requests such leave from the Company in writing at least 15 days, if possible, in advance, and
- (b) the Company is satisfied the leave is for good reason and will not unduly interfere with operations.

Such leave may be extended if:

- (a) the Company is satisfied there is good reason for such extension and it will not unduly interfere with operations and
- (b) the employee requests such extension in writing before completing his current leave.

20.03 MATERNITY LEAVE

A pregnant employee who has completed her probationary period and makes a formal application for a leave of absence at least 2 weeks prior to leaving, or, who advises the Company in writing that she is unable to perform the normal duties of her job shall be granted a leave of absence without pay for not more than seventeen weeks. When the pregnancy leave ends, the employee may commence a Parental Leave of not more than 35 weeks duration.

A pregnant employee may be required by the Company to commence a pregnancy leave of absence at such time as she cannot, in the opinion of Occupational Health Services, perform the normal duties of her job. The Company may require at any time an employee entitled to a leave of absence pursuant to this section to provide certification from a qualified medical practitioner of her condition including the expected and actual date of

her delivery. If at the conclusion of her leave, or in the event an employee wishes to terminate her leave early and the employee presents the Company with the written opinion of a qualified medical practitioner stating that she is able to perform her normal duties, she shall, if she has not been laid off or demoted while on such leave, be reinstated to her former position. If her position no longer exists or if the employee consents, she shall be provided with alternate work of a comparable nature. In the event that such employee is unable to return to work at the conclusion of her pregnancy leave because of complications arising out of her pregnancy and delivery, she may be granted an extension of up to 3 months upon written request made to the Human Resources Department.

Leave granted will be without pay but during the period of the leave the employee will continue to accrue credited service and seniority.

An employee may apply through the Sickness and Accident Plan for sick benefits, upon receipt of medical documentation that she was unable to work due to pregnancy or childbirth.

20.04 PARENTAL/ADOPTION LEAVE

An employee who has completed his or her probationary period and

- (a) who has completed her maternity leave; or,
- (b) whose spouse is to give birth; or,
- (c) who is in a relationship of some permanence with the parent of a child who has come into the employee's care, custody and control for the first time and who the employee intends to treat as a child of his or her own; or,
- (d) who is the natural father of a new born child or a child who has come into his or her care, custody and control for the first time;

may apply in writing for Parental/Adoption Leave at least two weeks prior to the date the leave is to begin, which must be no more than 35 weeks for (a) or 37 weeks for (b), (c) or (d) above, after the child comes into custody, care and control of the employee for the first time.

Leave granted will be without pay but during the period of the leave the employee continues to accrue credited service and seniority. The Company may request the employee to submit a certificate of birth or certificate of adoption for the child.

20.05 LEAVE FOR INCARCERATED EMPLOYEE

Subject to the provisions of section 20.02 (Unpaid Personal Leave of Absence), an employee's request for a leave of absence will not automatically be refused solely by reason of his incarceration.

ARTICLE 21 - PROBATIONARY EMPLOYEE

21.01 RIGHTS OF PROBATIONARY EMPLOYEE

A probationary employee shall not acquire any rights under Article 16 (Job Postings) hereof nor have the right to grieve and take to arbitration any dispute involving discipline, including discharge (except discharges or discipline alleged to be in contravention of Article 6 (No Discrimination or Harrassment) of this Agreement, until he has been in the employ of the Company for 75 calendar days following the date of his most recent hiring. At the expiration of such 75 calendar days, however, such employee's seniority date shall be the date of his most recent hiring. If a probationary employee is discharged, the Company will discuss the case with the Chief Steward at his request. Notwithstanding section 3.01 (Management Rights), the Company may discharge or otherwise discipline a probationary employee if the Company believes that he is not suitable for or able to perform adequately the job for which he was hired or is required to do.

21.02 STANDARDS OF PERFORMANCE

At the beginning of his employment with the Company, each probationary employee will be informed of the standards of performance of the job he was hired to perform and the work performance of each probationary employee will be reviewed periodically during said probationary period. If a probationary employee's performance is found to be unacceptable, he will be informed of how it is unacceptable, in the presence of a Steward if the employee so requests.

ARTICLE 22 – STUDENT EMPLOYEE

22.01 STUDENT EMPLOYEE BENEFITS

A student employee (employed during their vacation periods or co-operative students on their work semester) hired by the Company for temporary work as an employee shall not, during the period of such work (not to exceed 5 months at any one time), be covered under the Sickness and Accident Insurance Plan, Extra Care Expenses, Long Term Disability Insurance Plan, Drug Plan, Dental Plan, Supplementary (Semi-Private) Plan or Revised General Pension Plan, or be entitled to the Floating Holiday under section 24.09 (Floating Holiday) of the Collective Agreement. The Company will pay the premium payable with

respect to any such student covered under the Group Life Insurance Plan and the Accidental Death and Dismemberment Plan.

22.02 STUDENT RATE OF PAY

A student employee will be paid a basic hourly rate equivalent to Job Class 1.

ARTICLE 23 - DESIGNATED EMPLOYEE

23.01 DESIGNATED EMPLOYEE

Notwithstanding any other provision of this Collective Agreement, the Company shall have the right from time to time to designate to the Union individuals who, subject to their consent, are to be given special experience or training in preparing them or trying out their capabilities for other or broader assignments with the Company or for future service other than to the Company (including also students in part-time employment) not exceeding at any one time 3% of the employees and to promote and demote such individuals, engage, retain or dispense with their services and direct their efforts from time to time free from any limitations provided for in this Article; provided, however, that no such individual shall be assigned to take over the job occupied at the time by an employee if such assignment should result in the demotion of such employee.

The Company shall notify the Union when an individual is designated into the bargaining unit.

The Company shall collect, from any member of the bargaining unit who is designated under this section, dues in the manner set out in section 7.01 (Union Dues) of this Agreement.

ARTICLE 24 - HOURS OF WORK

24.01 EXTENDED SHIFT SCHEDULES

The Company and the Union recognize that extended shift schedules are essential to the efficient operation of the Company. The terms and conditions of the extended shift schedules currently in effect are outlined in Schedule C (Extended Shift Schedules).

24.02 CALCULATION OF TIME WORKED

Time worked will be calculated in units of one-half hour.

24.03 OVERTIME RATE

Employees shall be paid at the rate of one and one-half times the applicable hourly rate for time worked:

- (a) in any 24-hour period in excess of 8 hours (for those employees working an 8 hour shift schedule) or in excess of the regularly scheduled shift (for those employees working an extended shift schedule) except where such excess time is worked due to a regular change of shift.
- (b) in any scheduled work week in excess of 40 hours (for those employees working a 40 hour per week schedule) or in excess of any regularly scheduled work week (for those employees working an extended shift schedule) less amounts paid pursuant to (a) above.

24.04 OVERTIME WORK

- (a) Overtime work shall be distributed as equally as practicable among those employees who would normally perform such work within their respective first-line supervisor's group. An employee excused from working overtime shall be regarded as having been given an opportunity to work overtime for the purpose of this provision. Records of such amounts of overtime worked and of declined opportunities shall be **posted on a monthly basis for a period of 2 weeks. An employee will raise any concern with overtime distribution during the 2 week period that the list is posted.**
- (b) Overtime will not be paid more than once for the same hours worked. **As** such, if it is deemed by the Company that overtime has not been distributed as equally as practicable it may choose, as a remedy, to give an employee with less overtime the opportunity to work future overtime hours.
- (c) It is understood that an employee temporarily promoted to a job excluded from the bargaining unit is not entitled to share in the distribution of overtime work and is excluded from working overtime in any bargaining unit job on any day that he is temporarily promoted.

24.05 HOT MEALS

An employee who begins work on a scheduled shift and is then required to work

unscheduled overtime in excess of one hour, will be given one-half hour off with pay to obtain a hot meal which the Company will provide if practicable. If it is not practicable to provide a hot meal, the Company will provide a cold meal. Every four hours thereafter, the Company will supply a lunch and hot beverage.

24.06 CALL OUTS

A call out is not considered overtime and will not be distributed as per section 24.04 (OvertimeWork).

Should the Company call out any employee to work he shall, be paid one and one-half times the applicable hourly rate for time worked by him. The minimum paid will be 4 hours at his applicable hourly rate. **The premium hours earned in this article can be banked. Refer to Article 24.24 for the limits for such time to be banked.**

The hours worked or the hours the employee is paid for a call-out shall not be considered as time worked for the purpose of determining entitlement to overtime pay under section 24.03 (Overtime Rate).

A travel allowance will be paid in accordance with the Company policy.

24.07 STAND-BY PAY

Stand-by shall be administered in the following manner:

- (a) The Department shall determine:
 - (i) The occupation required to Stand-by, (which will be those workers who normally perform such work)
 - (ii) The schedule
 - (iii) The number of employees required to participate in the rotation
- (b) Employees will be asked to participate in the Stand-by rotation on a seniority basis, from the highest seniority worker to the least, until the required number of participants are reached.
- (c) If the required number of employees to staff the rotation is not achieved through ii), the rotation shall be filled in reverse order, starting from the least seniority.
- (d) Employees shall not normally be required to be on Stand-By for more than seven (7) days in a five week period, unless an alternate schedule has been mutually agreed to between the Department and the employees.

When an employee is required to Stand-by, he will be paid 15% of his regularly posted hourly rate of pay for the time he has stood by.

Failure to be available for a call in to work shall absolve the Company from any obligation to pay Stand-by pay for the period the employee was called until his scheduled Stand-by is completed.

Stand-by pay is not payable for time actually worked during the Stand-by period.

24.08 STATUTORY HOLIDAY DEFINITIONS

In this Article:

- (a) "Holiday" means New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day or such day as may be established as a holiday in lieu thereof by statute, proclamation or otherwise. The Company will consult with the Union before establishing another day as a holiday in lieu thereof; and
- (b) "qualifying day" means an employee's last scheduled work day or shift before or first scheduled work day or shift after a holiday.

24.09 FLOATING HOLIDAY

- (a) In addition to the holidays set out in section 24.08(a) (Statutory Holiday Definitions) any employee who has completed his probationary period and has accumulated any credited service in the calendar year shall be entitled to one floating holiday with pay during each calendar year. Such holiday shall be taken at a time to be mutually agreed upon between the employee and the Company having regard to the wishes of the employees and the requirements and efficiency of operations. Time taken, as a floating holiday shall be counted as time worked for the purposes of calculating overtime pay.

Each employee shall take his floating holiday for each calendar year by the end of that calendar year or shall forfeit such holiday, provided that any employee so forfeiting (which shall include termination) his floating holiday shall be paid for such holiday on the basis of 8 hours at straight time at his applicable hourly rate.

- (b) The Company will provide three paid personal days, the first to be available in the year **2007**; the second to be available in the year **2008**; and the third to be available in the year **2009**, to employees who have completed their probationary period and have accumulated any credited service in the respective calendar years.

24.10 WORK ON A HOLIDAY

An employee who is required to work on a holiday shall be paid for work so performed at the rate of two and one-half times his hourly rate. However, if he fails to report for such required work he shall not be entitled to any pay in respect of that holiday.

However, an employee who works on a holiday may, instead of being paid for all hours worked, opt to take 12 hours pay plus bank 8 hours which shall be taken at a time to be mutually agreed upon between the employee and the Department having regard to the wishes of the employee and the requirements and efficiency of operations. If the employee does not use such extra day off within a period of three months of such holiday worked, he shall receive 8 hours pay at his hourly rate.

24.11 PAY FOR A HOLIDAY NOT WORKED

An employee who:

- (a) is employed by the Company beyond his probationary period;
- (b) has worked or was on his vacation in the 30-day period immediately preceding the holiday; and
- (c) works on both of the qualifying days

shall, if he is on his vacation or if the Company does not require him to work on such holiday, be paid at his hourly rate for 8 hours.

