

2003 – 2006

COLLECTIVE AGREEMENT

BETWEEN

**SIFTO CANADA INC
GODERICH, ONTARIO**

AND

**THE COMMUNICATIONS, ENERGY
AND PAPERWORKERS UNION
LOCAL 16-0**

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Note: the above table of contents is for ease of reference only and shall not be used in any way for assistance in interpreting the main text of the agreement.

COLLECTIVE AGREEMENT

between

SIFTO CANADA INC., a Corporation under the laws of Canada, herein acting with respect only to the Goderich Mine located at Goderich, Ontario, hereinafter referred to as the “Company”.

and

THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION, Local 16-O, located at Goderich, Ontario, hereinafter referred to as the “Union”.

ARTICLE 1 PURPOSE

1.01 The Company and the Union have entered into this Agreement at Goderich, Ontario, for the purpose of recording terms and conditions of employment, resulting from collective bargaining which are to be observed by the parties hereto. It is their desire to maintain a harmonious relationship between the Company and its employees, to settle all differences in an amicable manner as herein provided, and to work together to achieve the most efficient operation of the plant and to promote the safety and health of the employees.

1.02 There shall be no discrimination, interference, restraint, coercion, harassment, or intimidation by the company or the union against any hourly or salaried employee because of membership in the union, age, race, religion, colour, sex, sexual preference, marital status, ancestry, or nationality.

ARTICLE 2 SCOPE

2.01 The company recognizes the CEP Local 16-O and its properly appointed executive as

the sole Bargaining Agent of the employees covered by this Agreement. The rights, terms and conditions of this Agreement apply to Bargaining Unit employees unless stipulated otherwise.

2.02 The following employees are excluded from the bargaining unit:

- All office staff including executive, managerial, sales, engineering, laboratory, accounting, and clerical.
- Supervisory employees above and including the rank of acting foreman.
- Security guards to protect the property of the company.
- All part time and any temporary employees who have not completed the probationary period described in clause 6.01. Such employees shall be subject to equivalent provisions to those provided by article 5 (check-off) article 13 (hours of work and overtime) article 14 (rates of pay) and article 18 (bereavement leave). It is understood that such employees shall be released before any regular employees are laid off and no new employees will be hired

under this section if any regular employee is on layoff.

2.03 Supervisory employees shall not do work which is customarily performed by members of the bargaining unit. This does not apply when the supervisor is engaged in any of the following:

- Training an employee in a manner, which does not supersede or preclude established training.
- Conducting work of a research and development nature.
- In emergencies, for the safety and health of employees or the protection of company property.

2.04 Security guards shall not do work which is customarily performed by members of the bargaining unit.

2.05 Except as provided in 2.02 above, this agreement shall not apply to probationary employees. It is understood and agreed that the termination of any such employee shall be deemed to be for just cause.

2.06 The following departments are recognised:

- Mining
- Surface Operations
- Surface Maintenance
- Underground Maintenance
- Hoisting

2.07 So far as practicable with the work force available, normal maintenance, repair and production work which has been done regularly by the Company's own employees will continue to be done by such employees.

New construction, installation or modification of equipment, major repairs, major maintenance, major overhaul work, warranty work or other work not regularly done by the Company's own employees may be done by outside contractors.

This clause is not intended to restrict the Company to let contracts when it feels it necessary, economical, or expedient to do so, such as not having the necessary equipment, supervision or employees immediately available with the necessary skills or when peaks of work would require a temporary increase of the Company's forces with subsequent layoff of such forces.

If it becomes necessary to contract out work as provided for above, the Company agrees to give a written notification of the reasons for such contracting out to a designated representative of the Union, prior to the work being performed. The Company will normally provide 3 days notice for major contracts involving more than 10 outside workers. If time does not permit, the Company shall notify a Union official and follow with a written notice. In the notification, the Company will give the name of the contractor, the approximate number of personnel involved, the approximate duration and the job to be performed.

The Company will not cause an employee to be laid off, demoted, terminated or transferred by bringing in outside contractors to perform normal maintenance repair or production work on the plant premises.

ARTICLE 3 COMPANY RIGHTS

3.01 The Union acknowledges that it is the exclusive function and right of the Company to:

a) Operate and manage its business in all

respects, except where any right to do so has been specifically restricted by the terms of this Agreement;

- b) maintain order, discipline and efficiency;
- c) make and alter from time to time rules and regulations to be observed by the employees, provided such rules and regulations are not inconsistent with this Agreement;
- d) schedule the production;
- e) direct the working force, hire, promote, demote, transfer, lay-off
- f) because of lack of work, recall, discipline, suspend and discharge for just cause all employees, provided that claims of discriminatory promotions, demotion, or transfer and wrongful or unjust discipline or discharge shall be subject to the grievance procedure herein provided;
- g) subject to 3.02 below, incorporate all manner of technical and process improvements.

3.02 Technological change is defined as the introduction of new technology into the operation or the automation of an activity, which results in a significant change in the method of operating the business. It does not include such things as a change in the volume or timing of business or the routine replacement of equipment.

The company agrees to notify the union of pending technological change, at the earliest practical date which will permit a meaningful discussion of the impact of the change on the operation and the workforce. Such discussion shall include the following:

- the probable effective date;
- the approximate number and classification of employees to be affected, if any;
- the approximate number of jobs to be abolished and/or created, if any;
- any change in the terms, conditions or security of employment.

It is understood and agreed that any new or significantly changed job created by the technological change will be posted in accordance with clause 6.05.

If the technological change creates a permanent reduction in the number of employees at the operation, the reduction shall be effected in accordance with the terms of Letter of Understanding#6.

ARTICLE 4 UNION RECOGNITION

- 4.01 The Company recognises the Union, during the term of this Agreement or any renewal thereof, as the exclusive representatives of the employees for the purpose of collective bargaining with respect to hours of work, rates of pay and other conditions of employment, as set forth in this Agreement.
- 4.02 All employees shall, as a condition of employment, become members of the Union upon completion of their probationary period, maintaining such membership in good standing for the duration of this Agreement.
- 4.03 The Company agrees to make available to the President and other Union Officials, office space equipped with a desk, chairs, telephone and filing cabinet, located on surface, for the purpose of dealing with complaints or grievances arising out of the administration of the Agreement or individual

employee problems arising out of their employment with the Company.

- 4.04 The company will advise the union in advance, whenever a member of the bargaining unit is requested to participate in the evaluation of new equipment or methods. No bargaining unit employee will participate in any activity or function which is reserved to the union under clause 4.01 or current employment legislation without the express permission of the union.
- 4.05 The company will provide the union with up to one hour to meet new employees during their orientation process.
- 4.06 The Company agrees that if the Local Union President, Vice President, Treasurer, Chief Stewards (3), Recording Secretary, Sergeant at Arms, Occupational Health and Safety Certified Representative, WSIB Representative, or Shift Stewards (4) wishes to trade shifts with himself to attend the monthly Union General Meeting, they shall be accommodated.
- 4.07 Should the Company decide to sell or merge in part or in full, any part of the Sifto Goderich Salt Mine with any other Company or entity,

the parties agree that the expressed rights contained in this Collective Agreement shall remain in full force until this Agreement expires as in Clause 22.01 and shall not be altered in any manner until the parties negotiate a new Agreement as in Clause 22.02.

ARTICLE 5 CHECK-OFF

- 5.01 The Company recognises the right of the Union to levy initiation fees and dues.
- 5.02 Upon receipt of written authorisation from the Union, the Company agrees to deduct from the pay of employees covered by this Agreement, initiation fees and regular bi-weekly union dues during the term of this Agreement.
- 5.03 The Company shall remit to the Union bi-weekly, the initiation fees and regular monthly dues deducted together with a written statement of the names of the employees for whom the deductions were made and the amount of each deduction.

ARTICLE 6 SENIORITY

- 6.01 Seniority shall be determined by an employee's length of service in the bargaining unit. A new employee shall be considered probationary, without seniority until he has accumulated 90 working days of employment. Thereafter, his seniority shall date back to his first date of hire within the previous 12 months. After 30 working days of employment, a new employee shall receive a performance review.
- 6.02 When an employee accepts a position outside the bargaining unit, he shall cease to accrue seniority. Such an employee shall retain his existing seniority for 12 months, provided he continues to pay union dues during this period. Failure to pay such dues shall be considered a waiver of the employee's seniority rights. On returning to the bargaining unit, the employee will be placed in the labour pool.
- 6.03 In all cases of promotion, demotion, transfer, lay-off and recall, the Company shall give preference to the senior employees, provided the senior employee has the physical capabilities and the ability to perform the

job in accordance with Company standards. With respect to the issue of an employee's qualifications, where there is a difference between the provisions of this clause and those of any other clause or letter of understanding, the terms of the other clause or letter shall prevail.

- 6.04 a) Permanent job vacancies, including a vacancy on a new classification shall be posted in accordance with Clause 6.05 and shall be awarded to the senior applicant who will be provided with a reasonable amount of time to complete the required classroom training and on the job instruction with a qualified employee.
- b) Thereafter, the employee shall have fifteen (15) working days of actual on the job experience to develop the methods, practices and skills required to be effective on the job and to demonstrate a level of job competency satisfactory to the Company. Where a classification includes multiple functions, such as the Development Miner or Surface Utilityman, each function shall be treated independently.
- c) During the 15 day period referred to above, the employee shall be regularly

reviewed and shall receive a written progress report after 10 days. The Chief Steward shall receive a copy of this report. If after fifteen (15) working days the successful applicant proves unsatisfactory, the Company and the Union shall promptly meet and agree to an appropriate course of action. In the absence of an agreement the employee shall be returned to his former position. All employee(s) promoted, demoted or transferred because of the rearrangement of positions shall be returned to their former position.

- d) Only candidates with an up to date license or equivalent skills recognised by the Company in the appropriate trade will be considered for posted positions which require a recognised trade certificate.

NOTE: The Company recognises that all current Maintenance employees included on the current Seniority List, attached to this Agreement, are either certified with an up-to-date license or considered grandfathered by the Company within their equivalent trade.

6.05 Job vacancies, including a vacancy in a new

classification as outlined below in Clause a) will be considered permanent when the vacancy is to exceed forty-five (45) calendar days. Exceptions to this stipulation are outlined below in Clause 6.06 and 6.07.

- a) Except as specified in Schedule A, Note 3, permanent job vacancies, including a vacancy in a new classification, which are above the Labour Rate shall be posted on the Notice Board for five (5) calendar days in order to give all employees who are interested an opportunity to bid for the job.
- b) The Company will ask the applicants in order of seniority if they wish to accept or decline the posting prior to officially awarding the posting. This process will be handled in accordance with the short term call-out/recall procedure.
- c) A posting will not imply or require dual departmental status and no employee will be allowed to hold two posted positions simultaneously unless mutually agreed to by the parties.
- d) The posting will include a statement indicating the shift schedule, crew on

which the vacancy or position is currently assigned, the department, trade, rate of pay, and job description. Within fourteen (14) calendar days after the posting expires, the Company must announce a successful candidate or cancel the posting. The Company reserves the right to reassign the least senior employee to another shift if required in the future. No prerequisite qualifications or experience gained by an employee prior to awarding of the posting will be considered in the awarding of the posting.

- e) If Classroom training is required, it will normally begin within 10 calendar days, subject to the availability of the employee's successor.

- f) Whenever there is a substantial change in the duties of an existing **job**, the job shall be re-posted unless the parties agree to a different course of action.

- g) Job vacancies will be considered temporary when the vacancy is of a duration of forty-five (45) calendar days or less. Unless otherwise stipulated, such vacancies will be filled as per Letters of Understanding #5 and #8.

h) A vacancy in a new classification, Special Assignment or a Project will be considered a Temporary Vacancy when the vacancy is of a duration of forty-five (45) calendar days or less. The Company will meet with the Union and determine the appropriate method for filling the vacancy. The duration of the Temporary Vacancies may be extended upon mutual agreement of the Company and the Union. In such a case, the resulting vacancy will also be extended and not posted.

6.06 a) The following job vacancies may be re-posted following the corresponding time limits:

- Trainersafter 45 days
- Leave as per clause 7.04 after 45 days
- Union Office Employees..... after 45 days
- Spares will not be re-posted
- LTD, WI and WCB after 40 weeks

b) Vacancies generated by (a) above will be filled in accordance with Letters of Understanding #5 and #8 until the time limits or conditions above are met.

c) An employee returning to regular duty after his job has been re-posted will be given the option to exercise

his seniority rights in all jobs, on all shifts, in all departments provided the employee exercising this option has the qualifications, the physical capabilities and the ability to perform the job in accordance with company standards. If the employee is unable to exercise his seniority rights in this fashion, he will then be offered training on a job, of his choice, to which his seniority and physical capabilities apply. If the employee is still unable to exercise his seniority rights in this fashion, the employee will be returned to the posting he held prior to his absence if the employee still maintains the physical capabilities. Any employee promoted, demoted or transferred because of the re-arrangement of positions shall exercise his seniority rights in the same order as stated in clause 6.16 (b) and (c).

6.07 Vacancies generated by normal vacation periods as per Article 16 will not be re-posted and shall be filled as per Letters of Understanding #5 and #8. Vacancies generated by the special paid retirement leave in Clause 20.03 may be posted as per Clause 6.05 above after the retiree has exercised this option.

- 6.08 As a general principle, daily work assignments in the Mining Department and the Surface Operations will be selected in accordance with Letter of Understanding #8.
- 6.09 a) Special Assignments and Projects which are not typically part of a posted classification in any Department other than the Maintenance Department, will be selected by the Labour Pool or Surface Utilityman if the work assignment lasts four days or less. The selection of work assignments of five days or more will be made after consultation between the Company and the Union President or his assigned delegate.
- b) Projects in the Maintenance Department that last longer than four **(4)** days will be offered by seniority and qualifications.
- 6.10 An employee in the Mining Department whose job is not available on a given shift will be assigned to the labour pool and an employee in the Surface Operations will be assigned to the Surface Utilityman classification.
- 6.11 On a shift to shift basis, as a general principle, all daily work assignments will be distributed in a common area at a specific time in each respective department.