If a holiday falls within an employee's scheduled vacation he shall be given, if entitled as per (a), (b) and (c) above,

- (a) eight hours pay at his hourly rate, or
- (b) if mutually satisfactory to the Company and the employee, an extra day off in lieu thereof. If the employee does not use such extra day off within a period of three months from the date of such holiday, he shall receive 8 hours pay at his hourly rate.

An employee who is not entitled to such holiday pay by reason of his absence from work on the holiday or on either qualifying day shall nevertheless be entitled to such holiday pay if his absence was due to:

- (a) leave of absence for jury duty or by reason of being subpoenaed as a witness; or

- (b) leave of absence by reason of a death in his immediate family as per section 24.20 (Bereavement Leave); or
- (c) illness or accident which required him to be absent for 5 or more consecutive days which absence is supported by a doctor's certificate to that effect.

24.12 STATUTORY HOLIDAY PAY AND ENTITLEMENT TO OVERTIME RATE

- (a) When an employee works on a holiday or when an employee is paid for a holiday not worked, except where the employee's regular day off occurs on a holiday, the hours so worked or the hours for which the employee is paid shall be considered hours worked at his applicable hourly rate for the purpose only of determining entitlement to the overtime rate under section 24.03 (Overtime Rate) for any other time actually worked by him.
- (b) Where the employee's regular day off occurs on a holiday he shall be offered an extra day off in lieu thereof. If the employee does not use such extra day off within a period of three months from the date of such holiday he shall receive 8 hours pay at his hourly rate.

24.13 SHIFT PREMIUMS

Employees shall be paid an off-shift premium of 50 cents per hour for work performed by them during afternoon shift hours and not within their scheduled day or night shift hours. An off-shift premium of 70 cents per hour will be paid for work performed by them during night shift hours and not within their scheduled day or afternoon shift hours. Employees regularly working on shift whose hours of work are changed either temporarily or permanently to the day shift shall be paid only their applicable hourly rate. For the purpose of calculating overtime pay such off-shift premiums shall not be considered as part of an employee's applicable hourly rate.

24.14 WEEKEND PREMIUMS

Employees who work between 8:00 a.m. Saturday and 8:00 a.m. on the immediately following Monday shall be paid a Weekend premium of one dollar and sixty (\$1.60) cents per hour for work performed during such hours. For the purpose of calculating overtime pay, such premiums shall not be considered as part of an employee's applicable hourly rate.

24.15 NOTIFICATION OF A CHANGE IN DAYS OFF

An employee must be notified of any change in his day off or days off to another day off or days off at least 24 hours prior to the commencement of the work week. If he is not so notified he shall be entitled to be paid at the rate of one and one-half times his hourly rate for the time worked by him on such days which were initially scheduled as a day or days off. Any such time worked by him shall not be considered as time worked for the purpose of determining entitlement to overtime pay under section 24.03 (Overtime Rate).

The provisions of the above may be waived by mutual agreement between the employee and the Company.

24.16 LIMIT TO APPLICABLE HOURLY RATE

In no case shall an employee be entitled apart from any shift or Weekend premiums to more than one and one-half times (two and one-half times for work performed on a holiday) his applicable hourly rate for any time worked.

24.17 COLLAR TO COLLAR SCHEDULE

Hoisting and lowering schedules at the Company's mines shall be no more than the hours scheduled at each particular workplace (i.e. 8 hours, 10 ½ hours etc.) from collar to collar for each shift, but variations from such schedules not exceeding 10 minutes which do not occur consistently shall be disregarded. Delays in schedules in excess of 10 minutes shall be paid for on the following basis:

- (a) in excess of 10 minutes to 30 minutes 1/2 hour at straight time,
- (b) in excess of 30 minutes to 60 minutes an additional 1/2 hour at straight time,

and so on, on the same basis for delays in excess of 60 minutes. In addition, any applicable off-shift premium shall be paid.

Due to the fact that employees are required to report prior to the cage time at the beginning of their shift, the return cage at the end of the shift will be scheduled to arrive at the collar between five and ten minutes before the posted return cage time. It is understood that delays in excess of ten minutes as referred to in this section are delays in excess of ten minutes after the posted cage time.

24.18 PAY FOR TEMPORARY ASSIGNMENTS

The Company will continue to recognize the principle of paying an employee who is temporarily assigned to work in an occupation carrying a higher rate of pay than the occupation from which he was assigned the higher rate immediately.

In addition, where an employee spends at least 4 hours working in an occupation carrying a higher rate of pay than his normal occupation, he shall be paid for his whole shift at a rate not less than that higher rate.

Where an employee is assigned to temporary work in an occupation carrying a lower rate of pay than his normal occupation, he will be paid the rate he would otherwise have received in his normal occupation up to a maximum of ten working days.

24.19 REPORTING PAY

When an employee, because of failure of the Company to inform him by notice or otherwise that no work will be available, reports for work on schedule, in good faith, and is advised that there is no work available, he shall receive 4 hours pay at his applicable hourly rate without being required to work the said 4 hours but such 4 hours shall not be considered as hours worked for the purpose of applying the overtime provision of this Agreement. The provisions of this paragraph shall not apply when an employee has been absent from his regular work period and has failed before reporting for work to inform his supervisor or such other supervisor designated by the Company for this purpose of his intention to return.

24.20 BEREAVEMENT LEAVE

Where an employee by reason of the death of his spouse (including same sex spouse) or child, mother, father, brother or sister requires leave from work, the Company shall grant leave up to five consecutive regularly scheduled working days within the period of 7 calendar days from the date of death with pay at his regular rate exclusive of shift or other premium rate.

Where an employee by reason of the death in his immediate family, other than in the foregoing, requires leave from work, the Company shall grant leave up to three consecutive regularly scheduled working days within the period of 7 calendar days from the date of death with pay at his regular rate exclusive of shift or other premium rate. "Immediate family" shall mean mother-in-law, father-in-law, grandparents, grandchildren, son-in-law or daughter-in law. Where an employee by reason of the death of a brother-in-law or a sister-in-law requires leave from work to attend the funeral, the Company shall grant leave of one day with pay at his regular rate exclusive of shift or other premium rate.

The Company shall not unreasonably withhold additional bereavement leave without pay, in unusual circumstances.

24.21 JURY DUTY

An employee who is called for jury duty or is subpoenaed as a witness and who as a result thereof loses time from work shall receive for the time so lost the difference between what he would have been paid for the number of hours lost at his regular rate, including cost-of-living allowance and nickel bonus, and the jury or witness fee to which he is entitled. The Company may require the employee to furnish a certificate of service signed by the Clerk of the Court before making any such payment. Such time off will be considered as time worked for the purposes of calculating entitlement to overtime under section 24.03 (Overtime Rate).

24.22 NO GUARANTEE OF WORK

The Company does not guarantee to provide work for any employee or to maintain the work week or working hours presently in force.

24.23 WORK WEEK

The work week shall commence at 8:00 a.m. Sundays. This section shall not be construed to mean that all employees on the day shift will start exactly at 8:00 a.m.

24.24 BANKED OVERTIME

Commencing on January 1, 2001, the banking of overtime will commence in accordance with this Article.

Other than as provided in the extended shift schedule agreement(s) and the banking of statutory holiday pay in accordance with Article 24, the Company will allow an employee to bank sufficient overtime (premium time) to enable him to take the equivalent of three (3) shifts off per calendar year. Such time may be taken at a time in such calendar year which is agreed with the employee's supervisor.

(Example: an employee who works an 8 hour overtime shift would receive 8 hours of pay and be eligible to bank the 4 hours of premium pay as banked time.)

When an employee elects to take banked hours as time off, he shall be paid at his regularly posted rate of pay. Such hours taken shall be considered as time worked for the purpose of all other provisions of the collective agreement.

All banked hours not taken will be paid for in full at his regularly posted rate of pay at year end.

An employee may request to be paid for all or a portion of his banked hours at any time.

ARTICLE 25 - TECHNOLOGICAL CHANGE

25.01 NOTICE OF TECHNOLOGICAL CHANGE

The parties agree that with the introduction of new technologies, it is important that advance planning be made to anticipate skills, needs and training required.

It is agreed that the workers affected by the introduction of new technologies should have every opportunity to apply themselves to the new skills and the new technology.

Technological Change means the automation of equipment or the mechanization or automation of operations or the introduction of a significant and new production process which directly results in a change in the manner in which the Company carries out its work.

If such technological changes are to be introduced, the Company shall notify the Union, in writing at least 90 days in advance of the proposed date of introduction of such change and provide the following information, to the extent such information is then available and any other relevant information as it becomes available:

- (a) the nature of the technological change;
- (b) the date on which the Company proposes to effect the technological change;
- (c) the approximate number and occupations of employees likely to be affected by the technological change;
- (d) the effect the technological change is likely to have on the terms and conditions and security of employment of the employees affected;
- (e) the number of jobs and occupations to be abolished and the number of new jobs and occupations to be created if any, by the proposed technological change.

Following the notification by the Company, a joint Company/Union meeting will be held. Up to three representatives from the Union and three from the Company will meet to discuss the introduction of the new technological change and the Union's recommendations concerning the training and education of the employees affected by the technological change.

25.02 NOTICE OF CHANGE REQUIREMENTS

Where the Company introduces significant new skills sets and/or educational requirements to a job or jobs in the bargaining unit it shall do so in the following manner:

- (a) The Company shall notify the Union in writing at least 90 days in advance of the proposed date of introduction in accordance with 25.01 (Notice of Technological Change).
- (b) The Company shall communicate this change to all employees directly affected by the change at least 60 days in advance of the proposed date of introduction.
- (c) All incumbents shall, giving due preference to seniority, be offered the necessary skill and/or education training. The Company will pay to the employee a travel allowance based on Company policy. Time spent in receiving instruction shall be without loss in pay and shall be considered as time worked for the purposes of the Collective Agreement.
- (d) Where an incumbent elects not to pursue or is unable to perform the skill and/or obtain the necessary education level the employee shall be relocated from the job in accordance with the provision of section 25.04 (Rate Protection).
- (e) Incumbents will be given reasonable opportunity to meet the standards set for training or educational upgrades.

25.03 NEW EDUCATION CRITERIA

If the Company establishes or has established new education criteria for selection for a job, employees in the Department applying for vacancies in the job either through a job posting or an "opportunity to train" will be managed in the following manner:

An employee who applies for a permanent job within his Department which has new education criteria, will not be disqualified from the selection process solely because they do not possess the required education, provided their education is within 4 grade levels of the required education criteria.

Such an employee, if selected to fill the vacancy shall be required to complete educational upgrading equivalent to that specified for the job and such training will be provided by the Company. Employees shall have reasonable opportunity to meet the standard set for education and those who are unable to attain the required education will be removed from the job and shall be placed in the occupation they last held on a permanent basis and paid the rate for that job.

25.04 RATE PROTECTION

If technological changes are introduced at any time in the Company's operation that result directly in the demotion of an employee, the rate of pay of such employee shall not be reduced by more than one job class at the time the demotion takes place for a period of one year subsequent to the demotion and shall not be reduced subsequently by more than one job class in each succeeding year up to a maximum of three years from the date of such demotion.

- a) It is a condition of this section that any such employee:
 - (i) shall accept any training in any occupation which is offered to him by the Company unless there are reasonable grounds for his declining; where a number of openings exist, the employee shall be given the opportunity to select his preference and shall be trained in it providing he has the basic knowledge and ability to be trained in the work required,
 - (ii) will be deemed to be an applicant for any job vacancy which is posted in his department for a job the rate for which is higher than the rate of his actual occupation at the time of posting,
 - iii) who applies pursuant to Article 16 (Job Postings) of the Collective Agreement to move from the department in which he is located subsequent to his demotion and he is moved as a result of his application, he will cease to be entitled to the benefits of this section.
- b) Should an employee who has been offered training by the Company under (i) above be unable to successfully complete such training within a reasonable time, the Company shall demote such employee to an occupation he is able to perform and his wage rate shall be protected by the provisions of this section 25.04 (Rate Protection).

25.05 DEMOTIONS DUE TO TECHNOLOGICAL CHANGE

When technological changes are introduced that result directly in the demotion of an employee, the procedures set forth in section 17.02 (Layoffs in Excess of 14 Days) shall be used in making the demotion of such employee and any other employee who is subsequently affected provided that any employee whose job was not directly affected shall not be entitled to the benefits of Article 25 (Technological Change).

ARTICLE 26 – EDUCATIONAL ASSISTANCE

26.01 EDUCATIONAL UPGRADING

Where an employee undertakes to upgrade his educational level in English, Math and Science (Chemistry or Physics focused) to either Grade 10 or Grade 12 on his own time the Company shall assist in the following manner:

The Company shall arrange for the employee to be tested to determine his present educational level. The results of the test shall set the employee's "base" level.

The employee who then embarks on educational upgrading on his own time in a program acceptable to the Company will be paid one-half hour of wages at his basic hourly rate for each hour spent in attendance receiving instruction in English, Math and Science to a maximum of 30 hours of instruction for successfully obtaining each grade level for each of English, Math and Science. Employees shall be entitled to a lifetime maximum of instruction time reimbursement to be determined by multiplying their full years of seniority by five hours. Time paid is not considered as time worked for the purposes of the Collective Agreement.

The employee shall provide evidence of attendance in a manner acceptable to the Company.

ARTICLE 27 – SKILLED TRADES & APPRENTICES

PART 1 – SKILLED TRADES

27.01 PURPOSE OF THE ARTICLE

- (a) The purpose of this Article is to define the term "tradesperson" and to set out rules and procedures applicable to them.
- (b) Effective the date of ratification of this Agreement, Skilled Trades refers to an employee in one of the following occupations:

- Electrician
- Machinist
- Industrial Mechanic - Mine Hoist
- Industrial Mechanic - Maintenance
- Industrial Mechanic – Millwright
- Heavy Duty Equipment Mechanic
- Stationary Engineer
- Plateworker/Welder
- Carpenter
- Pipefitter
- Brick and Stone Mason
- Plateworker

Welder

27.02 SKILLED TRADES COVERED BY THIS AGREEMENT

The Skilled Trades covered by this Agreement are those for which someone has completed a bona fide apprenticeship and meets the Company's standards together with those occupations which form part of an apprenticeable trade.

The Company will not hire or create any third or fourth classes of tradespersons.

27.03 DEFINITION

A tradesperson is someone who:

- (a) has completed a bona fide apprenticeship and meets Company standards; or,
- (b) holds a recognized CAW trades-persons card in the trade in which he claims recognition and meets Company standards; or,
- (c) has eight years practical and general experience covering all phases set out in the apprenticeship program applicable to the trade in which he claims journeyman status and meets Company standards.

27.04 TRAINING FOR TRADESPERSONS

Where training is required for tradespersons it shall be offered to the senior tradesperson who normally performs such work within his respective second line supervisor's group.

27.05 SKILLED TRADES COUNCIL DUES

The Company agrees to deduct Canadian Skilled Trades Council dues as may be adopted by the Canadian Skilled Trades Council from employees in those occupations set out in Article 27.01(b) (Purpose of the Article). The amount of such dues shall be certified by the Union to the Company by letter signed by the President or the Financial Secretary of the Union.

Newly hired employees in the Skilled Trades jobs will commence paying Skilled Trades Council dues only after completion of their probationary period. Thereafter, in the January of succeeding years or upon completion of one months' work in a calendar year the Company shall deduct the amount of dues certified to it by the Union and remit such dues to the Union.

27.06 LEAD HANDS

When the Company determines that a temporary Lead Hand is required, it will select an employee for the role. Under the direction of a supervisor, a Lead Hand acts as a leader of a group of employees working on similar or related work. He assigns work to the employees as directed by the supervisor and works along with and/or coordinates work among them. The Lead Hand functions as a working leader and not as a staff supervisor and will be paid 2 job classes above his posted hourly rate for all hours worked as a Lead Hand.

27.07 WELDERS & ADDITIONAL TICKETS

Where a welder is required to become a holder of more than one ticket for the purposes of welding, the senior employee shall be offered the opportunity to acquire this ticket first.

If a welder is required to become a holder of a ticket with a speciality for the purpose of welding, the senior employee shall be offered the opportunity to acquire this ticket first.

The Company shall pay one job increment in the rate of pay for the maintenance of such additional tickets and/or speciality by said employee.

27.08 WELDERS AND SKILL LOSS

In the event that a posted welder is unable to requalify for his tickets resulting in the loss of his posting, the following would apply:

- (a) the Company will provide the necessary opportunities for the employee to requalify himself as a welder; as per the current practice which is two opportunities generally but may, in unusual circumstances, be three opportunities;
- (b) the employee's classification will be governed by the principles found in section 25.04 (Rate Protection);
- (c) the Company shall provide the necessary training to the employee to enable said employee to retain an occupation in his Department and failing this in another Maintenance Department, followed by any other Department within the Company.

PART II – APPRENTICES AND APPRENTICESHIPS

27.09 DEFINITION

The purpose of this Article is to define the term "apprentice" and to set out rules and procedures applicable to apprentices.

"Apprentice" shall mean a person who is engaged in learning and assisting in the trade to which he is indentured and who is covered by the Agreement of Apprenticeship.

27.10 RATES OF PAY FOR APPRENTICES

Upon successful completion by an apprentice of an approved job related course taken during the term of his apprenticeship, the Company will indemnify such apprentice for an amount not exceeding 100% of the cost to the apprentice of such course, provided that he is in the employment of the Company on the completion of such course.

During a period of authorized leave while the apprentice is in required attendance at a college or trade school the Company will pay him the difference between his current wage rate and allowances from government sources for which he is eligible.

The hourly rate of such apprentice who stays with the Company and works within his trade shall be no less than the hourly rate he was receiving from the Company during his last period of apprenticeship training.

An employee who enters the apprenticeship program will start such program at the entry level wage rate for such apprenticeship and his rate of pay shall be maintained at this job class until such time as he has successfully completed the required number of hours to move to the next progressive job class as set out in Schedule "D" (Apprentices).

The rate of pay for an Apprentice who successfully completes the apprenticeship program shall be three job classes less than the rate of pay for a tradesperson in the trade in which the apprentice served his apprenticeship.

An Apprentice shall receive any wage and cost of living allowance increases that other employees receive as applicable.

Apprentices in each of the trades covered by these standards shall be paid a progressively increasing schedule of wages as per amended Schedule "D" (Apprentices).

27.11 AGREEMENT OF APPRENTICESHIP

The "Agreement of Apprenticeship" means a written agreement between the Company and the employee indentured as an apprentice. The contract of apprenticeship shall be registered with the Ministry of Education and Training. The following shall receive copies of the Agreement of Apprenticeship:

- (a) The Apprentice
- (b) The Company
- (c) The Ministry of Education and Training
- (d) The Local Union
- (e) CAW Canada/Skilled Trades Department

27.12 HOURS SPENT IN CLASSROOM INSTRUCTION AND AT TRADE SCHOOL

Hours spent in classroom instruction on site shall be considered as time worked for the purposes of the Collective Agreement.

Hours spent at Trade School courses are not considered as time worked for the purpose of calculating overtime.

27.13 CREDIT FOR PREVIOUS EXPERIENCE

Apprentices who are given credit for previous experience shall be paid, upon receipt of such credit the wage rate for the period to which such credit advances them. This adjustment shall not be made retroactive.

27.14 CONDUCT OF APPRENTICES

When an apprentice has demonstrated any of the following conduct or other examples of non performance:

- (a) an inability to learn the instruction given in his trade; or,
- (b) unreliability; or,
- (c) unsatisfactory work; or,
- (d) lack of interest in his/her work or has failed to complete his required Trade School courses satisfactorily; or,
- (e) improper conduct relating to his/her apprenticeship; or,
- (f) failure to attend classroom instruction regularly,

the Company shall review with the apprentice and a Union representative from the Joint

Skilled Trades Committee such failures prior to any action being taken to discipline him for such failure and/or to terminate such apprenticeship.

27.15 NOTICE OF REQUIREMENTS FOR APPRENTICES

Notice of requirements for apprentices shall be placed on all Company bulletin boards. Applications in writing will be received by the Human Resources Department from interested employees and such applications shall be given consideration prior to hiring new employees for the apprenticeships.

The Company shall review with the Union members of the Skilled Trades Committee the selection of successful candidates for an apprenticeship.

27.16 OBSOLETE TRADE

In the event that a trade becomes obsolete, the Company will afford to tradespersons in that trade, on a seniority order basis, the opportunity to attain another trade through the apprenticeship program if apprenticeships are available.

27.17 APPLICATIONS FROM TRADESPERSONS

A tradesperson with more than 5 year's seniority who has not served an apprenticeship with the Company may apply for an apprenticeship in a different trade.

27.18 RECOMMENDATION TO MINISTRY OF EDUCATION & TRAINING

Upon completion of the apprenticeship the Company will recommend to the Ministry of Education and Training that a certificate, signifying completion of the apprenticeship, be issued to the apprentice. No certificates will be issued by the Training Division, Ministry of Education and Training, unless recommended by the Committee.

27.19 APPRENTICES MAY NOT APPLY ON JOB POSTINGS

Notwithstanding the provisions of Article 16 (Job Postings), no apprentice during his apprenticeship may apply under the job posting provisions of this Agreement to fill any job vacancy.

PART III - SKILLED TRADES COMMITTEE

27.20 JOINT SKILLED TRADES COMMITTEE

There shall be a committee established called the Joint Skilled Trades Committee consisting of three employee representatives, one being a tradesperson from the Smelter Business Unit and two tradespersons from the Mines/Mill Business Unit who shall meet each quarter, and at other times by mutual agreement, with three Company representatives. A management representative shall be designated as the chairperson of this committee.

The mandate of the Committee will be to provide employees and the Union with an avenue to give constructive input on trades training, apprenticeships, standards and such other issues which may arise from time to time.

Time off for the three Union members to attend such meetings shall be without loss in pay and shall be considered as time worked for the purposes of the Collective Agreement.

The Company will pay to those members of the Union's committee a travel allowance based on Company policy when the members are required to travel from their place of work to attend meetings of the Committee.

ARTICLE 28 - DISABLED EMPLOYEES

28.01 DISABLED EMPLOYEES

Any employee who becomes disabled as a result of illness or a work related injury will be accommodated where possible in his Department or, failing his Department, another Department in the Company in a job he is able to perform without regard to the seniority provisions of this Collective Agreement except that such employee may not displace an employee with greater seniority. In the case of a workforce reduction an employee who has been accommodated shall not be excluded from being bumped by an employee with greater seniority or from being laid off.

An employee who is returned to work to a job he is able to perform in a Department other than the one in which he worked prior to his injury shall be returned to his former occupation in his former Department when cleared for such return by the Occupational Health Nurse.

ARTICLE 29 - VACATIONS

29.01 VACATION ELIGIBILITY

On January 1st of every year each employee who has been in the employ of the company for less than one year of credited service shall be entitled to a vacation of one week with pay in the amount of 2% of his total earnings in the preceding calendar year, and when he has completed one year of credited service with the Company, to one additional week with the same amount of pay.