6.12 The term “posting” below is as defined in Clause 6.05 and with the exception of posting vacancies, for the purpose of this article, labourer positions will be treated in the same manner as postings.

6.13 a) In the event of a layoff, all probationary and temporary employees in the department(s) affected by the layoff shall be released first. Thereafter, regular employees shall be laid-off in reverse order of seniority in accordance with the applicable Clauses. With the agreement of both parties, an employee not affected by the layoff may be transferred to another department to minimise the effect of the layoff on other employees.

b) Probationary employees laid off and subsequently rehired within 12 months of their layoff date will retain all their previous service time. Their new seniority date will be adjusted accordingly.

6.14 a) In all cases of layoffs, posting eliminations, or shut downs lasting five (5) working days or less, the company will assign employees to the available work based on their seniority and qualifications. Those employees remaining at work shall not

exercise their seniority rights nor shall their rates of pay be altered.

- b) For the purpose of clause 6.14 (a) each 24 hour day will be treated as a unique event and to the extent permitted by employment legislation, employees originally scheduled to work that day will be assigned to the available work based on their seniority and qualifications. A senior employee who cannot be so accommodated will have a corresponding adjustment in overtime hours worked.
- c) If there is less than 4 weeks between commencement shutdowns of 5 working days or less, as described in 6.14 (a), then 6.15 will apply to any subsequent weeks.

6.15 In the event of an employee being laid off out of seniority for a period of more than five (5) days due to a lack of qualifications, the Company will provide training to the senior employee(s) on a job classification held by a junior employee, as set forth in Clause 6.16 (c), except as restricted in Clause 6.04 (d).

6.16 In all cases of layoffs, posting eliminations,

or shut downs lasting more than five (5) working days, the employees displaced shall have the right to exercise their seniority and qualifications as follows:

- a) The Company shall prepare a list indicating the number of employees required in each job classification on each shift.
- b) Each employee displaced as a result of Clause 6.16 by a layoff, a posting elimination, a shut down lasting more than five (5) working days or by another employee, will be given, in order of seniority, the option to bump the most junior employee in any classification on any shift in the department, provided the employee exercising this option has the qualifications, the physical capabilities and the ability to perform the job in accordance with Company standards. Senior employees who are unable to exercise their seniority rights in this fashion, will then be given the option of exercising their seniority rights in all jobs, on all shifts, in all departments provided the employee exercising this option has the qualifications, the physical capabilities and the ability to perform

the job in accordance with Company standards. These rights may be exercised immediately if the Company knows the five (5) day time limit will be exceeded.

- c) Senior employees who are still unable to exercise their seniority rights in the fashion as outlined in Clause 6.16 (b), will be offered training on a job classification held by a junior employee to reduce the likelihood of being laid off out of seniority, except as restricted in Clause 6.04 (d). The employee will be consulted before the job is selected. Any employee displaced during this process will be given the same option, except as restricted in Clause 6.04 (d). This right may be exercised immediately after the process outlined in Clause 6.16 (b) has been completed.

6.17 In all cases of recall, and/or the process of resuming jobs as a result of Clause 6.16, the Company will post all vacancies available in accordance with Clause(s) 6.04 and 6.05. The vacancies will be filled as follows;

- a) Employees who remain actively at work may choose to fill a vacant labourer position or post to the vacancies in accordance with Clauses 6.04 and 6.05.

- b) Employees who are not actively at work (on layoff), will be recalled by seniority to the "Labour Pool" or post to any remaining vacancies in accordance with Clause(s) 6.04 and 6.05 after Clause 6.17 (a) has been completed. An employee who chooses this option and who is unable to exercise his seniority rights in this fashion, will be trained on a job to reduce the likelihood of being laid-off out of seniority. The employee will be consulted before the job is selected. Any employee displaced during this process will be given the same options of exercising their seniority rights on the shift, except as restricted in Clause 6.04 (d).
- c) When all employees are recalled to work following a shutdown, the employees will return to the postings held immediately before the shutdown.
- d) When employees are recalled to deal with a short term situation other than an increase in production, the work will be offered to senior qualified employees.
- e) Should a recall situation occur which cannot be practically covered by any of a, b, c or d above, the parties will meet to determine an appropriate procedure.

- 6.18 Once the processes described in Clause(s) 6.16 and 6.17 have been completed, no bumping will be permitted until the next layoff, posting elimination, shutdown, or recall except in accordance with Clause(s) 6.19, 6.20, 6.21 and 6.24.
- 6.19 In the case of a permanent layoff, or a permanent elimination of a posting, all employee(s) displaced shall have the right to exercise their seniority rights in all jobs, on all shifts, in all departments in accordance with Clause 6.03, except as restricted in Clause 6.04 (d).
- 6.20 In all cases of a partial elimination of a posting within a classification, the senior incumbents will be given the option to either retain their posting or exercise their seniority rights, in all jobs, on all shifts, in all departments in accordance with Clause 6.03. Any employee displaced during this process will be given the option to exercise their seniority rights in all jobs, on all shifts, in all departments in accordance with Clause 6.03, except as restricted in Clause 6.04 (d).
- 6.21 All employees displaced as a result of Clause(s) 3.02, 6.05 (f), or 13.02 (7) will be given the option to exercise their

seniority rights in all jobs, on all shifts, in all departments in accordance with Clause 6.03, except as restricted in Clause 6.04 (d).

6.22 An employee whose equipment is down or whose job is not required for more than thirty (30) consecutive calendar days, for reasons other than those contemplated in Clause(s) 6.15 through and to Clause 6.21 inclusive, will have the option to exercise his seniority in all jobs, on all shifts, in all departments in accordance with Clause 6.03, except as restricted in Clause 6.04(d). All employees permanently displaced by employees exercising their seniority rights under this Clause will also have the option to exercise their seniority in all jobs, on all shifts, in all departments, provided the employee exercising this right has the qualifications, physical capabilities and the ability to perform the job in accordance with Company standards. To decrease the likelihood of an employee being laid off out of seniority, all employees will be offered training on a job classification held by a junior employee, except as restricted in Clause 6.04 (d). The employee will be consulted before the job is selected. These rights may be exercised immediately if the Company knows the thirty (30) day time limits will be exceeded.

6.23 The training provided in all Clause(s) of Article 6, will be administered in the same fashion as outlined in Clause 6.04.

6.24 An employee shall cease to have seniority rights and his employee status with the company shall be terminated for all purposes if he:

- a) voluntarily leaves the company;
- b) is discharged for just cause;
- c) retires from company service;
- d) is laid off by the company and has not been recalled in accordance with the time limits outlined below. In such an event, an employee with 5 or more years of continuous service and who has not previously been offered severance, shall be entitled to a severance payment calculated in accordance with Letter of Understanding #6.

Years of Service

- Less than 1 year 12 months
- 1 year or more 24 months
- 10 years or more 36 months
- 20 years or more 48 months

NOTE: In the event of a shut down of the mine in part or in whole for reasons of natural or accidental disaster or a decision to temporarily cease mining production, it is understood that the employee's recall rights shall be initiated upon the day the mine reopens for production.

- e) fails to notify the company within three (3) calendar days following receipt of notice to return, by registered mail sent to the employee's last place of address on record with the Company, of his intention to return to work following a lay-off;

NOTE: The time limit allowed for the receipt of such notice shall be four (4) calendar days after the mailing date.

- f) fails to report for work following a lay-off, within fourteen (14) calendar days after notice to return to work has been sent by registered mail, to the employee's last place of address on record with the company.

NOTE: It is the responsibility of the employee on lay-off to notify the company of the address where he can be reached in the event of recall.

- g) is absent for more than three (3) consecutive working days without just cause in the opinion of the company, except in the case of illness or accident provided the company is notified of such illness or accident during the above three (3) day period. The company may require such illness or accident to be confirmed by a doctor's certificate. Notwithstanding the words "in the opinion of the company" an Arbitration Board may render a decision based upon the merits of the issue in dispute.
- h) he does not report for work upon the expiration of an authorised leave of absence, unless excused for reasonable cause.

6.25 a) Notwithstanding Article 7.02, an employee absent due to illness or accident, shall accumulate and retain seniority rights and employee status with the Company while on Weekly Indemnity, Long Term Disability or Worker's Compensation or during the following periods of absence, whichever is greater.

Years of Service

- Less than 1 year 12 months

- 1 year or more 24 months
- 10 years or more 36 months
- 20 years or more 48 months

b) An employee shall retain seniority rights and employee status with the Company for a leave of absence for any reason other than those named in (a) for up to three (3) months, except as provided for in Clause 7.03 and 7.04.

NOTE: Employees who have exceeded the time limits in this Clause shall lose their seniority rights and their status as an employee of the Company shall terminate.

6.26 For the purpose of this Article, any reference to departments shall mean those outlined in Clause 2.06.

6.27 An employee on lay-off shall have no status under this Agreement, except as specifically provided herein.

6.28 A Seniority List shall be made up by the Company every six (6) months. One (1) copy shall be posted on the Notice Board and one (1) copy shall be supplied to the Union. Any disagreement on the seniority positions shall be taken up with the Company and referred to the original date of hire.

6.29 The Company agrees a seniority list will be included in the Collective Agreement booklets as an appendix. It will have the following note attached to the bottom of the seniority list: "This list is for quick informal reference and is not an official seniority list."

ARTICLE 7 LEAVE OF ABSENCE

7.01 All leaves of absence shall be without pay, except as noted in Clauses 15.07, 18.02, 18.03, 21.01 and 21.02

7.02 Employees absent due to sickness or accident or on Workers' Compensation shall be automatically considered to be on leave of absence, provided that the Company may require such sickness or accident to be confirmed by a doctor's certificate.

7.03 Employees of the Company, not exceeding two (2) in number, elected by the Union as representatives to District, Provincial or National functions shall, subject to production requirements be granted reasonable leave of absence to attend such functions, provided the Company received adequate notice of requested absence.

The employees granted such a leave of absence shall accumulate seniority for the duration of said leave.

7.04 During the term of this agreement, the Company, on application from the Union reasonably in advance, shall grant leave of absence not to exceed six (6) months, for up to 3 employees who may be selected as a representative of the National Union, to fill an office with the District, the Ontario Federation of Labour, or the Canadian Labour Congress or to act as a certified instructor. This leave of absence may be extended an additional six (6) months by agreement of the parties. The employee granted such a leave of absence shall accumulate seniority for the duration of said leave. The employee will not be entitled to any benefits under this Agreement except that the Group Insurance coverage will be maintained providing the employee pays the full cost.

7.05 The Company shall grant leave of absence to those employees required to attend any conciliation or arbitration proceedings. It is agreed that the number of such employees shall be kept to a minimum so as not to affect the efficient operation of the mine.

- 7.06 An employee may be granted up to two (2) weeks leave of absence consecutive with his vacation and if the Company grants such leave of absence, the employee shall accumulate seniority during such leave.
- 7.07 A leave of absence may be extended by the Company for justifiable reasons.
- 7.08 An employee who is unavailable for work as a result of being charged with a crime, shall not be terminated solely by reason of such absence during the first 60 days of the absence.

In such an event, the company reserves the right at any time, to make a decision with respect to the employee's ongoing employment based on the facts of the incident. Any such decision will be subject to the provisions of Clause 3.01(e).

ARTICLE 8 COMMITTEES

8.01 NEGOTIATING COMMITTEE

The Company agrees that a Negotiating Committee, not to exceed five (5) employees in number, selected by the Union, shall be recognised as the authorised negotiating

representative of the Union. The Company shall deal with the said Committee with respect to proposals for modifications of the Agreement as outlined in Article 22. An accredited official of the Union may participate in any such negotiations.

The Union shall supply the Company in writing the names of the employees constituting the Negotiating Committee and shall inform the Company two **(2)** days prior to any meeting of any changes in the personnel of the said committee.

Meetings between the Company and the Negotiating Committee shall be held at times affording the least loss of time to the Company and to the members of the Committee. It is understood that payment to the members of the committee for regular time lost in connection with the re-negotiation of this Agreement will be paid by the Company up to conciliation.

For the purposes of this Section, an employee who is not on his day off and who spends a day in negotiations with the Company shall be deemed to have performed a day of work for all purposes, including the calculation of overtime, and

Committee Members shall not be required to work the #1 Shift immediately before or the #3 Shift immediately after a day of negotiations, if they would otherwise have been so scheduled.

The Company shall not pay Committee members for time lost from work due to conciliation proceedings.

8.02 GRIEVANCE COMMITTEE

The Company agrees that a Grievance Committee, not to exceed three (3) employees in number, selected by the Union, shall be recognised as the authorised representative of the Union to handle all grievances as outlined in Clause 9.03.

The Union shall supply the Company in writing the names of the employees constituting the Grievance Committee and shall inform the Company at least two (2) days prior to any meeting of any change in the personnel of the said Committee.

Meetings between the Company and the Grievance Committee shall be held at times affording the least loss of time to the Company and the members of

the Committee. It is understood that compensation to employees for regular time lost in connection with grievances of employees shall be paid by the Company up to and including Step Two.

The Company shall not pay Committee members for time lost from work due to Arbitration proceedings.

8.03 Meetings of the following Union-Management Committees shall be held at times affording the least loss to the Company.

The Union-Management Committees are as follows:

- a) Labour Management Committee
- b) Joint Health and Safety Committee
- c) Joint Training Committee

Time spent by members under (a) and (b) above shall be paid by the appropriate straight time or overtime rate. Time spent by members under (c) above will be paid in accordance with Letter of Understanding #9.

8.04 LABOUR MANAGEMENT COMMITTEE

The Company recognises a Labour Management Committee comprised of 5 Mine Management (Mine Manager and below) and 5 Senior Local Union Officials (Local President and below) to meet not less than once every month or as otherwise agreed between the parties, for the purpose of advising and consulting on matters impacting on the operations and the employees, and to otherwise enhance communications to their mutual benefit. It is understood that upon notification from either party, up to two (2) additional employees who are pertinent to the discussion may attend.