29.02 VACATION ENTITLEMENT

On January 1st of every year each employee who has been in the employ of the Company for one or more years of credited service shall be deemed to have commenced his employment on the January 1st immediately preceding the actual date of his employment and shall be entitled to an annual vacation with pay as follows:

- (a) two weeks if he has been in the employ of the Company less than five years of credited service;
- (b) three weeks if he has been in the employ of the Company less than sixteen years but for five or more years of credited service;
- (c) four weeks if he has been in the employ of the Company for less than twenty-four years but for sixteen or more years of credited service;
- (d) five weeks if he has been in the employ of the Company for less than thirty but for twenty-four or more years of credited service;
- (e) six weeks if he has been in the employ of the Company for thirty or more years of credited service;
- (f) seven weeks if he has been in the employ of the Company for thirty-five or more years of credited service.

29.03 ANNUAL VACATION YEAR AND COMMENCEMENT OF VACATION

The Annual Vacation Year shall begin each May 1 and will end April 30 the following year. Vacations shall be commenced **during the Annual Vacation Year** or shall be forfeited. However, the employee so forfeiting his vacation period shall nevertheless be paid the vacation pay to which he is entitled.

29.04 VACATION ENTITLEMENT FOR EMPLOYEES ON OR AFTER ABSENCE ON S&A AND W.S.I.B.

- (a) An employee who has been absent from work and in receipt of Sickness & Accident or Workers Safety and Insurance Board benefits for at least four consecutive weeks in the previous year and returns to work will be granted the vacation time off, with pay, to which such employee would have been entitled had no such absence occurred based on the employee's projected earnings at his regular rate of pay.
- (b) To offset Sickness and Accident or W.S.I.B. payments by outstanding Annual Vacation at **the Annual Vacation** year end, the following conditions apply:
 - (i) At **the Annual Vacation** year-end all monies owing to an employee with an outstanding Annual Vacation entitlement, including vacation bonus, will be paid in a lump sum. He will not be considered as being on or taking his vacation.
 - (ii) His Sickness and Accident or W.S.I.B. payments will not be interrupted as a result of this process.
 - (iii) Employees affected by this procedure will not be entitled to the paid holiday of **Good Friday**.
 - (iv) The above procedure will prevent both the Company from granting and the employee from electing to take his vacation on returning to work in the above circumstances prior to **Annual Vacation** year-end.

29.05 GRANTING OF VACATION

Vacations will be granted at such times as the Business Unit finds most suitable considering seniority, the wishes of the employees and the efficient operation of the plant. Vacation dates may be changed by the Business Unit in cases where it considers it necessary for efficient operations.

Where an employee is entitled to 2 weeks vacation with pay such weeks shall be consecutive, except when the Business Unit and employee otherwise agree. Where an employee is entitled to 3 weeks vacation with pay such weeks shall be consecutive unless the Business Unit considers otherwise in order to maintain efficient operations.

In determining the length of a vacation, a week shall mean seven consecutive days, including Saturdays, Sundays and holidays falling within the period. Where an employee is entitled to three weeks vacation with pay such weeks shall be consecutive unless the Company considers otherwise in order to maintain efficient operations.

During the term of this Agreement only, employees may commence annual vacations on any calendar day unless the Company considers otherwise in order to maintain efficient operations. For the purpose of this trial, a week shall mean the equivalent of 40 hours worked.

When an employee takes vacation in periods of less than 40 hours in a week, such days of vacation shall be counted as time worked for the purposes of calculating overtime pay under Article 24.03 (Overtime Rate).

29.06 VACATION PAY

"Vacation Pay" in this Article shall mean 4% of the earnings received from the Company for all work done by the employee in the preceding calendar year if he is entitled to two weeks' vacation with pay, to 6% of such earnings if he is entitled to three weeks' vacation with pay, to 8% of such earnings if he is entitled to four weeks' vacation with pay, to 10% of such earnings if he is entitled to five weeks' vacation with pay, and to 12% of such earnings if he is entitled to six weeks' vacation with pay, and to 14% of such earnings if he is entitled to seven weeks' vacation with pay.

29.07 VACATION BONUS

Effective **12:01 a.m. February 1, 2007**, an employee shall be entitled to receive, in addition to any vacation pay to which he is entitled under section 29.06 (Vacation Pay), the sum of \$325.00 for each week of vacation granted and taken under this Article other than any Special Vacation. An employee shall first be entitled to receive such vacation bonus after he has accumulated two years of credited service with the Company when taking his vacation.

Should the Company refuse to grant Annual Vacation in the **Annual Vacation** year to an employee, the Company will pay the vacation bonus to such employee, for each week of Annual Vacation refused by the Company, provided he has sufficient credited service to be so entitled.

29.08 VACATION PAY UPON TERMINATION OF EMPLOYMENT

Every employee who ceases to be an employee after having completed one or more years of credited service shall receive in lieu of vacation with pay, vacation pay for any accrued vacation period which he has not taken at the rate of 4%, 6%, 8%, 10%, 12% or 14% as the case may be, of his earnings for all work performed by him for the Company during the said period.

29.09 SPECIAL VACATION

The Company will provide 5 weeks of Special Vacation with pay for employees who complete five or more years of credited service and an additional five weeks of Special Vacation with pay upon completing each additional five-year period of credited service. An employee's anniversary date shall be deemed to be January 1st of the year of his entitlement.

- (a) The pay for each week of Special Vacation which is taken shall be equal to 2% of the employee's earnings received from the Company for all work done by the employee in the calendar year immediately preceding the year in which such week of Special Vacation is taken.
- (b) If an employee who is entitled to any Special Vacation with pay, fails for any reason to commence the same within five years after becoming entitled thereto or if he retires or otherwise ceases to be employed by the Company or dies before taking the same, the Company will, in lieu of granting such Special Vacation, pay to such employee, or to his estate if he has died, the Special Vacation pay to which he would have been entitled if he had taken such Special Vacation immediately prior to the fifth anniversary of his becoming entitled thereto or immediately prior to the cessation of his employment with the Company or immediately prior to his death, as the case may be.
- (c) If an employee terminates his employment with the Company or is terminated by the Company for any reason including retirement, or dies, he or his estate shall be entitled, in addition to any payment in accordance with clause (b) of this section, to an amount calculated on the basis of two percent (2%) of his earnings in the calendar year preceding his retirement or death for each full year and one-sixth of one per cent for each whole month comprising a broken year from the date of his last entitlement to a Special Vacation.
- (d) In determining the length of a Special Vacation a week shall mean seven consecutive days including Saturdays, Sundays and holidays falling within the period.
- (e) The allocation of vacations with pay under the provisions of sections 29.01 (Vacation Eligibility) to 29.08 (Vacation Pay upon Termination of Employment) inclusive shall have priority over the allocation of Special Vacations hereunder.
- (f) In order to minimize interference with the normal operations of the Company, Special Vacations will be granted only at such times and in such amounts as the Company in its sole discretion may determine but, subject thereto, due consideration will be given to the wishes of the employee concerned. It is anticipated that in most cases an employee will take his Special Vacation within the five-year period following the date on which he becomes entitled to it. The Company can require that at least 20% of those entitled take such vacation in each year and that not more than 25% may take such vacation.

ARTICLE 30 - HEALTH AND SAFETY

30.01 COMMITMENT

The Company agrees to make every reasonable effort to provide and maintain a safe and healthy work environment as established by acceptable industry standards, and in compliance with the Occupational Health and Safety Act and its regulations (the Act).

The Union agrees to assist the Company in maintaining a safe and healthy work environment.

Employees are responsible for complying with the Act and have a role to play in ensuring safety targets and objectives are met. Safe working practices must be observed by the employees. Appropriate personal protective equipment, as required by the Company or law, must be worn by employees in designated areas.

The Company, Union and employees are committed to maintaining the effectiveness of the Joint Health and Safety Committees.

The Company and the Union recognize "The Manual for Health and Safety Committee Members" as a working document for matters relating to health and safety. This Manual will be jointly developed and reviewed through our JHSC organization and is not subject to arbitration. All changes are subject to mutual agreement.

30.02 OPERATIONS HEALTH & SAFETY COMMITTEE STRUCTURE

A Health and Safety Committee structure as outlined below shall be maintained unless the Company provides the Union with notification of an addition to, closure of, or amalgamation of an Operation or Operations.

Each of the Operations listed **in Article 1.02** will have their own Joint Health and Safety Committee (JHSC). The number of Worker Health & Safety Representatives on the committee at each Operation will remain at the current levels but will be reduced over time as representatives leave the committee, retire or their term of office expires until the number of representatives as set out below is achieved. Where there are fewer than 200 bargaining unit employees at an Operation they will be represented by three (3) Worker Health & Safety Representatives. Where there are 200 or more bargaining unit employees at an Operation they will be represented by four (4) Worker Health & Safety Representatives. These numbers include the Full Time Worker Health & Safety Representatives as provided under section 30.07 (Full Time Worker Health & Safety Representatives), who will each be a member of the committee at the site that they

represent. Both the Company and the Union shall appoint a Co-chair for each JHSC. Where an Operation has a Full Time Worker Health & Safety Representative, he will act as the Co-Chair.

30.03 QUARTERLY MEETING

On a quarterly basis, all Worker Health & Safety Representatives will be granted one day off with pay to meet and share information and discuss the coordination of Health and Safety issues that are common to all Operations and Business Units.

30.04 SUDBURY OPERATIONS SAFETY & HEALTH COMMITTEE

To promote synergies between the Mines, management representatives and the Union Co-Chairs of the JHSC for each Mine Operation will be provided with the opportunity to meet on a quarterly basis to discuss safety and health issues of common interest.

At a **minimum** of one of these quarterly meetings, management representatives and the Union Co-chairs from Central Services, the Smelter Business Unit and the Mill will also attend to discuss issues of common interest such as policies, safety strategies etc. **At this meeting this committee can agree to have Central Services, Smelter Business Unit and Mill Co-chairs and management representatives attend additional quarterly meetings during the year.**

30.05 HEALTH AND SAFETY POLICY ISSUES

In order to promote Health & Safety leadership and to discuss issues of common interest, on an annual basis, one Union-Management Meeting at each Business Unit, as described in Article 4.02 (Union-Management Meeting), will be devoted to discussions regarding Health & Safety policies, strategy issues and the effectiveness of the Operations JHSC.

30.06 HEALTH & SAFETY GUIDELINES AND TRAINING

(a) Health and Safety training for committee members will be:

- (i) agreed upon by the majority of the Operations Health & Safety Committee Members; or
- (ii) mutually agreed upon by the Full Time Worker Health & Safety Representative(s) and the Management Co-Chair(s), or his designate(s), in the Business Unit in which the training is requested;

and approved by the **senior management representative at the Operation**, which

will not be unreasonably withheld.

- (b) The Full Time Worker Health & Safety Representative(s) and the Management Co-Chair(s) shall review the Indoctrination Training Package for new members annually.

All new Operations Health & Safety Committee Members and any existing members who have not already had the Committee Functions Course shall be given the Indoctrination Training Package.

- (c) Upon written request to the Business Unit, by the Union, given not less than one week in advance, the Business Unit will approve attendance for the Full Time Worker Health & Safety Representatives to participate in Union sponsored training and educationals. Such attendance shall not exceed 10 working days annually, except where special approval has been granted.

30.07 FULL TIME WORKER HEALTH & SAFETY REPRESENTATIVES

There shall be one Full Time Worker Health & Safety Representative appointed by the Union for each of the Smelter Business Unit, the Fraser Mine Operation and the Craig Mine Operation of the Mines/Mill Business Unit. One of the Full Time Worker Health & Safety Representatives from either the Craig Mine Operation or the Fraser Mine Operation will be selected by the Union to fulfil a co-ordination function within the Mines/Mill Business Unit.