8.05 JOINT HEALTH AND SAFETY COMMITTEE

The Joint Health and Safety Committee shall be composed of three (3) employees selected by the Company and three (3) employees selected by the Union.

The Joint Health and Safety Committee shall meet not less than once a month.

The purpose of the Committee is to monitor and make appropriate recommendations on matters pertaining to health and safety

as provided in Article 17

ARTICLE 9 GRIEVANCE PROCEDURE

9.01 When an employee or a group of employees has a dispute involving the interpretation, application or an alleged violation of the agreement, the employee(s) and the employee's supervisor(s) will discuss the dispute and attempt to resolve it. A steward may be present at the employee's request during the discussion. Failing a satisfactory resolution of the dispute a grievance may be submitted electronically to the employee's supervisor by the chief steward or his designate, to step one of the grievance procedure, provided that no more than 3 weeks has elapsed since the date of the incident giving rise to the grievance or 2 weeks since the employee discussed it with his supervisor.

9.02 A first step meeting shall be scheduled within 2 weeks of the date the grievance is submitted. This meeting may be attended by the employee, the employee's shift steward and the chief steward or his delegate. The Company will be represented by the appropriate superintendent and/or

his delegate and the supervisor. The Company will provide a written answer within 1 week of the meeting. Failing a satisfactory resolution at step one, the grievance may be advanced to step two, provided the Union notifies the Company in writing within 2 weeks of the first step answer.

9.03 A second step meeting shall be scheduled within 2 weeks of the notification and will be attended by the grievance committee and the national representative or his delegate. The Company shall be represented by the Mine Manager or his delegate and such other Company officials as may be appropriate. Either party may request the presence of the grievor. The Company will reply in writing within 1 week of the second step meeting.

9.04 Failing a satisfactory resolution at step two, the grievance may be advanced to arbitration, provided the Union notifies the Company in writing within 2 weeks of the second step answer.

9.05 At all steps of the grievance and arbitration procedure, the grievor and the Union shall disclose to the Company a full and detailed

statement of the facts, the remedy sought and the provision(s) of the Agreement relied upon. In a similar fashion, the Company shall disclose all pertinent facts upon which it relies. In the event additional facts become available they will be revealed to the other party in a timely fashion.

9.06 a) A policy grievance is defined as a dispute which affects the rights of the parties to this Agreement as entities rather than the rights of an individual employee or group of employees. Policy grievances shall be initiated at step two.

b) To avoid the necessity of processing numerous grievances concerning the same subject or event, the Company will recognize Group Grievances, provided that each aggrieved employee's name is listed on the grievance and 9.02 shall apply. One representative of the group may attend.

9.07 It is understood and agreed that no precedent shall be set as the result of a dispute or grievance which is settled short of arbitration unless both parties expressly agree in writing, that the settlement shall constitute a precedent. Neither party

shall utilise the settlement of a dispute or grievance in an effort to maintain a practice or to initiate the same or similar practice in another location.

9.08 No employee or employee representative shall leave his work for any of the purposes mentioned in this Agreement without a request to and permission from his foreman. No meeting between an employee and the Company during which an employee is entitled to and request representation will commence until the employee representative can be made available. The Company agrees to maintain a reasonable balance between employee and management representatives.

9.09 A copy of any written material or notice of discipline or counselling used by the Company to correct behaviour, will be forwarded to the Local Union Chief Steward.

9.10 The written material, discipline or counselling notices referred to in Clause 9.09 that do not involve a suspension shall be deleted from an employee's file if a period of twelve (12) months has elapsed without any new infraction resulting in further disciplinary action.

- 9.11 The record of a suspension shall be deleted from an employee's file if twenty-four (24) months has elapsed without any new infraction resulting in further disciplinary action.
- 9.12 Disciplinary suspensions will be served in a timely fashion at management's discretion. When such a suspension is 5 days or less and is the subject of a grievance it will normally be served after the earlier of the second step answer or the date the grievance is abandoned.
- 9.13 The parties agree that the time limits in this procedure are mandatory. Furthermore, if the company fails to schedule or hold a meeting within the prescribed time limits, the grievance shall be automatically advanced to the next step in the procedure.

ARTICLE 10 ARBITRATION

- 10.01 When either party decides to submit a grievance to Arbitration, as per Clause 9.04, the other party shall be so advised in writing. The Company and the Union shall then each appoint an arbitrator within five (5) days. The two (2) arbitrators so

appointed shall meet immediately, and if, within the next five (5) days, they fail to settle the grievance, then they shall endeavour to agree upon a third arbitrator to act as Chairman of the Arbitration Board. If the third arbitrator is not chosen within a further five (5) day period, then the Minister of Labour for the Province of Ontario shall be requested to appoint an impartial Chairman.

- 10.02 No person shall be appointed as an arbitrator who has been involved previously in an attempt to negotiate to settle the grievance.
- 10.03 Each party shall pay the remuneration and expenses, if any, of the arbitrator appointed by such party and the remuneration and expenses of the Chairman shall be borne equally by the Company and the Union. Witness fees and allowances shall be paid by the party calling the witness.
- 10.04 Notwithstanding the provisions of Clause 10.01 and 10.03, the Company and the Union may by mutual agreement, substitute a sole arbitrator for an Arbitration Board. In this event the words "Arbitration Board" in this article shall be deemed to read sole arbitrator. The remuneration

and expenses of the arbitrator shall be borne equally by the Company and the Union. Witness fees and allowances shall be paid by the party calling the witness.

10.05 The proceedings and the decisions of the Arbitration Board shall be expedited by the Company and the Union. The decision of the majority of such Board shall be final and binding upon the parties hereto; but the arbitrators shall not be authorised to make, nor shall they make, any decision or recommendation inconsistent with the provisions of this Agreement, nor alter, modify, or amend any part of this Agreement, nor make any general changes such as changes in wage rates, nor deal with any matter not covered by this Agreement. If there is no majority decision, then the decision of the chairman shall prevail.

10.06 It is understood and agreed that the expedited arbitration process provided by the Ministry of Labour shall be restricted to issues of discipline or discharge or any issue the parties mutually agree to submit.

ARTICLE 11
NO STRIKES OR LOCKOUTS

- 11.01 The union agrees there shall be no strike, work stoppage, slowdown or restriction of output during the life of this agreement.
- 11.02 The Company agrees that there shall be no lockout during the life of this Agreement.

ARTICLE 12
MAINTENANCE & PROTECTION DURING
SUSPENSION OF WORK

- 12.01 It is agreed that, during any general suspension of work at the said mine at any time and for any cause whatsoever, the Company's property shall be protected, the skip hoist, water pumps, and other machinery necessary for the protection of the mine, shall be kept operating, and the Company's equipment shall be left in good condition by the employees. The safety provisions of the current Occupational Health and Safety Act, and Regulations for Mines and Mining Plants shall be fully complied with by all employees prior to any cessation of work.
- 12.02 It is understood that those employees who

are required to remain at work, or report to work (including Mine Rescue personnel), under the provisions of Section 12.01 above, shall be available for such work during the suspension of work. No production or shipping work shall be done by such employees.

It is agreed that personnel required to report for work under sections 12.01 and 12.02 shall have Life, AD&D, and hospital insurance maintained by the Company for claims incurred on any day the employee has actively been at work.

12.03 The employees referred to in Section 12.02 above shall be paid at the wage rates in effect at the time of the general suspension of work.

ARTICLE 13

HOURS OF WORK AND OVERTIME

13.01 a) The work week commences at the beginning of Monday's #1 Shift and the regular hours of work shall be forty (40) per week which shall normally consist of five (5) eight (**8**) hour shifts in accordance with the regularly assigned shift schedules. Shift schedules

affecting three (3) shift seven (7) day mining operations shall provide an average of forty (40) hours per week over a four (4) week cycle. Employees on such a schedule are not eligible for overtime pay on the sixth (6th) regularly scheduled shift in any work week.

Five (5) day shift schedules that do not provide Saturday and Sunday as days of rest will be awarded to volunteers only.

- b) The Company may schedule overtime maintenance shifts on Saturdays of up to ten and one half (10 ½) hours provided production on shifts 1 and 2 is limited. It *is* understood and agreed that *no* employee will be assigned to work more than 8 hours.

13.02 Shift Start Times

- 1/ The shift schedules are as follows:
- i) Processing, Back-Checkers, Clean Up
- shift 1 - 11:40 PM to 7:40 AM.
shift 2 - 7:10 AM to 3:10 PM.
shift 3 - 3:10 PM to 11:10 PM.
(airtesters: 1 ■ 25 PM to 7:25 AM)

ii) Labour Pool (7day)

Monday thru Friday

Shift 1 - 12:00 PM to 8:00 AM.

shift 2 - 7:30 AM to 3:30 PM.

shift 3 - 3:00 PM to 11:00 PM.

Saturday and Sunday

shift 1 - 11:40 PM to 7:40 AM.

shift 2 - 7:10 AM to 3:10 PM.

shift 3 - 3:10 PM to 11:10 PM.

iii) Development

shift 1 - 12:00 PM to 8:00 AM.

shift 2 - 7:30 AM to 3:30 PM.

shift 3 - 3:00 PM to 11:00 PM.

Development Utility

shift 1 - 12:00 PM to 8:00 AM.

shift 2 - 7:30 AM to 3:30 PM.

shift 3 - 2:50 PM to 10:50 PM

iv) Muck and Scale

shift 1 - 11:50 PM to 7:50 AM

shift 2 - 7:20 AM to 3:20 PM

shift 3 - 2:50 PM to 10:50 PM

v) Blasting Crew

shift 1 - 12:10 AM to 8:10 AM

shift 2 - 7:45 AM to 3:45 PM

shift 3 - 3:30 PM to 11:30 PM

- 2/ The shift schedules for the Hoisting, Surface Operations, and Skiptenders will be:

shift 1 - 11:00 PM to 7:00 AM.

shift 2 - 7:00 AM to 3:00 PM.

shift 3 - 3:00 PM to 11:00 PM.

Shaftmen and Shippers

shift 2 - 7:00 AM to 3:00 PM

shift 3 - 3:00 PM to 11:00 PM

- 3/ The shift schedule for the Material Handlers will be:

shift 3 - 2:30 PM to 10:30 PM.

- 4/ The shift schedules for Services:
Misc. Crew (Diamond Drill Rotating)
- shift 2 - 7:00 AM to 3:00 PM
- shift 3 - 2:50 PM to 10:50 PM

- 5/ The schedule for Maintenance
(surface and underground)

shift 1 - 10:30 AM to 6:30 PM

shift 2 - 6:30 AM to 2:30 PM

shift 3 - 2:30 PM to 10:30 PM

- 6/ Shift premiums for the above schedules will be in accordance with Clause 14.02.

7/ Whenever the starting time for a job classification is changed, the job classification will be re-posted with the starting times included on the posting. Furthermore, if a shift pattern is changed, the job classification will be re-posted with the starting times and pattern listed on the posting. The existing incumbent(s) will be allowed to exercise his seniority rights in accordance with Article 6.

8/ The Company agrees to post schedules and keep the schedules current.

13.03 All employees shall receive an uninterrupted 30 minute paid lunch period which shall be scheduled between the third and fifth hours of the shift. An additional half-hour at straight time shall be paid to any employee authorized to work through lunch.

13.04 a) Except as noted in Section 13.05 all hours worked in excess of the regularly assigned daily hours shall be considered as overtime and shall be paid for at rates of one and one-half (1%) the employee's straight

time classified rate except double the employee's straight time classified rate will be paid for the following:

- i) For five (5) day operation employees all overtime hours worked between 00:01 and 24:00 hours on non-scheduled Sundays.
- ii) For five (5) day operation employees all overtime hours in excess of eight (8) hours between 00:01 and 24:00 hours on a non-scheduled Saturday.
- iii) For seven (7) day continuous operation employees who are required to work overtime hours in excess of eight (8) hours between 00:01 and 24:00 hours on the first (1st) day of rest in a given work week.
- iv) For seven (7) day continuous operation employees who are required to work overtime hours between 00:01 and 24:00 hours on their second or subsequent days of rest in a given work week.

- b) An employee who works more than twelve (12) continuous hours shall be paid at the rate of double time for all hours worked beyond the twelve (12) hours. Lunch periods or breaks not exceeding two (2) hours in duration shall not be considered as breaking a continuous period of work. Overtime shall be calculated to the nearest one-tenth (1/10) hour worked.
- c) All hours worked in excess of 8 on the Saturday overtime Maintenance shift will be paid at the rate of double time.
- d) For the purpose of time off when a holiday occurs on an employee's scheduled day(s) of rest, the employee shall have the option of a day(s) off in lieu of the holiday.

The employee will indicate his desire to exercise this option one (1) week prior to the holiday. The lieu day will expire on the first anniversary of the lieu day and shall be deemed lost if they are not used by the employee by that time.

Employees may schedule lieu days on reasonable notice on a day of the employee's choice, provided the

total number of employees absent for vacation, floaters and lieu days in the employee's work group does not exceed the vacation allotment for that work group plus one (1). Alternatively, the Company may schedule a common shift off for the employees affected.

- 13.05 a) A shift schedule shall be posted not later than 3 PM on Wednesday of the preceding week. In the event there is a change in an employee's days or hours of work after the schedule is posted, the first 8 hours worked under the changed schedule shall be paid at time and one half.
- b) Employees who work outside of their regular work week on their regular shift shall be paid at the overtime rate of time and one-half for such work even if they have failed to work five (5) regular shifts within their regular work week for good and sufficient reason.
- c) Two employees may exchange shifts by mutual consent, provided they have received prior approval from both their supervisors. Under no circumstances will overtime be paid as a result of this exchange of shifts.

13.06 Overtime may be required which shall be first offered to qualified employees in the department where overtime is required and thereafter in the following order;

- a) employees who hold posted relief positions
- b) qualified employees in the other Operations or Maintenance department
- c) helpers from any other department where practical

Should the above (a, b, c) volunteer employees not be offered the overtime, it is understood the Company may assign the least senior qualified employees from the department where overtime is required who are immediately available and who have not worked in excess of 48 hours in the work week described in Clause 13.01.

The Company agrees to give as much advance notice as possible to employees required to work outside their regular work-week.

All overtime hours worked will be included in the employee's normal department overtime hours roster.

13.07 Overtime work shall be distributed as equally as possible among qualified employees within the departments outlined in Clause 2.06, in accordance with the Company's "Overtime Distribution Procedure". Overtime will be offered to eligible qualified employees with the least amount of total paid overtime hours at the time the overtime is made available. The remuneration for such work shall be at the wage rate normally paid for the job. It is recognized and agreed that it is not possible to ensure an equality of overtime at any given time. However, the Company will, to the best of its ability, equalize distribution on a continuing basis within each department.

Employees are to inform any General Foreman of overtime errors that were posted on the "Employees Required to Work List". Concerns will be acted on as soon as possible.

When an employee brings an error in the list of "Employees Required to be Worked List" to the Company's attention prior to the overtime to be worked, the overtime shall be corrected in the following way:

- a) If there is time for the error to be corrected, the employee shall be added to the “Employees Required to Work List”.
- b) If another employee is subsequently removed from the “Employees Required to Work List”, he shall be entitled to compensation equal to four **(4)** hours pay at his regular straight time rate.

If the employee did not have the opportunity to view the “Employees Required to Work List” and if an error was made in not giving him the overtime, for which he was qualified, he shall be entitled to compensation equal to four **(4)** hours pay at his regular straight time rate.

The overtime roster for each department shall be updated and posted weekly and will show the running total of overtime hours worked in excess of 48 in a week. The current “Overtime Distribution Procedure” will also be displayed at the wicket. The Union will receive a copy of each.

13.08 The bargaining unit employees in each of

the departments outlined in Clause 2.06 may establish or change the method by which overtime will be distributed, provided the method is acceptable to a minimum of 75% of those employees, the company and the union and it does not alter any other provision of this Agreement. All paid overtime hours worked including call outs, will be charged against the employee's overtime roster. When the need arises to determine a 75% consensus, an on site vote will be conducted by the union.

- 13.09 An employee temporarily on a transfer into another department for less than an entire work week as defined in Article 13.01 shall not be eligible to work overtime in the new department. He will however, remain eligible to work overtime in the department to which he is normally assigned. Upon completing an entire weeks work in the new department, the employee will not remain eligible to work overtime in the department to which he is normally assigned until he has transferred back.
- 13.10 An employee shall have his overtime set at the average of the employees in his department when he returns to work following an absence from work in excess

of two (2) months, except for absence on a vacation with pay.

Employees working overtime for committee work or for mine rescue training or for mine rescue work shall not be charged on the overtime roster for the overtime so worked.

13.11 An employee who is on a temporary assignment to another Department will assume the hours and conditions of work of that department during the assignment.

13.12 In the event an employee works two (2) or more hours overtime continuous with his regular or overtime shift he shall be provided a meal, or meal allowance at the conclusion of ten (10) hours worked. If he is required to work more than ten (10) hours, he will be provided with a one-half (½) hour lunch period with pay. The approximate value of the meal shall equal sixteen dollars (\$16.00), or the employee shall receive a cash payment of an equal amount in the event a meal cannot be provided. The meal, (or equal payment) shall be provided each succeeding period of four (4) hours overtime. In cases where a cash payment is made, if an employee

arranges to have a meal brought in by taxi from Goderich, the cost of such taxi shall be paid for by the Company up to a maximum of six dollars (\$6.00) upon presentation of a valid receipt. However, this shall not apply if an employee is granted permission to go home in order to have his meal at his regular time.

- 13.13 Underground employees will work 8 hours collar to collar and will be paid 8 hours and 15 minutes at straight time or the applicable overtime rate and will be allowed to punch out and leave the property as soon as their scheduled cage arrives on surface. The shift schedules listed in clause 13.02 are the collar down and up times for underground employees. Underground employees will be punched in, dressed and at the wicket 5 minutes prior to the collar down time for their respective classification. The cage to surface for each classification will leave the bottom of the shaft 5 minutes prior to the collar up time for that classification.

Employees who remain at work in excess of 8 hours underground or who work underground during a shift and are subsequently required by the company to

be on surface will not lose the 15-minute collar to collar premium. Any employee who leaves work early will forfeit the 15-minute premium pay and will be paid according to the punch clock.

Underground and any applicable shift, Saturday or Sunday premium will be added to the collar to collar premium and will not be considered as pyramiding.

13.14 Employees trapped in the Mine after the completion of their regular shift will be paid for all hours so trapped, and will remain or leave the Mine at the direction of the Emergency Control Group.

13.15 a) An employee who reports to work at his scheduled time shall be guaranteed four (4) hours pay at his regular straight time rate unless he is notified in advance not to report by one of the following methods:

- in person.
- by phone 1 hour in advance of the shift.
- by posting a notice on the bulletin

board before the employee leaves the property on his last scheduled shift prior to the cancelled shift.

Any alternate work provided shall be performed.

- b) An employee who is scheduled to report for overtime work and who is subsequently personally notified either not to report, or to advance, or delay reporting by three (3) hours or more from the original posted start time will be entitled to compensation equal to four (4) hours pay at his regular straight time rate.

- 13.16 a) A call-out is voluntary unscheduled work where the employee is not so notified during his previous working period. Employees working call-outs will be paid 4 hours straight time or actual hours worked at the applicable overtime rate whichever is greater.

If the call-out conflicts with the 8 hour period prior to the employee's next scheduled shift the employee will have the following options when the call-out work is completed (the employee will notify a supervisor on site of his

intention or any subsequent change in chosen option):

- Continue working to complete an 8 hour shift. The employee will be paid the applicable overtime rate for the entire 8 hours.
- Return to work for his next scheduled shift at the scheduled start time. The employee will work up to his full 8-hour shift in addition to the call-out. The first 8 hours between the call-out and scheduled shift will be paid at the applicable overtime rate, and additional hours at straight time (or overtime if appropriate).
- Delay the start time of his scheduled shift by up to 8 hours. The employee may work the remainder of his regular shift or work up to an 8 hour shift. The first 8 hours between the call-out and scheduled shift will be paid at the applicable overtime rate, and any additional hours at straight time (or overtime if appropriate). Article 13.05 (a) shall not apply.
- Cancel his next scheduled shift.

The employee will be paid 6 hours straight time or the actual hours worked at the applicable overtime rate whichever is greater for the call-out, The employee will not be paid for the cancelled shift.

- b) If the start time of the call-out as defined in 13.16(a) is 2 hours or less prior to the start time of the employee's next scheduled shift, the hours worked before the start of the shift will be paid at the applicable overtime rate. The employee may work his scheduled shift in addition to the call-out, but will not be required to work more than 8 hours total. Article 13.05 (a) shall not apply.

13.17 No provision in this Agreement shall entitle an employee to more than one overtime premium payment for the same hours worked.

13.18 This Article is only for the purpose of establishing hours of work and of calculating overtime and shall not be construed as a guarantee of hours of work per day or per week, except as noted in Sections 13.15 and 13.16 above.

ARTICLE 14 RATES OF PAY

14.01 The Company and the Union agree that the rates of pay as set forth in the attached Schedule " A shall be the minimum rates of pay, shall form part of this Agreement and shall continue to be in effect for the duration of this agreement.

14.02 A shift premium of fifty cents (\$0.50) per hour and seventy three cents (\$0.73) per hour shall be paid for work performed on all #3 or #1 shifts. This premium will not be paid to employees called in to work in accordance with Article 13.16 (a).

Effective April 1, 2004, the #3 Shift premium will be increased to fifty seven cents (\$0.57) per hour and the #1 Shift premium will be increased to eighty cents (\$0.80) per hour.

The shift premium payable for overtime attached to a shift will be that of the employee's scheduled shift.

For the purposes of calculating shift premiums only, #1 Shift is any shift starting between 20:01 hours on the previous day

and 04:00 hours on the same day. #2 Shift is any shift starting between 04:01 hours and 12:00 hours on the same day. #3 Shift is any shift starting between 12:01 hours and 20:00 hours on the same day.

When overtime is required on an employee's non-scheduled day(s), the shift premium that applies for all continuous hours worked will be determined by the employee's start time, as per Clause 13.02. The overtime rate will be as defined in Clause 13.04.

14.03 A premium of fifty three cents (\$0.53) per hour shall be paid for all time worked underground.

Effective April 1, 2004, the underground premium will be increased to fifty eight cents (\$0.58) per hour.

14.04 a) SATURDAY PREMIUMS

Employees who are required to work Saturday as part of their regular scheduled work week shall receive a premium of five dollars (\$5.00) per hour for all hours worked on Saturday Shifts.

b) SUNDAY PREMIUMS

Employees Who are required to work Sunday as part of their regular scheduled work week shall be paid at two (2) times their regular straight time rate for all hours worked on Sunday Shifts.

14.05 The calculation of overtime or holiday rates shall not be applied to shift, underground, Saturday premium or Sunday premium.

14.06 An employee who is temporarily on a transfer, shall receive the rate of the new job or the rate of his regular job, whichever is higher.

14.07 Whenever a new job is established or there is a substantial change in the duties of an existing job, the Company will meet with the Union negotiating committee to negotiate a rate for the new or changed job. This meeting will take place at the earliest practical date. The new rate shall be based on the job classifications and rates contained in Schedule A. If necessary, the Company will establish an interim rate to be used until agreement is reached on a final rate. In the event the parties cannot reach agreement on

a final rate, the matter shall be referred to arbitration in accordance with Article 10. It is understood and agreed that each party shall submit its final best offer and the arbitrator shall be limited to choosing one or the other of these offers. If the final rate is greater than the interim rate, a retroactive adjustment shall be made.

- 14.08 a) All employees working in No.1 or No.3 shaft below the collar or those greasing, inspecting and repairing from the collar to the sheave wheels, shall be paid a shaft premium of thirty two cents (\$0.32) per hour. The shaft premium of thirty two cents (\$0.32) will also be paid to the crews engaged on the lowering of major equipment from the centre sheave wheel including slinging equipment or material from or below the skips.

Effective April 1, 2004, the above shaft premium will be increased to thirty five cents (\$0.35) per hour.

- b) All employees working in No.2 shaft below the collar and those greasing, inspecting or repairing up to but not including the first landing above the collar, shall be paid a shaft premium of

thirty two cents (\$0.32) per hour.

Effective April 1, 2004, the above shaft premium will be increased to thirty-five cents (\$0.35) per hour.

- c) No employee working in the shaft shall earn a straight time rate which when combined with the shaft premium is less than Face Loader rate.

14.09 All underground employees will be paid 8 hours plus 15 minutes collar to collar premium when working full shift. (5 min. previous to "collar in" for marshalling, 10 min. after "collar out" for wash up)

ARTICLE 15 MINE HOLIDAYS

15.01 a) For the purposes of this Agreement, the following days or shifts, or any days or shifts substituted for them by Government decree or general practice shall be recognised as mine holidays.

New Year's Day	Civic Holiday
Good Friday	Labour Day
Victoria Day	Thanksgiving Day
Canada Day	Christmas Day
Boxing Day	Heritage Day

- b) All employees who have completed their probationary period shall be entitled to an additional eight (8) hours pay at Christmas at their straight time classified rate.
- c) Employees other than those required for watchman duties, who are regularly scheduled to work #3 Shift immediately preceding Christmas or New Years or both shall not be required to report for work and shall be paid at their scheduled wage rate at straight time for 8 hours. Employees shall not be prohibited from volunteering to work on these shifts, if the Company schedules work, and shall be paid at the rate of double time for each hour worked.

NOTE: Employees who are regularly scheduled to work #3 Shift immediately preceding Christmas or New Years or both shall be entitled to utilize Article 13.04 d) or 15.04.

NOTE: A regular schedule will be deemed to be the longest shift schedule worked during the previous 8 week cycle.

15.02 An employee shall be entitled to be paid for the above holidays at his scheduled wage rate at straight time for eight hours provided that an employee shall not be entitled to be so paid:

- a) If he does not work on the above holidays or substituted days when he has, been required or scheduled to do so; however, an employee shall be paid for a holiday if he has a legitimate reason for being absent from work on the holiday and notifies the Company prior to the start of his shift on such holiday, or prior to the holiday has received the approval of his supervisor for such absence.
- b) If he is absent without leave on his regularly scheduled working day immediately preceding or his regularly scheduled working day immediately succeeding the above holidays, or substituted days, unless he works on the holiday.
- c) If the above holidays occur while he is laid off, except during the first fourteen (14) calendar days.

d) If the above holidays occur while he is on leave of absence, WI, or on Workers' Compensation.

15.03 An employee who is required to work on shifts 1, 2 or 3, on any of the above holidays, shall be paid for such hours worked at two (2) times the applicable straight time rate exclusive of such holiday pay to which he may be entitled as set forth in section 15.02, unless such hours are part of his regularly scheduled shift.

15.04 Should any of the holidays in 15.01(a) fall within an employee's vacation period, he shall receive an additional day's pay provided he qualifies for such holiday under clause 15.02. On reasonable notice an employee who qualifies for the holiday may choose to take one (1) day off without pay on a day of the employee's choice provided the total number of employees absent for vacation floaters and lieu days in the employee's work group does not exceed the vacation allotment for that work group plus one (1).

15.05 a) All regular employees shall be entitled to two (2) "floating" holidays per year with pay for eight (8) hours

at their scheduled straight time rate. Employees may schedule floating holidays on reasonable notice on a day of the employee's choice, provided the total number of employees absent for vacation and holiday in the employee's work group does not exceed the vacation allotment for that work group plus 1.

- b) An employee who has completed his first six (6) months of service with the Company shall be entitled to one (1) floating holiday.

Upon completion of his second (2nd) six (6) months of service he shall be entitled to **a** second (2nd) floating holiday.

No employee will be entitled to more than the maximum floating holiday allowance in any calendar year.

- c) Outstanding floating holidays not scheduled by the employee prior to January 15th of each calendar year shall be assigned by the Company.