The Full Time Worker Health & Safety Representatives will also fulfill the roles of the Joint Health & Safety Committee Co-chair and the Certified Member. They will report to and be responsible to the Joint Health & Safety Committee and for administrative purposes will work closely with a designated management representative at their Operation.

30.08 PAY FOR WORKER HEALTH & SAFETY REPRESENTATIVES

The Company will pay the wages, cost-of-living allowance, incentive bonus and Nickel Price bonus that might otherwise have been earned by the Health & Safety Worker Representatives during their absence to attend meetings and any other mutually agreed upon duties, training or functions such as training, hospital or home visits in connection with "Accident Investigations" and Safety activities, i.e. outside the workplace activities for Health and Safety Week/Month, determined by the operation JHSC and approved by the designated management representative.

All time paid while in attendance at Joint Health and Safety Committee meetings will be considered as time worked for the purposes of calculating overtime pay.

30.09 PAY FOR FULL TIME WORKER HEALTH & SAFETY REPRESENTATIVES

The Company will pay the Full Time Worker Health & Safety Representatives Job Class 24 and the Full Time Worker Health & Safety Representative selected to fulfil the co-ordination function within the Mine/Mill Business Unit Job Class 26. In addition, the Company will pay these representatives C.O.L.A. and nickel price bonus and will pay the cost of benefits premiums for those items set out in Article 31 (Pension & Health Benefits). During this appointment the employee shall accumulate seniority and credited service. Upon termination of his appointment the employee shall return to his former department and occupation if it still exists; if his occupation no longer exists the provisions of section 17.02 (Layoffs in Excess of 14 Days) shall be applied to determine a new occupation.

30.10 TIME OFF

Committees shall be granted 8 hours per month for their monthly inspection and meeting and up to an additional 8 hours per month to perform value added Committee work.

All Operations Co-chairs may attend all fatality inquests. Pay for Co-chairs other than Full Time Worker Health and Safety Representatives shall be calculated as per 30.08 (Pay for Worker Health & Safety Representatives).

An additional **2 shifts** per month with pay will be allowed for each Operations Co-chair, other than Full Time Worker Health and Safety Representatives, to do value added site work.

The Joint Health & Safety Committee at each Operation shall have one day per year for the development of health and safety strategies.

30.11 MEDICALS

For requirements regarding medicals refer to the Occupational Health and Safety Act.

30.12 NEW LEGISLATION

If new Ontario Government legislation is promulgated that affects Health and Safety, the parties will meet to consider any changes that may be appropriate in such circumstances.

30.13 PROTECTIVE CLOTHING

The Company will continue the current practice of subsidizing or replacing protective clothing in specific work areas.

In addition, the Company will provide, as required by the employees in the Smelter, spark resistant pants at one-half cost (f.o.b. factory). Special gloves will be supplied, as required, at no cost to those employees working as tappers, tapper helpers, slagman, slagman helpers as well as hand punching tuyeres.

The Company will supply to employees who work in areas where special clothing is required up to two (2) pairs of acid resistant pants and two (2) acid resistant shirts per year or two (2) pairs of acid resistant coveralls, and in extraordinary circumstances consideration will be given to further replacement of such clothing.

30.14 RIGHT TO REFUSE TO PERFORM UNSAFE WORK

A worker may refuse to work or do particular work where he or she has reason to believe that,

- (a) Any equipment, machine or device or thing the worker is to use or operate is likely to endanger himself or herself or another worker;
- (b) The physical condition of the workplace or the part thereof in which he or she works is likely to endanger himself or herself; or
- (c) Any equipment, machine, device or thing he or she is to use or operate or the physical condition of the workplace or part thereof in which he or she works or is to work is in contravention of the Ontario Occupational Health and Safety Act or Regulations and such contravention is likely to endanger himself, herself or another worker.

30.15 EMPLOYEE ASSISTANCE PROGRAM

The Company and Union believe that every reasonable means should be used to provide an effective Employee Assistance Program to employees and their families. To this end, the Company and Union Committee, which has been established to jointly administer this program, will be continued.

The Company and Union believe that by recognizing alcoholism and drug abuse as an illness, employees will be encouraged to come forward for assistance and treatment. Supervisors, representatives of the Union and employees are urged to encourage those who have or are suspected of having alcohol or drug problems to obtain medical assistance, advice and treatment.

The Company and Union believe that every reasonable means should be used to rehabilitate an employee and restore him to normal health and productivity. To this end, the Company and Union Committee which has been established to jointly administer this

program will be continued.

Employees who are resource persons shall be allowed such time off without loss in pay as shall be reasonably required to attend to matters related to the Employee Assistance Program.

ARTICLE 31 - PENSION AND HEALTH BENEFITS

31.01 PENSION PLAN

The employees covered by this Agreement will continue to receive the benefits provided under the Company's Revised General Pension Plan (the "Pension Plan") which was effective the 1st day of January 1971, and as subsequently amended in collective bargaining.

Effective **12:01 a.m. February 1, 2007**, employees will receive the benefits of "The Revised General Pension Plan For Employees of Falconbridge Limited."

If any differences arise between the Company and any of the employees or between the Company and the Union as to the interpretation, application, administration or alleged violation of the provisions of the Pension Plan, such differences shall be settled in accordance with the grievance procedure or arbitration set out in this Agreement.

31.02 HEALTH BENEFITS

(a) The Company shall ensure the payment of the premiums of the following Plans in order for employees covered by this Agreement to receive the benefits of such Plans all subject to and in accordance with the terms and conditions as set out in this Article, in any insurance policy issued in respect thereof and in the Plan or Program itself or any successor thereof. The benefit coverage in effect on the date of this agreement will remain in effect unless amended by agreement between the Company and the Union.

- I. Supplementary (semi-private) Plan
- II. Plan for Prescription Drugs (35 cents deductible)
- III. Group Life Insurance Plan **(\$45,000)**
- IV. Accidental Death and Dismemberment Plan **(\$45,000)**
- V. Long Term Disability Insurance Plan

The monthly Long Term Disability Benefit is \$1,400 per month for eligible employees.

VI. Dental Plan based on the **2006** ODA Fee Schedule effective **12:01 a.m. February 1, 2007** and maintained at a one-year lag thereafter effective **February 1st** in each year of the current collective agreement.

VII. Vision Care Plan to provide a maximum payment of \$250.00, not more than once in every two years per family member, toward the cost of **eye exams and** prescription glasses, including frames and lenses, or contact lenses.

VIII. Hearing Care Plan to provide a Hearing Care Program, providing a lifetime payment of **\$600.00** to cover hearing aids as prescribed.

IX. Sickness and Accident Benefits

The weekly Sickness and Accident Benefit is **\$625** per week for eligible employees.

X. Extra Care Expenses Plan

1. Prosthetic Appliances

Benefits shall be payable for the purchase, replacement, repair, fitting and adjustment of artificial limbs, braces, ostomy sets and accessories, breast prostheses and orthopedic foot supports when recommended and prescribed by a physician.

Such benefits shall be limited to a lifetime maximum of \$5,000 and shall only be payable in the absence of funding available from government plans and programs or any funding that may be available from other sources.

2. Paramedical Services

Paramedical services subject to an "all-services" maximum of \$1,000 in any calendar year and subject to a \$500 per covered service maximum in any calendar year for each of the following services:

- Chiropractor
- Physiotherapist
- Psychologist
- Registered Dietician

- Podiatrist/Chiropodist
- Speech Therapist
- Acupuncturist

Services must be out-of-hospital, medically necessary and prescribed by a physician or surgeon.

Practitioners in all of the above paramedical services must be duly qualified and licensed in the province of Ontario or the province of residence.

Reimbursement will be limited to "reasonable and customary" charges followed in the province of Ontario or the province of residence. Any portion over and above these charged by the paramedical practitioner will not be reimbursed and will be the responsibility of the employee or individual receiving the service.

3. Medical Supplies

Benefits will be payable for the purchase of oxygen sets and respirators.

4. PSA (Prostate-Specific Antigen) Blood Tests

The Company agrees to cover the cost of one PSA blood test, in any **12** consecutive month period, for all employees and retirees over 45 years of age.

XI. ManuAssist (World Travel Assistance)

Employees and their dependents will be covered under MANUASSIST (World Travel Assistance). MANUASSIST provides worldwide assistance in a number of areas to travelers in emergency medical situations and obtains Manulife's approval for covered medical expenses. Subject to certain conditions, benefits include:

- Access to a direct line 24 hours per day, every day. Referral to hospitals, clinics and physicians who will supervise medical care. If necessary, medical evacuation is arranged;
- Access to qualified licensed physicians who provide consultative and advisory services;
- Assistance locating qualified legal help, local interpreters and appropriate services for lost passports;
- When required for admission, advance payment of up to \$1,000 to the hospital;

- Transportation reimbursement;
- Family member or Travel companion expenses;
- Transportation of remains.

b) In any case where Government sponsored Plans become available in whole or in part as substitutes for any of the above plans, the Company's obligation regarding premium costs shall be accordingly changed.

In consideration of improved employee benefits paid for by the Company, the Union for the employees releases the Company from any obligation it might hereafter have to pay to employees any Unemployment Insurance reduction available because of the existence of a wage loss replacement plan (Weekly Indemnity Insurance Plan).

31.03 PROCEDURES FOR HANDLING QUESTIONS OR DISPUTES ABOUT DISABILITY BENEFITS

If employees have questions about the benefit plans they should see their Supervisor or Union Representative at their work location or contact the Employee Benefits Group.

To assist in resolving problems and to afford employees a means by which they can seek review and possible reconsideration of a denied claim, an informal procedure has been established between the Union and the Company: a Union representative, who may be accompanied by the employee, may go directly to the representative of the benefits carrier, an Insurance Company; this may be followed by discussion with a Human Resources representative and finally by a written submission, presented by Senior Union Officials to Senior Company Officials.

31.04 CHRISTMAS GIFT

The Company will make a gift of \$100 each Christmas to each employee hired before the first day of September of the year in which the Christmas falls. A gift of \$100 will also be made to each retiree and surviving spouse.

ARTICLE 32 – WAGES

32.01 HOURLY WAGE RATES

The schedule of Hourly Wage Rates hereto attached as "Schedule A" and the Schedule of Occupations and Job Classes hereto attached as "Schedule B", both forming part of this

agreement, shall be in effect from **12:01 a.m. February 1, 2007** and shall remain in effect during the term of this agreement subject to any further increase in the wage rates as provided in section 32.02 (Cost of Living Allowance).

The foregoing shall not limit the Company from assigning a new occupation to a job class or increasing the job class of an occupation to provide for changes in the Company's operations. The Company agrees to discuss any new job class or wage rate with the Union in advance of implementation and in the event of disagreement to deal with the matter under section 10.06 (Direct Difference). In the evaluation of occupations, the Company will continue to use its current evaluation and classification method, which is based upon the CWS method.

The Company may at its' sole discretion, introduce, amend, or discontinue an incentive plan or plans developed to encourage and reward improvements in the productivity, cost, quality and overall performance of a Business Unit or part thereof. Such an incentive plan shall not result in a reduction of wages or other benefit to which an employee is entitled under the terms of this Agreement and it shall not form part of this Agreement nor be subject to grievance or arbitration.

32.02 COST OF LIVING ALLOWANCE

A Cost-of-Living Allowance ("COLA") based on the Consumer Price Index (1986=100) (the "CPI") issued by Statistics Canada will, if applicable, be paid to each employee and calculated as hereinafter set out.

The COLA shall be computed using the CPI for **December 2006** as the base CPI. The first COLA will use the difference between the base CPI and the first Comparison Month, which will be the month of **March 2007**. A one (1) cent adjustment (the adjustment) shall become payable for each .084 change in the CPI.

The first COLA adjustment is payable the pay period immediately following the publication of the CPI for the month of **March 2007**. Subsequent COLA payments will be according to the following schedule using the following Comparison Periods:

Adjustment Dates on the first pay period on or after publication of the CPI for:	Comparison Periods use the CPI for:
March 2007	December 2006 – March 2007
June 2007	March 2007 – June 2007
September 2007	June 2007 – September 2007
December 2007	September 2007 – December 2007
March 2008	December 2007 – March 2008
June 2008	March 2008 – June 2008
September 2008	June 2008 – September 2008
December 2008	September 2008 – December 2008
March 2009	December 2008 – March 2009
June 2009	March 2009 – June 2009
September 2009	June 2009 – September 2009
December 2009	September 2009 – December 2009

The COLA will not form part of the base wage but will be calculated as a float and paid in addition to the base wage. A decline in the CPI will reduce the float but will not affect the base wage for each hour worked at regular rates.

Effective the publication of the CPI for the publication dates of **December 2007, December 2008, and December 2009**, the COLA shall be added in to the wage rates then in effect and the adjustment shall revert back to zero.

No adjustment, retroactive or otherwise, shall be made as a result of any revision that subsequently may be made in any Consumer Price Index.

The continuance of the adjustment shall depend upon the availability of the CPI calculated on its present basis and in its present form. In the event the CPI is not so available the parties shall mutually agree to an alternative equitable arrangement.

32.03 NICKEL BONUS

The Company will pay quarterly, a nickel price bonus based on the hours worked, providing the Company is profitable, on the following formula:

Price	\$ / Hour	Price	\$ / Hour
2.25	0.10	5.25	3.10
2.50	0.35	5.50	3.35
2.75	0.60	5.75	3.60
3.00	0.85	6.00	3.85
3.25	1.10	6.25	4.10
3.50	1.35	6.50	4.35
3.75	1.60	6.75	4.60
4.00	1.85	7.00	4.85
4.25	2.10	7.25	5.10
4.50	2.35	7.50	5.35
4.75	2.60	7.75	5.60
5.00	2.85	8.00	5.85

The price used in the above formula is the average realized price in US dollars received by **Xstrata Nickel** for sales of refined nickel in all forms.

The profitability of the Company is the consolidated earnings in the period before extraordinary items.

ARTICLE 33 - BULLETIN BOARDS

33.01 DOCUMENTS POSTED ON COMPANY PROPERTY

No bills, bulletins, newspapers, handbills, or other documents shall be posted or distributed anywhere on Company property or via the Company's computer systems by the Union or by any employee of the Company. The Company at the request of the Union will, however, from time to time post on the bulletin boards, designated by the Company, notices of the time, place and purpose of meetings and of Union Conventions, the names of speakers, notices of results of Union Elections, the names of delegates to Union Conventions and notices of recreational and social affairs, provided such notices have received the approval of the Company.

33.02 PEOPLE DESIGNATED TO HANDLE GRIEVANCES

The Company upon receipt of the necessary information from the Union will from time to time post on the bulletin board for each department the names of the Chief Stewards and Stewards designated by the Union to handle matters under the grievance procedure in such department.

ARTICLE 34 - AUTHORITY

34.01 AUTHORITY

The Union and its bargaining committee agree that they have authority from the members of the Union to enter into this Agreement and that this Agreement shall be binding upon and enforceable against the Union and/or its members. The Company agrees that this Agreement shall be binding upon and enforceable against it.

ARTICLE 35 - GENERAL

35.01 GENERAL

Nothing contained in this Agreement shall be construed to bind the Company, the employees or the Union to comply with any of the provisions of this Agreement when such provisions may be impractical, having regard to any law which shall be binding upon the Company, the employees or the Union.

ARTICLE 36 – TERM OF AGREEMENT AND RE-NEGOTIATION

36.01 EFFECTIVE & TERMINATION DATES

This Agreement shall become effective at 12:01 a.m. **February 1, 2007**, and shall terminate at Midnight on January 31, **2010**.

36.02 UNION BARGAINING COMMITTEE

The Company recognizes the Union's bargaining committee to be composed of the Chief Stewards and the Local Union President, Union Representative and National Representative. The Chief Stewards will be granted leave of absence without pay as required in the four (4) months prior to the termination of the Collective Agreement.

36.03 NEGOTIATIONS NOTICE

Either party to this Agreement may require the other party to enter into negotiations for the renewal of this Agreement on 10 clear days' notice given to the other party within the period of 3 months immediately prior to its expiry date.

36.04 LOCATION OF NEGOTIATIONS

Negotiations pursuant to section 36.03 (Negotiations Notice) shall be held at Sudbury, Ontario.

SCHEDULE "A":

HOURLY WAGE RATES AS OF DATE OF RATIFICATION

JOB CLASS	CURRENT RATE	COLA ROLL-IN	INCREASE	NEW RATE
1	23.25	0.31	0.60	24.16
2	23.47	0.31	0.60	24.38
3	23.69	0.31	0.60	24.60
4	23.91	0.31	0.60	24.82
5	24.13	0.31	0.60	25.04
6	24.35	0.31	0.60	25.26
7	24.57	0.31	0.60	25.48
8	24.79	0.31	0.60	25.70
9	25.01	0.31	0.60	25.92
10	25.23	0.31	0.60	26.14
11	25.45	0.31	0.60	26.36
12	25.67	0.31	0.60	26.58
13	25.89	0.31	0.60	26.80
14	26.11	0.31	0.60	27.02
15	26.33	0.31	0.60	27.24
16	26.65	0.31	0.60	27.56
17	26.97	0.31	0.60	27.88
18	27.29	0.31	0.60	28.20
19	27.61	0.31	0.60	28.52
20	27.93	0.31	0.60	28.84
21	28.25	0.31	0.60	29.16
22	28.57	0.31	0.60	29.48
23	28.89	0.31	0.60	29.80
24	29.21	0.31	0.60	30.12
25	29.53	0.31	0.60	30.44
26	29.85	0.31	0.60	30.76

SCHEDULE "B"

OCCUPATION AND JOB CLASS SCHEDULE

MINES/MILL BUSINESS UNIT

a) Production Occupations	Job Class
Shaft Leader	21
Mill Control Room Operator/Leader Mine Development Leader(Cut and Fill/Dev.) Mine Production Leader (Bulk Mining)	20
Mine Development Leader (Track Drift) Shaft Inspector.	19
Concentrator Operator - A	18
Mill Operator Mechanic (Crushing Plant) Mill Operator Mechanic (Dewatering) Hoistman Shaft Repairman	16
Miner – A Underground Material Movement Coordinator	15
Diamond Drill Operator	14
Miner - B Process Utility Person	13
Miner - C Fill Plant Operator Mine Serviceman – A	12
Mill Blasting Leader	11
Mine Serviceman - B Vacuum Truck Operator	10
Process Helper – Mill	9

Mine Helper	8
Fork Lift Operator	
Heavy Mobile Equipment Operator	
Truck Driver	
Mill Utility Person	
Mine Serviceman – C	7
Hoistman-In-Training	
Process Helper Trainee – Mill	6
Mine Labourer	4
Mill Process Labourer	2
Dryman	

MINES/MILL BUSINESS UNIT

b) Skilled Trades/Services Occupations	Job Class
Electrical Leader	24
Mechanical Leader	23
Industrial Mechanic - Millwright/Utilities	
Electrician	22
Industrial Mechanic - Water Systems	21
Heavy Duty Equipment Mechanic	
Industrial Mechanic - Mine Hoist	
Industrial Mechanic – Millwright	
Stationary Engineer II – Gas/Water	
Machinist	
Stationary Engineer II – Gas	20
Plateworker/Welder	
Brick & Stone Mason	19
Industrial Mechanic – Maintenance	
Pipefitter	
Stationary Engineer II	18
Welder	
Plateworker	

Carpenter	16
Painter	13
Battery/Loco Repairman	12
Rock Drill Repairman - Surface	11
Boom Truck Operator	9
Fork Lift Operator	8
Truck Driver	
Handyman	
Lampman	7

SMELTER BUSINESS UNIT

a) Production Occupations	Job Class
Acid Plant Operator "A"	21
Converter Craneman	19
Converter Skimmer	18
Converter Aisle Utility Operator	
Furnace Operator	17
Locomotive Engineer-Matte & Acid Loader	
Matte Granulation Operator "A"	
Utility Person II	
Kress Hauler Oper/Mechanic	16
Roaster Feed-Prep Operator	
Utility Person I	13
Process Helper	9
Process Helper Trainee	7
Smelter Labourer	3
Dryman	2

SUDBURY SMELTER BUSINESS UNIT

b) Skilled Trades/Services Occupation	Job Class
Electrician Leader	24
Electrician / Instrumentation	
Millwright/Welder	23
Electrician	22
Heavy Duty Equipment Mechanic	21
Industrial Mechanic – Millwright	
Plateworker/Welder	20

Brick & Stone Mason Industrial Mechanic- Maintenance Pipefitter	19
Welder Plateworker Stationary Engineer II	18
Smelter Stationary Engineer III	17

SCHEDULE "C" – EXTENDED SHIFT SCHEDULES

The following extended shift schedules were in effect on the date of ratification of this Collective Agreement:

- | | |
|-------------------------------|----------------------------------|
| (a) Smelter | 12 Hour Shift Schedule |
| (b) Craig and Strathcona Drys | 12 Hour Shift Schedule |
| (c) Onaping Fill Plant | 12 Hour Shift Schedule |
| (d) Strathcona Mill | 12 Hour Shift Schedule |
| (e) Craig Mine | 10 ½ Hour Shift Schedule |
| (f) Fraser Mine | 10 ½ Hour Shift Schedule |
| (g) T.L. Mine | 10 ½ Hour Shift Schedule |
| (h) Fraser Mine | 10 Hour Shift Schedule |
| (i) Craig Mine | 10 Hour/11.5 Hour Shift Schedule |

The terms and conditions of the 12 hour shifts in the Craig and Strathcona Drys, Smelter, Strathcona Mill and Onaping Fill Plant and the 10 ½ hour shifts at Craig Mine, T.L. Mine and Fraser Mine, the 10 hour shifts at Fraser Mine, and the 10 hour/11.5 hour shifts at Craig Mine are specified in the original agreements. For information purposes only, a summary of the terms and conditions for the above shifts are listed below:

12 HOUR SHIFT SCHEDULE

- | | |
|----------------|---|
| Wages: | As per schedule "B" |
| Shift Premium: | 4:00 p.m. to midnight – 50 cents/hour
Midnight to 8:00 a.m. – 70 cents/hour |
| Overtime: | In excess of 12 hours
In excess of regular weekly schedule
(one week 36 hrs/one week 48 hrs.) |
| Meal Breaks: | Three one-half hour periods subject to requirements of operations |
| Meals: | Employee pays or provides his own meal (except O/T lunches) |
| Elections: | Will affect employees on day shift who work 8:00 a.m. to 8:00 p.m. These employees are allowed to go home early with pay while the relieving shift comes in early and is paid overtime. |

Daylight Savings: In the spring one shift loses one hours' pay. However, the employees who have 83 hours in the pay period are still allowed to bank four hours.

Bereavement: As per the collective agreement, based on 12 hours/day.

Jury Duty: As required, based on 12 hrs/day

Medical Aid: Paid remainder of shift on day of industrial accident based on 12 hrs/day

Vacations: As per collective agreement

Paid Holiday: Ten – pay based on a 12 hr./day. An employee who is paid for a paid holiday not worked, that falls on his regularly scheduled work day is paid 12 hour pay. This time is considered time worked for overtime. An employee working on a paid holiday is paid 12 hours at double time and one half.

Floater: Based on a 12 hr/day

Bank Hours: If employees work an extra 4 hours per pay period they can bank these hours for future use or take pay.

All banking must be done in multiples of 4 hours.