15.06 No employee will be required to perform

production, shipping or regular maintenance work on Christmas Day, New Year's Day or on #3 Shift on the day preceding Christmas Day and New Year's Day; however, watchmen and some emergency services which, if not provided, would not allow production to resume on the next regular shift may be required. In addition employees shall not be prohibited from volunteering to work on these shifts.

- 15.07 When an employee is drawing Weekly Indemnity or Workers' Compensation and a Mine Holiday occurs during that period, he shall be paid the difference between eight (8) hours pay at his straight time rate and Weekly Indemnity or Workers' Compensation as long as he is receiving Weekly Indemnity or Workers' Compensation.

ARTICLE 16 VACATION WITH PAY

- 16.01 The vacation year shall be April 1st to March 31st and the vacation week commences with Monday's #1 Shift and consists of seven (7) consecutive days.

- 16.02 All employees who have completed less

than one (1) year of continuous service with the Company in any year, shall be entitled to vacation pay equal to four percent (4%) of earnings during the vacation year in which the vacation credit is earned.

16.03 Employees who complete one (1) year of service in any calendar year will be entitled to two (2) weeks vacation with pay based on four percent (4%) of the employee's previous year's earnings.

16.04 Employees who complete five (5) years of service in any calendar year will be entitled to three (3) weeks vacation with pay, based on six percent (6%) of the employee's previous year's earnings.

16.05 Employees who complete ten (10) years of service in any calendar year will be entitled to four (4) weeks vacation with pay based on eight percent (8%) of the employee's previous year's earnings.

16.06 Employees who complete twenty (20) years of service in any calendar year will be entitled to five (5) weeks vacation with pay based on ten percent (10%) of the employee's previous year's earnings.

16.07 Employees who have completed 25 years of service in any calendar year, will be entitled to 6 weeks of vacation, with pay based on 12% of the employee's previous years earning.

16.08 a) Vacations shall be taken within a vacation year, which runs from April 1 to March 31, at times scheduled by the Company, to cause the least disturbance to the efficient operation of the Mine. So far as *is* practical, preference shall be given to the applications for allotment of vacation time on the basis of seniority. The employees shall indicate their preference no later than March 15th.

b) Employees will not be required to schedule vacations during a shutdown.

c) A retiring employee may schedule the final year's vacation allotment immediately following the employee's retirement date provided such vacation does not exceed the number of weeks remaining in the calendar year.

d) All regular employees with three (3) weeks or more vacation shall be

entitled to schedule one (1) week of vacation as single days per year with pay based on one-fifth of two percent of the employee's previous year's earnings. Employees may schedule on reasonable notice on a day of the employee's choice, provided the total number of employees absent for vacation and holiday in the employee's work group does not exceed the vacation allotment for that work group plus 1.

16.09 Pay for regular vacation entitlement due on termination of employment shall be calculated in accordance with the applicable provision of Article 16 and shall be based on the employee's earnings during the vacation year in which employment is terminated. If necessary, vacation pay shall be adjusted to avoid any duplicate payment.

16.10 If an employee is absent from work under the Weekly Indemnity Plan or Workers' Safety and Insurance Board Plan during the year in which his vacation credit is earned and has worked at least twenty-five percent (25%) of the scheduled hours during that qualifying year, any payment received by him from the Weekly

Indemnity Plan or Workers' Safety and Insurance Board Plan shall be deemed to be part of his earnings for the purpose only of determining vacation pay in the qualifying year.

16.11 Employees affected by 16.10 may not be required to take their full vacation entitlement, however the employee must take the minimum time off that corresponds to the vacation pay that he has earned rounded up to the nearest week or two (2) weeks vacation time whichever is greater.

16.12 An employee who is eligible for LTD, or an employee who will be absent on W.S.I.B. for a prolonged and indefinite period, will be scheduled on vacation until all accrued vacation has been consumed. LTD benefits shall commence on expiration of the vacation period and payment of compensation benefits shall be in accordance with the Worker's Safety and Insurance Act.

ARTICLE 17

OCCUPATIONAL HEALTH AND SAFETY

17.01 It is the intention of the parties hereto that no employee shall be required to work

under conditions which are unsafe or unhealthy, therefore:

- a) The parties agree to endorse and comply with the current Occupational Health and Safety Act, together with any other applicable Health and Safety Legislation and including the respective Regulations thereto; however, the terms of Legislation and Regulations are governed by law and are not subject to the grievance and arbitration procedures of the Collective Agreement.
- b) Any references to Legislation herein expressed shall mean Legislation by and of the Government of the Province of Ontario or the Dominion of Canada as applied at present or as may be revised.

17.02 a) The Company recognises its responsibility to provide a safe and healthy working environment for all persons who are affected by the provisions of the Collective Agreement.

- b) The Company shall make all necessary and reasonable provisions for the safety

and health of its employees during the hours of their employment and shall provide protective equipment and other safety devices in accordance with the foregoing legislation, its present practices and as may be deemed appropriate through consultation by the parties hereto.

17.03 a) The parties mutually recognise their obligation to work co-operatively in the development and maintenance of safe and healthy working conditions.

b) The parties further agree to make all reasonable efforts to improve and promote safe and healthy conditions and to encourage employees to observe and comply with all Mine and Legislative Safety Regulations.

17.04 The functions, powers and terms of reference of the Joint Health and Safety Committee shall be as outlined in the Occupational Health and Safety Act, and Regulations for Mines and Mining Plants or as additionally provided hereunder which shall minimally include:

a) the Committee shall make inspections once a month of the mine site.

- b) the Committee shall be provided with all Workers' Safety and Insurance Board reports, accident and occupational illness reports, other than minor injury reports, near miss reports, incident reports, work refusal reports, and any environmental health and safety studies relating to the mining and salt industry of which the Company, the Committee or the Union are aware and deem to be relevant for the review, consideration and appropriate action by the Committee. The foregoing shall include threshold limit values and appropriate precautions as are available from the Ontario Ministry of Labour.
- c) the Committee shall meet once a month to review and make appropriate recommendations regarding:
- inspection by the Committee or other authoritative bodies, and any actions on recommendations or directions therefrom;
 - procedures and/or work practices;
 - all accidents or near misses;

- any health and safety studies and/or reports relevant to the mining industry, or;
- such other matters as may be referred by the Company, the Union, or as may be decided by the Committee.

The Committee shall consider all such matters including items of previous minutes and action thereon and forthwith make recommendations to the Company.

- d) the Committee will be Co-chaired by the Company and the Union.
- e) the Committee shall cause to have minutes of each meeting promptly posted and distributed to all members and the parties hereto. Any differences as to the completeness or accuracy of the minutes shall be included in the subsequent minutes.
- f) the Committee members shall be provided adequate prior notice of the time and place of each meeting and shall minimally be remunerated pursuant to the applicable legislation.

- 17.05 A designated Union member of the Joint Health and Safety Committee shall inspect the place where an accident has occurred resulting in a fatality or an employee being critically injured. Union members of the Joint Health and Safety Committee shall investigate accidents involving fatalities and disabling injuries having potential for extended loss of time by an employee.
- 17.06 The Company shall conduct periodic on site air sampling, noise testing, hearing loss testing programs by qualified personnel with recognised Government approved equipment. The results of the testing and sampling will be made available to the Joint Health and Safety Committee.
- 17.07 The Company agrees to provide a safety education program including indoctrination and training program for new employees.
- 17.08 Joint Health and Safety Committee members who are bargaining unit employees will not act as witnesses in instances of discipline or discharge related to safety violations.
- 17.09 The Company agrees to continue to

implement engineering methods for the establishment and maintenance of a healthy and safe environment.

17.10 Letters of Understanding regarding safe practices and procedures outlining minimum standards for safety and health at the mine site are attached hereto. It is understood that these letters may be amended or other Letters added by agreement of the parties.

17.11 Employees shall not be required by the Company to work underground during periods of power failure, when there is no voice communication at all between underground and surface or when all hoists are inoperative.

17.12 Employees will be reimbursed for the cost of replacing worn or damaged boots, up to a maximum of \$120 per pair. The new boots must meet the currently specified level of protection. The receipt, authorised by the employee's supervisor and the old boots must be handed into the surface stores for disposal.

New employees must have boots which meet the currently specified level of protection.

17.13 The Company will provide an employee who requires prescription safety glasses with a maximum of one pair per year. The Company will pay 50% of the cost should damage necessitate a second pair within the same year.

17.14 The company will provide coverall-cleaning services as follows:

- 2 changes per week (5 coveralls) for all employees.
- lined coveralls for employees working out of doors during the winter months.
- Extra changes of coveralls shall be provided in stores.

Upon an employee's request he shall be granted reasonable additional changes in coveralls.

17.15 The company will ensure that shared personal protective equipment will be maintained in a clean and sanitary condition.

17.16 In addition to other injury reports, an employee who is injured while at work

shall fill out a first aid slip. The employee's supervisor will sign this report and the employee will receive a copy

ARTICLE 18 GENERAL

18.01 The company agrees to provide a board for the posting of union notices. Such notices shall be for the purpose of conveying information only, must be signed by a union official and approved by the company.

18.02 In the event of the death of a family member, an employee will be granted a leave of absence. Within such a leave, any absence from regularly scheduled working shifts on or after the date of death, up to and including the date of the funeral, or the day after the funeral if distant from Goderich, shall be compensated as follows:

- up to 4 shifts for the death of an employee's spouse, child, stepchild, parent, stepparent or sibling.
- up to 3 shifts for the death of an employee's mother-in-law, father-

in-law, brother-in-law, sister-in-law, grandparent, grandparent of spouse, grandchild or grandchild of spouse.

Note: Should the bereavement occur during an employee's vacation period, the vacation period will be extended by the appropriate number of shifts.

- in the event of a winter death and spring burial, one of the shifts may be taken at the time of the burial.
- up to 2 shifts for a funeral which is too distant for the employee to practically attend.

Note: Employees who are on bereavement leave will not be assigned to any overtime work as outlined in Article 13.06. No employee will be required to work any overtime previously scheduled, should the overtime fall within the bereavement period.

18.03 JURY OR WITNESS DUTY

The company will make up the difference

between the regular day's pay and the fee received by any employee who is required to perform jury duty, or who is subpoenaed to give evidence for the Crown or for a Coroner. An employee will not be required to report for work on any shift, on the day of the Jury or Witness Duty.

The company may require the employee to furnish a certificate of service signed by the Clerk of the Court, or the Coroner, before making any payment under this clause.

18.04 **LEADHANDS**

A working leadhand is a member of the bargaining unit who leads and co-ordinates the activities of a number of men in carrying out the work assignments as directed by the Supervisor, while exercising no discipline.

18.05 All references to days in this Agreement shall mean working days, unless otherwise stipulated.

18.06 In all cases of interpretation or arbitration of the terms of this Agreement, the text of the original signed copies shall govern.

18.07 The use of the masculine gender in this Agreement includes the feminine.

18.08 The company agrees to replace personal hand tools owned by employees in the Maintenance Department if the tool is lost or damaged while the employee is working on the company's vehicles and equipment.

The company agrees to provide any specialised tools or equipment required to perform their duties.

18.09 The company will pay for renewal of any trade tickets used in the performance of the employee's work, up to a maximum of \$120 over the life of the contract. Any eligible ticket renewed on or after 1/1/2000 will qualify for reimbursement.

18.10 The Company will provide enough copies of the Collective Agreement to the Local Union for distribution to Local 16-O Bargaining Unit employees. The Company will also supply enough copies for the Union to distribute to New Bargaining Unit employees of C.E.P. Local 16-O.

ARTICLE 19

GROUP INSURANCE

19.01 The Company shall provide the Group Benefit Plans outlined below during the term of this Agreement. The coverage provided under the Plans may not be modified in any way without the written consent of the Union.

a) ELIGIBILITY

All active, full-time employees are eligible to participate in the Group Benefit Plans. The effective date of coverage is dependant upon the individual benefit. All Group Benefits Plans are administered in accordance with the terms and conditions of the respective Plan Documents.

b) WEEKLY INDEMNITY

Weekly Indemnity (WI) benefits provide a portion of an employee's wages during periods of disability. WI shall be paid at sixty-six and two thirds percent ($66\frac{2}{3}\%$) of an employee's classified (Schedule "A") straight time rate multiplied by forty (40) hours, with compulsory participation and integrated with government plans. WI becomes

payable upon any of the following:

- i) the first day due to non-occupational accident;
- ii) the first day due to hospitalisation;
- iii) the first day due to out-patient hospital care which involves a hospital stay of at least four hours; or after the third day due to illness.
- iv) In the event that the period of disability resulting from the illness exceeds fourteen (14) calendar days, WI will be payable from the first day of absence.

WI is payable for a maximum of thirty-two (32) weeks. Employees should refer to the plan booklet for exceptions and limitations.

c) LIFE INSURANCE

Coverage is two (2) times the employee's straight time classified Schedule "A" rate multiplied by 2080 and adjusted to the nearest one hundred dollars (\$100.00). Employees should refer to the plan booklet for details.

d) ACCIDENTAL DEATH AND
DISMEMBERMENT

Coverage is *two* (2) times the employees straight time classified Schedule " A rate multiplied by 2080 and adjusted to the nearest one hundred dollars (\$100.00). Employees should refer to the plan booklet for details.

e) RETIREE LIFE INSURANCE

Life and AD&D insurance in the amount of *twenty* thousand dollars (\$20,000.00) will be provided to employees who retire on or after age 55 with at least five (5) years of service.

f) MAJOR MEDICAL

The Major Medical benefit is designed to complement the Provincial Health Plan. Should the Provincial Plan change to include any of the expenses currently eligible under this plan, the Sifto Canada Plan will automatically adjust accordingly.

The benefit pays a percentage of all eligible expenses, including skilled nursing care and outpatient care,

recommended as necessary by a physician which are reasonable and customary in the area in which the expenses are incurred and which are in excess of any other benefits payable under this plan and in excess of the deductible.

- i) The deductible is the amount of eligible expenses each calendar year which must be paid in full by the employee before any benefits are payable. The deductible is twenty-five dollars (\$25.00) for those insured for employee only coverage; or fifty dollars (\$50.00) for those insured for employee and dependent coverage.