All banked time will be entered on the last working day of the pay period.

When an employee receives his pay period cheque, he will receive all COLA and any shifts or Sunday differential for the four hours that was banked.

All banked hours will be paid for in full on the first week of December at the employee's posted rate, or if he leaves the department, or if he is laid off, or if his employment is otherwise terminated.

Withdrawal of hours may occur upon the request of the employee for his purposes and is also permissible when a shift employee has sufficient hours to cover a missed shift; i.e. 16 hours in the bank, employee can withdraw 12 hours. 8 hours in the bank, employee can withdraw 8 hours. If mutually agreeable, an employee with at least 12 hours of banked time may use 4 or more hours to attend to personal matters.

Sickness and Accident: As per the collective agreement with the exception that the waiting period is 2 days.

Leave for Union Business: As per the collective agreement

Grievances: Will be scheduled to minimize time away from work.

First Aid Training: Transfer employees to Day Crew to attend courses. Same pay practice based on 8 hours per day, not 12.

10 ½ HOUR SHIFT SCHEDULE

Wages: As per collective agreement

Shift Premium: As per collective agreement

Time Worked: 10 ½ hours underground with a 1 hour lunch break. The current practice of hoisting will be maintained to ensure that the 10 ½ hours underground will not be exceeded.

Overtime: In excess of 10 ½ hours per day. In excess of regular weekly extended hour schedule(s) as such schedules are agreed to by the union and the company.

Meals: As per the collective agreement

Bereavement: As per the collective agreement, based on a 10 1/2 hour day.

Jury Duty: As per the collective agreement based on a 10 1/2 hour day.

Medical Aid: Paid remainder of shift on day of industrial accident based on 10 ½ hours per day.

Vacations: As per collective agreement, based on hours taken if less than one week.

Holidays: As per collective agreement, based on 10 ½ hour day.

An employee who is paid for a paid holiday not worked that falls on his regularly scheduled work day is paid 10 ½ hours pay. This time is considered time worked for overtime. An employee who is paid for a paid holiday not worked, that falls on his regular day off is paid 10 ½ hours holiday pay. An employee working on a paid holiday is paid 10 ½ hours at double time and one-half.

Floater:	As per the collective agreement, pay is based on a 10 ½ hour day.
Personal Paid Day:	As per the collective agreement, pay is based on a 10 ½ hour day.
Sickness and Accident:	As per the collective agreement with the exception that the waiting period is 2 days.
Leave for Union Business:	As per the collective agreement based on a 10 ½ hour day.
Training:	Training: Employees required by the Company to attend training sessions (8 hours) on a regularly scheduled shift will be paid for a 10 ½ hour day. If the training falls on the employee's scheduled day off, they will be paid overtime for the actual hours spent attending the training session.

10 HOUR SHIFT SCHEDULE

Wages:	As per collective Agreement.
Shift Premium:	As per collective Agreement.
Time Worked:	10 hours with a 1 hour lunch break. The current practice of hoisting will be maintained to ensure that the 10 hours underground will not be exceeded.
Overtime:	In excess of 10 hours per day. In excess of regular weekly extended hour schedule(s) as such schedules are agreed to by the union and the company.
Bereavement:	As per the collective agreement, based on a 10 hour day.
Jury Duty:	As per the collective agreement, based on a 10 hour day.
Medical Aid:	Paid remainder of shift on day of industrial accident based on 10 hours per day.
Vacations:	As per collective agreement, based on hours taken if less than one week.
Holidays:	As per collective agreement, based on 10 hour day.

An employee who is paid for a paid holiday not worked that falls on his regularly scheduled work day is paid 10 hours pay. This time is considered time worked for overtime. An employee who is paid for a paid holiday not worked, that falls on his regular day off is paid 10 hours holiday pay. An employee working on a paid holiday is paid 10 hours at double time and one-half.

Floater:	As per collective agreement, pay is based on a 10 hours/day.
Personal Paid Day:	As per the collective agreement, pay is based on a 10 hours/day.
Sickness and Accident:	As per the collective agreement with the exception that the waiting period is 2 days.
Leave for Union Business:	As per the collective agreement based on 10 hours/day.
Training:	Employees required by the Company to attend training sessions (8 hours) on a regularly scheduled shift will be paid for a 10 hours/day. If the training falls on the employee's scheduled day off, they will be paid overtime for the actual hours.

10 HOUR (11.5 hours on weekends) SHIFT SCHEDULE

Wages:	As per the collective agreement
Shift Premium:	4:00 p.m. to midnight – 50 cents/hour Midnight to 8:00 a.m. – 70 cents/hour Weekend: 8am Sat-8 am Mon - \$1.60/hour
Overtime:	In excess of the regular hours scheduled in a day or in excess of regular weekly schedule
Meal Breaks:	45 minutes meal break on 10 hour shift Two one-half hour meal breaks on an 11.5 hour shift
Meals:	Employee pays or provides his own meal (except unscheduled O/T lunches)
Bereavement:	As per the collective agreement, based on hours scheduled on those days

Jury Duty:	As required, based on hours scheduled.
Medical Aid:	Paid remainder of shift on day of industrial accident based on scheduled hours for the day
Vacations:	As per collective agreement, based on hours taken.
Paid Holiday:	Ten – pay based on scheduled hours for the day. An employee who is paid for a paid holiday not worked, that falls on his regularly scheduled work day is paid for the hours he was scheduled on that day. This time is considered time worked for overtime. An employee working on a paid holiday is paid double time and one half for the hours worked on that day.
Floater:	Based on the hours scheduled on that day
Sickness and Accident:	As per the collective agreement with the exception that the waiting period is 2 days.
Leave for Union Business:	As per the collective agreement
Grievances:	Will be scheduled to minimize time away from work.
Training:	Employees required by the Company to attend training sessions (8 hours) on a regularly scheduled shift will be paid for the hours they were scheduled for that day. If the training falls on the employee's scheduled day off, they will be paid overtime for the actual hours spent attending the training session.

SCHEDULE "D" - APPRENTICES

Job Class	Millwright	Electrician	Mobile	Hoist
4				
5				
6				
7				
8				
9			Start	Start
10	Start	Start	1000	1000
11	1000	1000	2000	2000
12	2000	2000	3000	3000
13	3000	3000	4000	4000
14	4000	4000	5000	5000
15	5000	5000	6000	6000
16	6000	6000	7000	7000
17	7000	7000	8000	8000
18	8000	8000	9000	9000
19		9000		
20				
21	Tradesperson		Tradesperson	Tradesperson
22		Tradesperson		

SCHEDULE "Q"

January 31, 2007

Sudbury Mine, Mill & Smelter Workers' Union
Local 598, CAW/TCA Canada
19 Regent St. S.
Sudbury, ON
P3C 4B7

Dear Sirs:

The following list of letters will be included in the 2007 Agreement as Schedule "Q":

1. Tools
2. Mediation/Arbitration Process
3. Vacation and Retirement
4. Contracting Out
5. Disability Benefit
6. Diesel Emission Reduction
7. Mining Crew Performance Issues
8. Union Executives
9. Union Health and Welfare Officer
10. Construction Crew
11. Business Unit Structure
12. Nickel Rim South Project
13. Fraser Morgan Project
14. Covering of Annual Vacation with Stats
15. Retransfer List and Mine Department Business Unit Postings
16. Vacation Relief (2007, 2008, 2009)

Yours truly,

Lori Horner
Director, Human Resources

1. Tools

The Company will continue its practice regarding the replacement of worn out tools and loss, including theft, where the employee has exercised due care.

2. Mediation/Arbitration Process

The parties agree that for the life of this current collective agreement, the following Mediation/Arbitration Process will be used on a trial basis. A one day Mediation/Arbitration session will be scheduled on a monthly basis if required.

Where any issue grieved by either party is properly referred to arbitration following step two (2) of the grievance procedure, the parties may jointly and voluntarily agree to refer any such grievance for resolution to the following Mediation/Arbitration procedure:

1. The Company and the Union must be in agreement on the grievance(s) to be referred to this process.
2. The single mediator/arbitrator used for all mediations/arbitrations shall be a representative from Pathe, Gardner & Associates.
3. Each party shall share equally in the expenses and remuneration of the mediator/arbitrator;
4. Subject to the requirements of operations and upon written request from the Union, to be given not less than 7 days in advance, the Chief Steward will be granted time off, without pay, to attend the med/arb hearing for grievances within his Operation.
5. The mediator/arbitrator will set a date for the hearing, within a reasonable time period, and choose a neutral location, in Sudbury, Ontario, to conduct the hearing;
6. Each party shall put its version of the issues and facts in writing, and deliver a copy (and any supporting documentation) to the other party three (3) calendar weeks prior to the hearing. Either party may then request a meeting with the other party for the purpose of clarification and discussion of the information contained in their written submission.
7. Each party shall then put its full version of the issues and facts in writing, and deliver a copy (and any supporting documentation) to the other party and to the mediator/arbitrator one (1) calendar week prior to the hearing. Neither

party may subsequently introduce issues or facts not presented in the written submission.

8. Such written statement of issues and facts as enumerated in #6 and #7 above may not be used or referred to in any forum other than the hearing for which it is prepared, and is completely without prejudice to either party's position in proceedings other than the hearing for which it is prepared.
9. The mediator/arbitrator will confer privately and separately with each party and attempt to mediate a settlement. If the mediator/arbitrator so chooses, a joint meeting may be convened to clarify any matter that, in the opinion of the mediator, is so required.
10. If the mediator/arbitrator is unable to affect a settlement between the parties, the mediator/arbitrator will rule on the grievance at the hearing or within 48 hours if requested.
11. The mediator/arbitrator shall possess the same jurisdiction as an arbitrator appointed in accordance with the collective agreement, except that there will be no formal testimony or evidence.
12. Any settlement or award produced as a result of this proceeding will be binding only in respect of that particular grievance and will neither set a precedent for future disputes nor be relied upon or referred to in other proceedings.
13. When the mediator/arbitrator rules on the grievance, the parties will present final argument only, as the facts will be as contained in the statement(s) of issues and fact. Such argument may be made orally or in writing. The normal onus of proof shall apply, as shall the normal order of presenting argument.
14. The parties may agree to change this process by mutual consent at any point in time.

3. Vacation and Retirement

This letter will confirm that it will not be the Company's practice to require an employee who is retiring to take any of the current years vacation entitlement prior to his retirement, except as required in Article 17.05 (Vacation Shutdown) or as may be required by law.

4. Contracting Out

Supporting the Company's commitment in Section 5.01 and maintaining the significant reductions made in contractor levels, the Company commits to an ongoing process to continue efforts to reduce the number of contractors performing Production, Development, Maintenance and Services work which is normally performed by employees in our Mines and Plants. Reduction may occur through a combination of actions, which may include elimination of the work, current employees taking on the work or the hiring of additional employees.

In order to manage the contracting out the following specific commitments to manage contracting out levels are made for the term of this agreement:

1. At each operation the Chief Steward and the **Senior Management Representative at the operation** will meet monthly to review current and proposed contracting at the operation in order to develop plans to minimize contracting consistent with the factors described in Article 5.01 of the Collective Agreement.
2. The Business Units will continue to provide the Union with monthly reports of the work contracted and these will be reviewed at the Union-Management meetings as provided for in Article 4.02 (Union-Management Meetings) of the Collective Agreement. This review will:
 - a) Monitor the progress of the Company's commitment to minimize contracting and;
 - b) Monitor the effectiveness of the process at each operation.
3. In addition, the Company commits to:
 - 1) Continue to minimize the use of Mining and Lateral Development contractors in stoping and drifting.
 - 2) Utilize 2 internal crews to perform Alimak raising within the Sudbury Mines on raises less than 300 feet. This commitment is contingent on Alimak Leaders performing the required duties and that the scope of work required necessitates at least 2 crews.
 - 3) Maintain a level of Diamond Drillers performing underground diamond drilling at 23, provided that the scope of work required necessitates at least 23 diamond drillers.
 - 4) Continue to maintain the current levels (as of the date of ratification) of Mine Serviceman A's to perform underground construction at each Mine Operation.