Eligible expenses incurred in the last three months of the calendar year which are not sufficient to be applied against the deductible for that year will also be applied against the deductible for the next year.

- ii) The appropriate portion of the following expenses will be paid, provided the expenses charged are reasonable and medically necessary:

Prescription Drugs at 100% after co-pay as provided by the Prescription Card system described in the plan booklet

Mental and Nervous Disorders payable at 80%

General and Medical Expenses payable at 80%

The Major Ontario Medical benefit shall provide coverage for emergency treatment outside Ontario, The plan will reimburse emergency treatment costs according to reasonable and customary fees for the area in which they were incurred as follows:

- 1) in excess of the benefits provided by the provincial hospital insurance program and under the basic hospital benefit, for a maximum of 31 days per period of disability,
- 2) for the professional services of a physician over and above the amounts recognised by OHIP.

This coverage is subject to any

and all other plan provisions (eg. deductible).

Employees should refer to the plan booklet for details regarding all group benefits.

g) HOSPITAL COVERAGE

Full semi-private hospital coverage will be provided as part of the Group Insurance Plan. Private room hospital coverage will be provided for 30 days for those deemed terminally ill.

h) LONG TERM DISABILITY

The Long Term Disability Plan (LTD) shall be administered in accordance with the terms of the Plan Document and shall contain the following governing provisions:

- i) Eligibility - LTD shall be compulsory for all full-time regular employees who are participants in and who are covered by WI benefits under the Group Benefit Plans.
- ii) Qualifying Period - "Qualifying Period" means thirty-two (32)

consecutive and cumulative weeks of WI Benefits for the same disability.

- iii) Definition of Disability - "Disability" shall mean a covered employee who has received thirty-two (32) weeks of benefits under the weekly indemnity plan and who, for an additional period of up to thirty-six (36) months, is unable, because of non-occupational disease or accidental bodily injury, to perform any and every duty of any occupation in the Mine for which he is reasonably fitted by education, training or experience and thereafter is unable to perform any and every duty of any occupation in the Goderich area for which he is reasonably fitted by education, training or experience.
- iv) Amount of Benefits - All employees who are actively at work on the effective date of the plan or any amendments thereto shall be provided with LTD benefits equal to fifty percent (50%) of regular straight time Schedule "A" hourly

rate multiplied by 2,080 and divided by twelve (12) up to a maximum monthly payment of twenty-eight hundred dollars (\$2,800.00).

The amount of benefits shall be reduced by any primary payments made under any Government disability plan, Workers' Safety and Insurance plan, or any other non-private disability income plans, such that disability benefits from all sources shall not exceed eighty-five percent (85%) of an employee's regular straight time Schedule "A" hourly rate.

The amount of benefit shall not be reduced by Disability Pension payments under War Veterans' or Workers' Safety and Insurance Act if the disability is unrelated.

Employees should refer to the plan booklet for exclusions and other details.

- v) Duration of Benefits To Be The Earlier Of:

- 1) a benefit period equal to months of service;
 - 2) age 65;
 - 3) date of retirement;
 - 4) three (3) months following date of death: or
 - 5) the date the employee ceases to be disabled in accordance with the definition of disability above.
- vi) Group Insurance and Pension Plan benefits while receiving LTD

I Pension Entitlement- Employees on LTD will continue to receive the employer contributions as per the terms and conditions of the Pension Plan.

- 2) Disability pension payments will only become payable as per the terms and conditions of the Pension Plan.
- 3) Company Paid Life Insurance
 - Coverage will be maintained

on a waiver of premium basis. Instalment life benefits will be paid if an employee under age sixty-five (65) continues to be totally disabled and he no longer has benefit entitlement under the WI and LTD Plans.

- 4) Group Accidental Death and Dismemberment - Coverage will be maintained on a waiver of premium basis.
- 5) Major Medical and Dental - Coverage will be maintained in accordance with the conditions applying under the Plan Document.
- 6) An employee on LTD shall not accumulate credit for vacation or holidays.
- 7) An employee who returns to work after being on LTD shall be credited with accumulated service.

i) DENTAL PLAN

The Company shall provide a dental

plan with participation compulsory for all employees covered by the bargaining unit on the following basis:

i) Eligible Expenses

Eligible Expenses under this plan include expenses for dental treatment (including emergency treatment) recommended as necessary by a physician or dentist which are not in excess of the minimum fee specified in the Dental Fee Schedule for the Province of Ontario for the year prior to the year in which service is rendered.

ii) Module I Basic Coverage

The plan provides employees and their eligible dependants with reimbursement of ninety percent (90%) of the cost of the following expenses: one (1) diagnostic preventive therapy check-up every six (6) months for each covered person, oral surgery, minor restorative dentistry, repairs of an existing appliance, endodontics and periodontics. Employees should refer to the plan booklet for details.

iii) Module II Major Restorative

The Company will provide a Module II Dental Plan which provides employees and their eligible dependants with reimbursement of eighty percent (80%) of the cost of the following expenses: crowns and inlays, replacement or creation of an appliance and services of a licensed Denturist. Employees should refer to the plan booklet for details.

iv) Module III Orthodontics

The Company will provide a Module III Dental Plan which provides employees and their eligible dependants with reimbursement of fifty percent (50%) of their cost of orthodontic treatment, vertical dimension correction, correction of temporomandibular joint dysfunction, or full mouth reconstruction, subject to a two thousand and four hundred dollar (\$2,400.00) lifetime maximum per covered dependant. Employees should refer to the plan booklet for details.

v) Administration

These plans will be administered

in accordance with the terms and conditions of the Plan Document: the decision as to the choice of administrative vehicle will be made by the Company.

vi) Effective date of coverage

Eligibility for these benefits shall apply only to those employees who are actually at work on the effective date of the plan. If an employee is not actively at work on the effective date of this plan or any amendment thereof, coverage will commence upon return to full-time work. New employees become eligible for coverage after completion of the Probationary Period described in Article 6.01.

vii) Integration with other Plans

If an employee is insured simultaneously under any other plan which provides benefits similar to those provided under this plan, payment of benefits for that employee or his eligible dependants under this plan will be determined by the co-ordination of benefits provision. The payments from all

sources will not exceed the total of actual expenses incurred.

- viii) Integration with Government Plans
The plan will not provide like benefits where such are currently being provided by Provincial or Federal legislation. If during the life of this Agreement Provincial or Federal Governments shall introduce legislation to provide benefits already covered by the plan, the plan shall be amended so as to eliminate said benefits. Any resulting premium savings shall accrue to the Company and employees in accordance with the cost sharing in effect.

j) FAMILY EYEGLASS PLAN

The Company shall provide a family eyeglass plan. The plan will provide a maximum benefit of one hundred fifty dollars (\$150.00) every twenty-four (24) months for employees and eligible dependants. This benefit will cover the cost of frames, lenses, fitting of prescription glasses, and contact lenses.

k) COST SHARING FOR PREMIUMS

The Company shall contribute one hundred percent (100%) of the premium cost of these benefits except as follows:

- i) Module II, Dental Plan premiums will be fifty percent (50%) paid by participating employees.
- ii) as provided in 19.01 (m) and (n).

l) EFFECTIVE DATE OF COVERAGE AND E.I. REBATE

Changes in the group insurance plan will take place only for those employees who are actively at work as of the effective date, who would otherwise qualify and for employees off work who otherwise qualify, as of their first full day of active employment thereafter.

In view of the improvement in Weekly Indemnity, Life Insurance, and the introduction of the Major Medical Plan and the increased premium costs to be paid by the Company, the employee's share of the premium reduction (5/12

portion) of the Employment Insurance Premium for the effective date under the Employment Insurance Act from the effective date of implementation shall be retained by the Company.

m) CONTINUATION OF BENEFITS FOR LAY-OFF

Employees who have completed the Probationary Period described in Article 6.01 shall have Life Insurance, Accidental Death and Dismemberment, Major Medical, Semi-private hospitalisation, and Dental benefits continued on the cost sharing as provided above until the first of the month following ninety (90) days of lay-off. Thereafter, the employee may maintain benefits as listed herein for the balance of the first six (6) months of lay-off by paying the full cost of the premiums.

n) CONTINUATION OF BENEFITS FOR EARLY RETIREES AND DEPENDANT SPOUSES.

The Company agrees to pay 50% of the Major Medical premium for employees who retire at 55 or later and their dependant spouse as described

in the Sifto Canada Inc group plan. In the event of the death of a pensioner the company agrees to continue to pay 50% of the premium for Major Medical coverage for a dependant surviving spouse, for up to 60 months or until the last day of the month in which the spouse reaches the age of 65, whichever first occurs. This benefit will cease if the spouse qualifies for coverage through another plan.

o) CONTINUATION OF BENEFITS FOR DEATH

The Company shall continue to provide Major Medical coverage to dependants of deceased employees until the earlier of:

- i) six (6) months following the first of the month after the employee's death: or
- ii) the last day of the month during which the employee's spouse reaches age 65.

p) SUPPLEMENTARY MEDICAL BENEFITS

The Company will pay for a portion of

the following Supplementary Medical Benefits, provided the expenses charged are reasonable and medically necessary as recommended or prescribed by the attending Physician.

i) HEARING AIDS

The Company will pay up to five hundred dollars (\$500.00) every sixty (60) months for prescribed hearing aids for employees and covered dependants. This benefit shall not apply to the cost of batteries.

Effective April 1, 2004, amount will be increased to five hundred and twenty-five dollars (\$525.00).

Effective April 1, 2005, amount will be increased to five hundred and fifty dollars (\$550.00).

ii) MASSAGE THERAPY and
ACUPUNCTURE

The Company will pay the cost of up to thirty dollars (\$30.00) per visit for a maximum of twelve (12) visits per year to a qualified Massage Therapist or Acupuncturist for employees and

their dependants. The total amount of combined benefits for both this section and section 19.01(p) (iii) ("CHIROPRACTIC CARE") below shall be limited to five hundred dollars (\$500) per year.

iii) CHIROPRACTIC CARE

The Company will pay the cost of up to thirty dollars (\$30.00) per visit to a qualified Chiropractor after OHIP benefits have been exhausted for employees and covered dependants. The total amount of combined benefits for both this section and section 19.01 (p) (ii) ("MASSAGE THERAPY and ACUPUNCTURE") below shall be limited to five hundred dollars (\$500) per year.

iv) PROSTHETIC APPLIANCES

The Company will pay fifty percent (50%) of the cost of Prosthetic Appliances, excluding such appliances intended for cosmetic purposes, as required by employees or their covered dependants.

- v) **DURABLE MEDICAL EQUIPMENT**
The Company will pay eighty percent (80%) of the cost of Durable Medical Equipment up to a limit of fifteen hundred dollars (\$1,500) per year as required by employees or their covered dependants.
- vi) **SMOKING CESSATION ASSISTANCE**

The Company will pay up to a life time maximum five hundred dollars (\$500.00) per employee for Smoking Cessation Assistance for employees or their covered dependants. Such assistance includes prescription and over-the-counter medications, nicotine patches, and acupuncture as recommended by the attending Physician.

ARTICLE 20 PENSION PLAN

20.01 The Company Pension Plan for Goderich Mine is available to employees in accordance with the terms and conditions of said Plan. The Pension Plan forms part of this Agreement and will be administered

in accordance with the terms of the Plan.

Company will provide a “Full Text” copy of the Plan to the Local Union Office by January 30th of every year.

20.02 The parties recognise the employees’ desire to augment their retirement savings. Therefore, employees with 4 or more weeks of vacation entitlement may convert one week of vacation and employees with 5 or more weeks of vacation entitlement may convert a maximum of two weeks vacation and employees with 6 weeks of vacation entitlement may convert a maximum of three weeks vacation to one of the savings plans outlined below:

- As employee contributions into the company pension plan provided the total of employee contributions to the pension plan doesn’t exceed 9% of the employee’s pensionable earnings.
- As a contribution to an RRSP or spousal RRSP of the employees choice, subject only to Revenue Canada limits.
- As a contribution into the Payroll Savings Plan.

20.03 An employee who has attained 55 years of age and 20 years of continuous service shall be entitled to a paid retirement leave immediately prior to the commencement of his early or normal retirement, in accordance with the following schedule.

AGE AT RETIREMENT	WEEKS OF LEAVE
55	1
56	2
57	3
58	4
59	5
60	6
61	7
62	8
63	10
64	15

Payment for each week of this leave shall be calculated as 40 times the employee's classified rate at the time of the employee's last day worked.

ARTICLE 21 TRAINING

- 21.01a) An employee who is receiving training either for backup or as the result of a job posting, will be paid at the rate of the job on which he is being trained.
- b) An employee who is receiving training off site shall be covered by the collective agreement. Any special needs shall be arranged by agreement of the parties.
- c) When employees are on training they will receive payment as if they had been at work on their regularly scheduled shift(s).

21.02 RECOGNITION OF SKILLS

The company recognises that employees in the Maintenance Department may acquire skills in one or more trades in which the employee is not certified. Provided the trade is in regular use at the mine, and the employee can and will exercise these skills on the job, the company will assist the employee in documenting his expertise for the regulating authority.

In addition, provided the employee meets the minimum requirement for hours worked in the trade, and can satisfy the appropriate college entrance criteria, the company will grant him a paid leave of absence to attend college to complete the academic requirements for the trade. The leave will not exceed 4 months, or the duration of the course, whichever is less and on graduation, must earn the employee certified trade status.

The company will award a graduating employee a lump sum of \$1000 in lieu of personal expenses incurred.

ARTICLE 22 DURATION OF AGREEMENT

22.01 This Agreement shall become effective as of the date of ratification by the parties and shall remain in full force and effect until the 31st day of March, 2006 and from year to year thereafter unless either party gives notice to the other party of an intent to terminate or amend this agreement.

Such notice shall be given in writing not earlier than 90 days, and at least 30 days before the expiry date of this agreement

or the anniversary date of any subsequent period in which this agreement remains in effect.

22.02 The initial meeting for the purpose of negotiating a modified Agreement shall be held within thirty (30) days after the above notice is given. Pending negotiations of any proposed modifications in the terms of this Agreement, this Agreement shall remain in full force and effect.

22.03 Unless specifically designated otherwise, all the terms and conditions of employment, as set forth in this Agreement, shall become effective on the ratification of this Agreement.

IN WITNESS WHEREOF, the Company and the Union have caused these presents to be executed by their duly authorised representative.

**SIFTO CANADA INC. GODERICH MINE,
GODERICH, ONTARIO**

Bill Cook
Rowland Howe
Timothy McCue
Pierre Paquette
Glenn Dudar
Fred Grandmaison

**THE COMMUNICATIONS, ENERGY AND
PAPERWORKERS
UNION 16-0**

Peter Kingyens
Ron Carter
Bob Dawe
Mark Bellinger
Bill Vincent
Al Robb

Ratified this 13th day of April, 2003

SCHEDULE "A"
HOURLY RATES OF PAY

MINING DEPARTMENT	April 1, 2003	April 1, 2004	April 1, 2005
Leadhand (Development)	\$27.83	\$28.66	\$29.52
Leadhand	\$27.83	\$28.66	\$29.52
Group 1			
General Miner	\$25.83	\$26.60	\$27.40
Development Miner	\$25.83	\$26.60	\$27.40
Development Utilityman	\$25.83	\$26.60	\$27.40
Group 2			
Mech. Scaler Operator	\$25.68	\$26.45	\$27.24
Group 3			
Backchecker	\$25.55	\$26.32	\$27.11
Bench Blaster	\$25.55	\$26.32	\$27.11
Development Backchecker	\$25.55	\$26.32	\$27.11
Diamond Drill Operator	\$25.55	\$26.32	\$27.11
Face Loader Operator	\$25.55	\$26.32	\$27.11
Face Scaler	\$25.55	\$26.32	\$27.11
Roof Bolter Operator	\$25.55	\$26.32	\$27.11
Small Drill Operator	\$25.55	\$26.32	\$27.11

Truck (incl. Waste Truck)	\$25.55	\$26.32	\$27.11
Maintenance Relief	\$25.55	\$26.32	\$27.11

Group 4

Mill Operator	\$25.31	\$26.07	\$26.85
Skip Tender	\$25.31	\$26.07	\$26.85

Group 5

Utility Loader Operator	\$25.15	\$25.90	\$26.68
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Group 6

Material Handling Crew	\$25.11	\$25.86	\$26.64
Serviceman	\$25.11	\$25.86	\$26.64

Group 7

Clean Up Crew	\$25.01	\$25.76	\$26.53
Grader & WW Operator	\$25.01	\$25.76	\$26.53
Trenchman	\$25.01	\$25.76	\$26.53
Ventilation Crew	\$25.01	\$25.76	\$26.53
Packer/Tub/Waterwagon Operator	\$25.01	\$25.76	\$26.53

Group 8

Labourer	\$24.55	\$25.29	\$26.05
Probationary Labourer	\$23.73	\$24.44	\$25.17

**UNDERGROUND AND SURFACE MAINTENANCE
DEPARTMENTS**

Leadhand (Relief)	\$29.57	\$30.46	\$31.37
Leadhand	\$28.42	\$29.27	\$30.15
Journeyman	\$27.58	\$28.41	\$29.26
Tradesman	\$27.58	\$28.41	\$29.26

HOISTING DEPARTMENT

Hoistman	\$27.58	\$28.41	\$29.26
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SURFACE OPERATIONS DEPARTMENT

Leadhand	\$27.58	\$28.41	\$29.26
Shaftman	\$25.55	\$26.32	\$27.11
Surface Loader Operator	\$25.39	\$26.15	\$26.93
Mill Operator	\$25.15	\$25.90	\$26.68
Shipper	\$25.15	\$25.90	\$26.68
Vehicle & Equip. Operator	\$25.15	\$25.90	\$26.68
Surface Utilityman	\$25.15	\$25.90	\$26.68
Mill Helper	\$24.72	\$25.46	\$26.22
Janitor	\$24.56	\$25.30	\$26.06

NOTE:

- 1 Employees in the Maintenance Department holding an Interprovincial Certificate will receive a premium of \$.12 per hour. The premium shall not be paid until the appropriate Interprovincial Certificate is presented, and shall not be paid retroactive.
- 2 The probationary maintenance rate will be \$.25 per hour below the classified job rate during the probationary period.
- 3 Job vacancies in the classification Face Scaler will not be posted.
- 4 Employees operating the ship loader or the remote rail shack will receive a premium of \$0.40 per hour.
- 5 During October through March, the posted Shipper or during exceptionally heavy truck days, the employee assigned to the remote ticketing shack, will receive a premium of \$0.40 per hour to perform dispatching duties.

LETTERS OF UNDERSTANDING

BETWEEN

SIFTO CANADA INC.

GODERICH MINE

AND

COMMUNICATION, ENERGY AND
PAPERWORKERS

UNION LOCAL 16 - O

GODERICH MINE

These letters of understanding between the parties are part of the collective agreement, are binding on the parties during the term of this agreement and will be included in the printed document.

LETTER OF UNDERSTANDING #1 OPTIONAL LIFE INSURANCE AND A.D.&D. COVERAGE

The Company will provide Optional Life and Accidental Death & Dismemberment (A.D. & D.) insurance plans in increments of \$5,000 up to a maximum of \$155,000. The premium cost will be one hundred percent (100%) paid by the participating employees. This optional coverage is available separately, i.e. you may choose Life and/or A.D. & D.

Effective May 1, 2003, all active employees will have a 31 day window in which to apply for the Optional Life Insurance without Evidence of Insurability.

Beyond that date, any employee wishing Optional Life coverage must provide Evidence of Insurability. The Company will cover any assessment costs. Any increase in coverage will be effective on the date that the insurance carrier approves the employee's application.

No Evidence of Insurability is required for A.D. & D. coverage

Any employee currently covered for \$5,000 Life and A.D. & D. will not lose that coverage even if

they apply for additional coverage in the future and are declined by the insurance carrier.

In both cases, this Optional Coverage is provided at the employee's expense for the benefit of the employee and does not form part of the retiree benefit plan.

LETTER OF UNDERSTANDING #2 ROOF BOLTING PRACTICE

A working face in the development headings will not be cut, drilled or loaded until the roof has been bolted to within one round of the face.

A working face in a conventional heading will not be cut, drilled or loaded until the roof has been bolted to within one pattern of the face.

Notwithstanding the above, bolting needs in test areas will be assessed through proper engineering practices. Upon successful completion of these evaluations, bolting practices will be applied based on the test area results.

Headings made with a Continuous Miner may not require bolting. However, ground support will be done on an as necessary basis to handle any unusual ground conditions encountered.

NOTE:

This letter is subject to review by the Joint Health and Safety Committee during the term of the Agreement.

LETTER OF UNDERSTANDING #3 COMMUNICATIONS

Telephones or radios will be made available at the underground portable substations located in the area of the active working faces.

These will be in addition to telephones presently in service underground.

NOTE:

This Letter is subject to review by the Joint Health and Safety Committee during the term of the Agreement.

LETTER OF UNDERSTANDING #4 DEVELOPMENT MINER

Development Miner will include the occupations of Over/Under Cutter, Development Drill, Development Load and Blast, LHD, Development Scale, Development Bolter, Development Downhole Drill, Development Prep Man, Road Planer and Dozer.

2. Within this position employees will normally be assigned on a daily basis by seniority subject to the efficient operation of the business and allocation of skills.
3. An employee who accepts a posting in the Development Miner occupation will be trained on a minimum of 6 occupations, one of which will be the Development Downhole Drill, within the first 12 months.

**LETTER OF UNDERSTANDING #5
TEMPORARY VACANCY SYSTEMS
FOR THE MINING DEPARTMENT**

Part A :

1. Employees shall, if they wish, indicate up to three (3) job preferences of their choice, in order of priority in writing on the form provided. Employees can also change their preference(s) at any time in writing on the form provided.
2. The form above must be submitted by 3:00 P.M. on Monday to be eligible for vacancies that occur one (1) week from that Monday.
3. Employees will be allowed by seniority to fill temporary vacancies limited to their crew on which they are qualified with the exception of miscellaneous crew temporary vacancies which will be filled by the senior qualified applicant from within the Department, provided the employee has indicated a preference in writing on the form provided as outlined in items 1 and 2 above.
4. The supervisor will exhaust the senior employee's preference(s) first, in order of priority before going on to the next senior employee's first choice and so on.

5. An employee will only be able to preference to a temporary vacancy if there is a qualified replacement available on his shift to fill his position.
6. Temporary vacancies of four days or less will be filled by qualified employees from the labour group, by seniority on a shift by shift basis.
7. Temporary vacancies of five days or more will be filled by senior qualified employees who have indicated a preference in writing as outlined above in items 1 and 2, and will be assigned on a one-week basis as per the employee's applicable five (5) or seven (7) day work schedule.
 - a. Temporary vacancies of five days or more which are not filled through a preference by a senior qualified applicant, will be filled by a qualified employee from the labour group by seniority on a shift by shift basis.

Part B:

The parties agree that the position of designated surface relief will be a posted position, utilized to relieve temporary and immediate manpower shortages occurring in the Surface Operations

Department. It is understood that surface relief employees may be used prior to offering overtime when there is no overtime being worked in the Mining Department on that shift. Surface Relief employees will take jobs remaining once the Surface Operations Department has selected their job assignments according to LOU #8.

Under no circumstance will these positions be used for the purpose of eliminating, filling, or hindering existing or future posted positions in the Surface Operations Department. These positions, including other employees assigned from the Mining Department will not be used to fill a temporary vacancy, until the vacancy has been offered to all qualified eligible employees in the Surface Operations Department. The Company agrees to provide adequate training to the successful applicants. The parties further agree to the following:

1. The Company agrees to post a notice on the bulletin board for allotment purposes only, for three (3) positions of surface relief on each of the four (4) underground seven (7) day mining work shifts. This notice will indicate the shift on which the position is available on. Only employees in the Mining Department on the shift on which the position(s) are available are eligible to

sign the notice. The Company will allot the position(s) to the senior applicant(s). After an incumbent has held a surface relief position for a period of two (2) years, his position will be opened up for allotment purposes again. If there is a change in the Mining Department shift schedule, the existing positions will be cancelled and opened up for allotment purposes. An incumbent's status will be limited to his own shift. Should an incumbent permanently leave his shift, the position will be filled as above.

2. Assignments to surface will have priority over the filling of preference vacancies as described in Part A above, and incumbents will be assigned on a daily basis. Incumbents will have the option of exercising or not exercising their seniority to a surface relief vacancy whenever there are fewer vacancies than incumbents. When a supervisor has exhausted the use of his three (3) shift incumbent's, and the Surface Operations Department still requires more manpower, the vacancy will be assigned to the senior qualified employee(s) from out of the labour group on a daily basis by seniority. Any employee working overtime in the Mining Department will not be subject to the weeks work provision described in Clause

13.09, provided the vacancy to be filled on surface has been offered as overtime to all qualified eligible employees in the Surface Operations Department as overtime.

Part C

The parties agree that the position of designated maintenance relief will be a posted position, utilized to assist the Maintenance Departments. It is understood that Maintenance relief employees may be used prior to offering overtime when there is no overtime being worked in the Mining Department on that shift. No Maintenance employee will be displaced due to Maintenance relief postings.

Under no circumstance will these positions be used for the purpose of eliminating, filling, or hindering existing or future posted positions in the Maintenance Departments. The Company agrees to provide adequate training to the successful applicants. The parties further agree to the following:

1. The Company agrees to post a notice on the bulletin board for allotment purposes only, for three (3) positions of maintenance relief on each of the four (4) underground seven (7) day mining work shifts. This

notice will indicate the shift on which the position is available on. Only employees in the Mining Department on the shift on which the position(s) are available are eligible to sign the notice. The Company will allot the position(s) to the senior applicant(s). After an incumbent has held a Maintenance relief position for a period of two (2) years, his position will be opened up for allotment purposes again. If there is a change in the Mining Department shift schedule, the existing positions will be cancelled and opened up for allotment purposes. An incumbent's status will be limited to his own shift. Should an incumbent permanently leave his shift, the position will be filled as above.

2. Incumbents will be assigned on a daily or longer basis. Incumbents will have the option of exercising or not exercising their seniority to a Maintenance relief vacancy whenever there are fewer vacancies than incumbents. When a supervisor has exhausted the use of his three (3) shift incumbent's, and the Maintenance Department still requires more manpower, the vacancy will be assigned to the senior qualified employee(s) from out of the labour group on a daily basis by seniority.

NOTE:

If the 7-day shift schedule does not exist, or there are not adequate postings on this schedule, the relief positions described in Parts B and C above will be distributed across the appropriate production shifts.

LETTER OF UNDERSTANDING#6 PERMANENT LAYOFF

It is understood and agreed that a permanent layoff is defined as one which the company declares to be a permanent layoff or one in which the employee has exhausted his recall rights. Such layoffs may or may not conform to the definition of permanent layoff in the Employment Standards Act or any other legislation.

In the event of a permanent layoff, an effected employee* with 5 or more years of service, shall be entitled to a severance payment equal to one week's pay for each year of service. Part years of service shall be pro-rated. The minimum amount of severance is \$ 5,000. One week's pay shall be calculated as the average gross weekly earnings during the employee's previous 12 months of employment.

As an alternative, a senior employee who is not laid off, may resign his employment, collect the severance to which the junior employee would otherwise be entitled and allow the junior employee to be returned to work.

* If the employee is a senior employee who at the time the layoff occurred had the seniority to remain at work **but** elected instead to be laid off, his severance entitlement shall be adjusted to reflect the seniority of the junior employee who remained at work.

**LETTER OF UNDERSTANDING #7
SPECIAL EVENTS**

The parties agree that, where mutually agreed to through the negotiating committee, the shift schedule of some or all employees can be altered to accommodate special events. Employees will be paid shift, underground and weekend premiums applicable to the shift that would have normally been worked. No overtime premium or call out pay will be applicable to employees whose shift is changed during the first eight hours worked on this shift, except as outlined in Article 13.05 (a).