- 5) Maintain the gains made in reducing the levels of Underground Heavy Duty Mechanics and Electrical contractors within our Mine Operations.
- 6) **The Construction Crew will provide service to the Sudbury Smelter, where practicable.**

Once every quarter, senior management at each Business Unit will meet with the senior Union Representative (as per Article 2.02), the Unit President and the **Chief Stewards** from the Business Unit to discuss contracting out, hiring to replace retirements and to review progress made to minimize contracting consistent with the factors described in Article 5.01 of the Collective Agreement.

5. Disability Benefit

The insurance carrier will provide an employee in receipt of disability benefits with at least 4 weeks notice of intention to suspend benefits. The Health and Welfare Officer of the Union will receive a copy of the written notice. The notice will state intended date of suspension, the reason for suspension, and, if appropriate, any actions the employee may take to maintain benefit continuation. Should there continue to be a lack of clarity, the Disability Management Committee will meet to discuss the issues surrounding the dispute and will attempt to resolve the problem.

Where the reason for suspension results from a dispute between physicians over the ability of the employee to return to work or an interpretation of medical information submitted, the insurance carrier shall continue to provide the relative benefits received for a maximum of 4 weeks.

Where the disagreement is not resolved, the Company will organize for an Independent Medical Examination by an appropriate Examiner.

The Company shall pay for any portion of the Independent Medical Examination which is not covered by OHIP.

Where an employee must travel outside of the area of Sudbury, the Company shall reimburse the employee for any reasonable incidental costs for attending such medical.

If an employee who is in receipt of LTD benefits or who has exhausted his S&A benefits is able to return to work with restrictions but modified work is not available and the employee is to be removed from the LTD benefits then the employee will be entitled to access a Disability Continuance Program benefit. The benefit shall be those of the LTD benefit program. The employee's period of entitlement shall be equivalent to his seniority with a minimum of 1 year's entitlement provided he is

ready and available to perform work that the Company has or makes available. The employee must participate and cooperate in any medical examinations, rehabilitation program and provide such reports as may be required of him from time to time. Employees with 10 or more years seniority who become entitled to this benefit, will remain, subject to the terms of this provision, entitled to these benefits until age 65 or until becoming entitled to an unreduced pension, whichever is earlier. Where the Company is able to identify reasonable employment outside the Company that the employee is able to perform and the employee does not actively pursue the attainment of such employment, the employee's entitlement to these benefits shall cease. For the purpose of calculating seniority, partial months shall be considered as a complete month. Benefits under the plan shall cease at the earlier of the employee obtaining age 65 or becoming entitled to an unreduced pension.

If at the conclusion of these benefits the employee still has not been returned to work he shall have the option of:

- (a) ending his employment with the Company and receiving a Transition Assistance Package which shall be equal to 2 weeks' pay at his basic rate for each year of service but in no event shall the entitlement be less than 8 weeks' pay, or,
- (b) being placed on layoff and continuing to receive Prescription Drug, Vision, Hearing, Dental and Semi-Private Hospital coverage at the same level of current active employees until the Company is in a position to either accommodate him, or, he acquires alternate employment or, he is able to proceed onto an unreduced early pension.

Employees receiving the Transition Assistance Package are not entitled to any other severance program offered under the terms of the Collective Agreement.

The Disability Management Committee shall do a quarterly review of employees off under the terms of this program.

6. Diesel Emission Reduction

The Company recognizes the impact of control technologies and maintenance practices with respect to particulate matter in diesel emissions. **As such, the Company has, since the last C.A., implemented low sulphur diesel fuels, and has, through an aggressive program, replaced over 100 pieces of underground mobile equipment with newer, lower emission engines.**

During this Collective Agreement, the Company will review the feasibility of further improvements in maintenance practices and the use of Trap Filters in underground

operations.

Upon completion, implementation plans will be developed as necessary and reviewed with the Union. The Union will be represented by the Union President (**or designate**), CAW Health & Safety Coordinator and one of the Full Time Worker Health & Safety Representatives from the Mines/Mill Business Unit.

7. Mining Crew Performance Issues

When the Company proposes to move an employee from one mining crew to another or one shift to another because of his performance, the Mine Captain or Mine Superintendent will explain to the employee and Chief Steward in the operation the reasons for this proposed movement prior to the move taking place.

8. Union Executives

The Company agrees that the leave granted to the individual referred to in Article 20.01 (b), for whom the Company will pay the cost of benefits and pension, will, at the request of the Union, be extended from year to year during the term of this Agreement. To enable this individual to address and effectively deal with issues arising out of the Union – Company relationship, the individual will spend time on a regular weekly basis at each Business Unit. The Company will provide him/her with office space at each Business Unit.

The Company further recognizes that the Senior Union Representative referred to in Article 2.02 will be required to attend to administrative and other local Union matters at the Union's office and will provide reasonable opportunity to carry out these duties.

9. Union Health and Welfare Officer

The Union recognizes the significant costs of providing benefits and agrees to work cooperatively with the Company on cost containment initiatives.

For the term of this Agreement, the Company will release a Union Health and Welfare Officer from his job on a daily basis to attend to health and welfare business on behalf of those employees covered by this Collective Agreement and to serve as a union representative on benefit cost containment projects initiated by the Company.

To enable the Union Health and Welfare Officer to do this, he will be provided with office space at each Business Unit and work in close coordination with the

designated representative(s) on various cost containment issues initiated by the Company. As his duties also require him to work with retirees, surviving spouses and disabled employees, it is understood that he will also work as required at the Local 598 office. He will be required to keep in regular contact with the Human Resources Manager at each Business Unit and will notify him of his planned absence in advance.

The Company will pay the Union Health and Welfare Officer at Job Class 26 plus C.O.L.A. and nickel price bonus and will pay the cost of benefits premiums for those items set out in Article 31 (Pension & Health Benefits). During this appointment the employee shall accumulate seniority and credited service. Upon termination of his appointment the employee shall return to his former department and occupation if it still exists; if his occupation no longer exists the provisions of section 17.02 (Layoffs in Excess of 14 Days) shall be applied to determine a new occupation.

10. Construction Crew

For the life of this agreement, the Mines/Mill Business Unit will continue to have a Construction Crew of tradesmen to do construction work. Should there be a temporary lull in construction work, it is understood that employees in the Construction Crew would perform maintenance work.

11. Business Unit Structure

This is to clarify the intent of the Company in the application of sections 1.02 (Organization) and 1.03 (Changes To Organizational Structure), that for the life of this Agreement, the Company will not subdivide the Mines/Mill Business Unit and/or Sudbury Smelter Business Unit into a number of smaller Business Units. The Company further confirms that any new mines in the Sudbury District, including the potential operation of Onaping Depth, will be included in the Mines/Mill Business Unit and covered by the terms of this Agreement.

12. Nickel Rim South Project

This is to confirm the intent of the Company in the application of Letter 11 in relation to CAW Local 598 members performing work at the Nickel Rim South Project. Upon completion of shaft sinking and change-out of shaft conveyances to normal skip/cage operations, the Company will begin the transition of its employees, provided that they are available, into Nickel Rim South project work including Production, Development, and Maintenance and Services work. This transition will be completed when mine production achieves three (3) months of

continuous operation at 60% of design capacity. Should it be determined that sufficient employees will not be available to operate Nickel Rim South Mine the Company will, in accordance with the Collective Agreement, hire employees throughout the transition period.

13. Fraser Morgan Project

The Fraser Morgan Project is currently in the project development phase. Should the decision be made to develop the Fraser Morgan Project, the Company will begin the transition of its employees, should they be available, during the capital development phase to perform Production, Maintenance, and Services work as well as lateral development. Should it be determined that sufficient employees will not be available to operate Fraser Morgan Mine the Company will, in accordance with the Collective Agreement, hire employees throughout the transition period. Such transition will be completed when mine production achieves three months of continuous operation at 60% design capacity.

14. Covering of Annual Vacation with Stats

The Company commits that for the term of this C.A. expiring January 31, **2010**, that employees who have approval to book a complete rotation off for Annual Vacation and where a Statutory Holiday as defined in article **24.08** occurs within that rotation on a day the employee would otherwise have been scheduled to work, and that the employee qualifies for the stat as per article **24.11** that an additional option will be provided to that employee to allow the employee to cover that day in that rotation with the Statutory Holiday as part of the vacation scheduling process.

15. Retransfer List and Mine Department Business Unit Postings

Retransfer List

Those employees that were transferred in **2006** will be on their former department's retransfer list and have retransfer rights as stated in Article **16.26**.

Mine Department Business Unit Posting Opportunities

The Company commits that **20%** of the permanent mine department vacancies will be either filled through the retransfer opportunity outlined in

article 16.26 or by a Business Unit wide posting as per article 16.05. The calculation of the 20% will be based on all the Mines.

16. Vacation Relief **(2007, 2008, 2009)**

The parties agree to renew their letter of August 14, 1985 with respect to the temporary recall of laid off former employees for vacation relief for the duration of the renewed Agreement as follows.

Laid off former employees required by the Company for temporary vacation relief work who have informed the Company they are readily available, are readily available and can perform such work, and who have the greatest seniority will:

- I. be employed by the Company for the duration of such temporary relief work only; upon the expiry of such temporary work, he will revert to the status of a former laid-off employee, provided that he may exercise his seniority and "bump" a junior employee who has been temporarily recalled, provided he is able to perform the normal requirements of such job;
- II. receive the current P&M rate of pay for such work including C.O.L.A., holiday pay, provided he meets the criteria of section 24.08 (Statutory Holiday Definitions) of the Collective Agreement, floating holiday, and vacation pay based on earnings;
- III. have P&M benefits plans premiums as set out in section 31.02 (Health Benefits) of the Collective Agreement paid for by the Company;
- IV. acquire job posting rights for temporary vacancies only, acquire no rights as per Section 17.02 (Layoff In Excess Of 14 Days), except those spelled out in (I) above, but shall be subject to the dues check-off provisions of Section 7.01 (Union Dues).
- V. accumulate seniority and credited service while continuously performing the temporary relief work, including credited service as provided in Section 15.02(c)(iii) of the Agreement;
- VI. acquire recall rights as set forth in section 18.01 (Recall Rights) of the Agreement.

Former laid-off employees rejecting the temporary vacation relief recall will not lose their recall rights.

It is understood that a temporarily recalled employee will not be placed in a permanent vacancy that was not filled through the job posting procedure unless he is senior amongst the former laid off employees, including those who are

temporarily recalled, who can fill the normal requirements of the job and there is no employee with retransfer rights to the division in which the vacancy was posted.

DATED AT SUDBURY, ONTARIO this 31st DAY of JANUARY, 2007

For the Union

Rick Grylls
Rick Grylls

Tom Dattilo
Tom Dattilo

Hemi Mitic
Hemi Mitic

Richard Paquin
Richard Paquin

Rejean Berthiaume
Rejean Berthiaume

Brian Castilkoux
Brian Castilkoux

Gord Lamothe
Gord Lamothe

Jeff Mullaly
Jeff Mullaly

Jack McGrath
Jack McGrath

Jan Romo
Jan Romo

Brian McDonald
Brian McDonald

For the Company

Lori Horner
Lori Horner

Gordon Marrs
Gordon Marrs

Rick Lakanen
Rick Lakanen

Denis Ducharme
Denis Ducharme

Barry Jordan
Barry Jordan

Mike Romaniuk
Mike Romaniuk

109