**LETTER OF UNDERSTANDING #8
ALLOCATION OF WORK IN THE MINING
DEPARTMENT
AND SURFACE OPERATIONS DEPARTMENT**

Mining Department:

1. Ten minutes prior to the beginning of each shift the supervisor will post the following information on a bulletin board at the wicket area:
 - all requirements which cannot be met with posted incumbents, listed by priority;
 - all posted positions which will not be required during the shift.
2. **All** job assignments will take place after the shift start time.
3. Crews will report for duty at the wicket area at the shift starting time. The supervisor will issue posted job assignments, and marshal the remaining employees in the labour group on a shift by shift basis by seniority and qualifications, subject to the allocation of skills.

4. Changes to job assignments which occur during the shift will be handled by the supervisor, strictly on the basis of need.
5. The parties agree that while the entire operation is on a 7 day schedule, there will be one labour group per underground mining shift. It is further agreed, that the labour group will be scheduled with a shift start time corresponding with the shift schedule for the Mining Department as laid out in Clause 13.02.

Surface Operations Department

1. Ten minutes prior to the beginning of each shift the supervisor will post the following information on a bulletin board outside the shipping office:
 - all requirements which cannot be met with posted incumbents, listed by priority;
 - all posted positions which will not be required during the shift.
2. **All** job assignments will take place after the shift start time.
3. Crew will report for duty at the shipping office

at the shift starting time. The supervisor will issue posted job assignments, and marshal the remaining employees in the Utilityman Classification on a shift by shift basis by seniority and qualifications, subject to the allocation of skills.

4. Changes to job assignments which occur during the shift will be handled by the supervisor, strictly on the basis of need.
5. The parties agree that the 5 day and 7 day shift schedules affecting the Utilityman Classification will be selected on a weekly basis by seniority. It is further agreed, that employees whose posted job is not available for a period exceeding a one week period prior to the schedule being posted as described in Clause 13.05, will also have the same option.

LETTER OF UNDERSTANDING #9 JOINT TRAINING COMMITTEE

A Joint Training Committee will be maintained and co-chaired by the Company's Safety and Training Manager and a bargaining unit member selected by the Local Union. The parties agree that the Union may select someone other than the bargaining unit trainer in the Training Department for this position. The Committee will have training representatives as listed below to support and assist in the identification of specific areas of expertise:

- Mining
 - Surface & Hoisting Operations
 - Maintenance (surface & underground)
 - Electrical
2. The representatives will be selected by agreement of the Union and the Company. The members will represent the employees of the area of expertise from which they were selected. Any employee may submit training requirements to a training representative or his supervisor for a committee review.
 3. Once a month, each training representative will meet with the appropriate Department

Superintendent to discuss training requirements and training related issues. The Superintendent will forward a report summarising the meeting and forecasted training requirements to the Safety and Training Manager. The Union and Company Co-chairs will be copied on this report.

4. The Co-chairs will meet monthly to review the above reports which collectively represent the training requirements for the entire site. Subsequently, the Safety and Training Manager will compile the training requirements and publish a report summarising the training completed the previous month as well as training activity planned for the upcoming month.
5. Each quarter, the Safety and Training Manager will create and publish a draft plan to meet the training needs requested by the Department Superintendents. Subsequently, the Co-chairs, Superintendents, and training representatives will meet to review the training results of the previous quarter and discuss the planned activity for the upcoming quarter. At the conclusion of this meeting, the Safety and Training Manager will finalise and implement the quarterly training plan.

LETTER OF UNDERSTANDING #10 HOISTMAN

1. The Company agrees to maintain the position of Hoistman as a distinct position and to fill vacancies in accordance with clause 6.05.
2. The hoists will be operated by qualified posted Hoistmen or qualified posted relief Hoistmen.
3. The Company agrees to maintain a sufficient number of regular Hoistmen and relief Hoistmen (non-restricted posting) to meet the needs of the operation.
4. To ensure the Relief Hoistmen maintain their proficiency, they will spend a minimum of eight (8) hours per month on the job.
5. Unplanned events that create a need for an additional hoistman for one (1) shift or less in duration may be filled with the Relief Hoistman on shift.
6. When a posted Hoistman is absent for (5) days or more, such vacancies may be filled by the Relief Hoistman.

7. In the use of Relief Hoistmen preference shall be given to the senior employee.
8. Vacancies other than set out in paragraph 5 and 6 will be covered in the following sequence:
 - Offer overtime to the posted Hoistmen on day(s) off.
 - Utilise the Relief Hoistmen on shift (if practical).
 - Offer overtime to the Relief Hoistmen on day(s) off.
 - Offer overtime to the posted Hoistmen by extending their shifts beyond eight (8) hours.
 - Offer overtime to the Relief Hoistmen by extending their shifts beyond eight (8) hours.
9. The distribution of overtime is subject to the applicable legislation. (Currently, Regulation 9 of the Ontario Occupational Health and Safety Act and Regulations Mines and Mining Plants (R.R.O. 1990, Reg. 854))

LETTER OF UNDERSTANDING#11 RIGHT TO REFUSE

In the event the Ontario Occupational Health and Safety Act and Regulations for Mines and Mining Plants dated June 1994 is amended to delete Part V (Right to Refuse or Stop Work Where Health or Safety in Danger) Chapter 0.1, Section 43, in its entirety, the company and the union agree that the Collective Agreement will be amended forthwith to provide all employees with the protection of the rights of the June 1994 Ontario Occupational Health and Safety Act and Regulations for Mines and Mining Plants Chapter 0.1, Part V, Section 43, in its entirety.

In addition to the above, in the event the Ontario Occupational Health and Safety Act and Regulations for Mines and Mining Plants dated June 1994 is amended to delete the use of Ministry Inspector (M.O.L.) In Chapter 0.1, Part V, Section 43, subsection 3 through 12 inclusive, then the company and the union will mutually agree to an acceptable dispute mechanism to be discussed and acted upon at that time.

It is also agreed that if chapter 0.1, Part VI, Reprisals by Employer Prohibited, in its entirety is deleted from the Ontario Occupational Health and Safety Act and Regulations for Mines and

Mining Plants, that the company will continue to provide the equivalent protection to all employees (facility wide) as stated and written in chapter 0.1, Part VI, Reprisals by Employer Prohibited, Section 50, in its entirety.

LETTER OF UNDERSTANDING #12 VACATION SCHEDULE

Subject to the provisions of Article 16, employees will be allowed to schedule time off for vacation in accordance with the procedures outlined below:

1. Vacation requests are to be made on the form provided and submitted to the employee's shift supervisor.
2. Requests for vacation should be submitted from March 1 through March 20 inclusive.
3. Vacation requests which are not scheduled under 2 above, may be submitted during the 10 days immediately following the respective closing dates.
4. Subject to the provisions of 16.08, vacation requests under 2 or 3 above, will be scheduled on the basis of seniority. Requests submitted after March 30 shall be scheduled on the basis of first come, first served.
5. Employees who are entitled to a 6th week of vacation may not book this week until the process in 2 and 3 above have been completed.

6. With the ever-fluctuating number of employees at Goderich mine it is extremely difficult to set the numbers for vacation allotment in advance with any degree of accuracy. With this in mind, the Union and Company agree to meet on or about March 1st of each year to set the numbers and the distribution of vacation allotments for the following vacation year. The 2003 vacation allotments listed below will be used as a guideline and the allotments will be adjusted to reflect any changes in the number of employees in each of the respective groups or restructuring within these groups. The departments outlined in Clause 2.06 will be used as a guideline. Subdivision of allotments within the departments will also be agreed upon at that time.

The 2003 vacation allotments have already been set and are as follows:

Weekly Allotments

Surface Maintenance	3
Underground Maintenance	9
Electrical	2
Surface Operations	5
Muck, Scale, Process	23
Miscellaneous	3
Development	7
TOTAL	52

LETTER OF UNDERSTANDING #13 INTERNAL RESPONSIBILITY SYSTEM

The IRS (Internal Responsibility System) is a commitment of all employees to ensure a healthy and safe workplace. The commitment is internal, not relying on third party involvement for the resolution of safety concerns or compliance to regulations and standards. The IRS requires all employees at all levels of the organization to take personal ownership for their own safety, the safe performance of their assigned tasks and the resolution of safety concerns. Employees taking ownership for their own safety does not absolve management, of their legislated and moral obligation to provide a safe working environment for all employees. Creating an organizational framework for safety and promoting awareness of individual safety responsibilities can be as simple as a discussion between employees to remind themselves of a hazard or reviewing a procedure.

Keys to a successful IRS - all employees must:

- have a sincere wish to prevent incidents
- understand safety is an essential part of their job
- believe causes and risks can be eliminated
- avoid conflicts when trying to reduce risk

- not be fearful of reprisals when using the IRS
- understand their responsibilities under the act
- take steps to make it effective
- co-operate with others and strive to improve the process

The IRS is divided into

Direct Responsibility: All employees working along with their supervisor should deal with issues at the lowest level of the organization possible. This process starts with the worker and goes up the line to include immediate supervisors, second line supervisors, department heads, and manager.

Indirect Responsibility: It provides assistance to the operations in making the appropriate decision. This includes occupational health and safety committee members, human resources, engineering, and safety department. The “Direct” and “Indirect” responsibility will be reviewed yearly with employees.

LETTER OF UNDERSTANDING#14 JOINT MODIFIED WORK POLICY

Purpose: To permit employees to return to work while recovering from an illness or injury, and who have restrictions on their physical activities. The Workplace Safety & Insurance Board (WSIB), early and safe return to work (ESRTW) guidelines are set out in the Workplace Safety and Insurance Board Operational Manual (OPM). This Modified Work Duty Policy will be conducted in accordance with all applicable provincial laws.

- Employers and workers are obliged under the WSIB Act to co-operate and be self-reliant in the worker's early and safe return to suitable and available employment. The workplace parties are responsible for resolving return to work issues in the workplace.
- The workplace parties recognize that the ESRTW/modified work policy is necessary to expedite successful recovery of injured or ill workers. The intent is to maintain the health and welfare of our workforce by being actively involved by offering modified work.
- All employees suffering injury or illness may be accommodated according to his

capabilities as outlined by the treating physician, including sedentary work and a clean environment.

- Employees and employer shall communicate and co-operate in the ESRTW program as soon as possible after a work related injury occurs and maintain communication throughout the period of the worker's recovery or impairment.
- To ensure the integrity of this program, and prior to the employee's return to work, the attending physician must provide the company with full details of the employee's capabilities. Workplace parties will determine what suitable and available duties are within the worker's functional abilities that can be performed safely.
- Employees are expected to participate in the Joint Modified Work Policy program provided for them. Work will be selected which will not aggravate their condition and will gradually return the employee back to his regular work. Efforts will be made to accommodate the worker to his regular department and shift.
- Should an employee working in the modified

work program develop discomfort or pain while performing work, he shall stop work immediately and report it to his supervisor. The workplace parties will reassess the work assigned and again determine if appropriate modified work is available.

Normally, accommodation on the modified work policy is of a temporary nature, the employee should be capable of returning to work in twelve (12) weeks or less, but the time limit may be extended to meet the employees individual healing time. Reassessments may be required by the workplace parties.

- Employees returning with permanent restrictions may be permitted to work on light duty until a permanent solution is obtained. The workplace parties are responsible for determining whether a particular job that becomes available is suitable for the worker.
- A written agreement on the early return to work understanding will be issued to the employee on modified work and to his immediate supervisor. Any disputes, which can not be resolved by the workplace parties, shall be directed to the Union

President and Mine Manager. Only after the Union President and Mine Manager have unsuccessfully resolved the issue, will the issue be forwarded in writing to WSIB.

LETTER OF UNDERSTANDING #15 ACCOMMODATIONS

If an employee becomes temporarily or permanently disabled as a result of illness, disease, non-occupational or a work related injury, the Company and the Union will endeavour to accommodate the employee.

The accommodation will be in his Department or, if not possible, in another Department on site in a job he is able to perform. Such an employee being accommodated shall not be assigned to displace an employee with greater seniority.

Temporary: An employee unable to perform the substantial duties of his job and requiring temporary accommodation must follow the Joint Modified Work Program.

Permanent: An employee being accommodated must participate in the Joint Modified Work Program. A medical practitioner must substantiate the permanent "disability". The employee may then remain on his job or be assigned to an open position. (An open posting which the committee determines the employee who is being accommodated can perform without further accommodation) Upon request the

accommodated employee must provide medical evidence concerning his functional abilities. The Committee may require an independent medical assessment prior to the determination of permanent disability. The Company agrees to pay for such independent medical assessment.

An employee who is temporarily or permanently being accommodated shall be returned to his former posting when cleared for such by a medical practitioner.

In the case of a workplace reduction (employees going out the door) an employee who was accommodated shall not be excluded from being laid off.

NOTE:

In order to assist in the accommodation of such employees, a committee will be formed consisting of two (2) employees appointed by the local Union and two (2) persons appointed by the Company as described in the Joint Modified Work Program. The Committee will meet as required. It will be notified of and review all permanent accommodation and placement of disabled employees and make recommendations to the Company regarding new and alternate accommodations and placements. The Committee will review

each permanent accommodation yearly. The Committee may require an independent medical assessment of the employee on permanent accommodation. The Company agrees to pay for such independent medical assessment.

LETTER OF UNDERSTANDING #16 EMERGENCY LEAVE DAYS

The Company agrees to follow the provision of Emergency Leave Days, as provided for by Section 50 of the Employment Standard Act, 2002.

The Company further agrees absences described below shall not be counted as Emergency Leave Days:

- Weekly Indemnity as defined in the Company Group Plan
- WSIB
- 7.03 or 7.04 Union Leave
- 7.05 Conciliation or Arbitration Proceedings
- 7.06 Additional Vacation Leave
- 13.04 (d) Lieu Days
- 15.04 Lieu Days
- 15.05 Floating Holidays
- 18.02 Bereavement
- 18.03 Jury or Witness Duty
- 21.01 or 21.02 Training Days

In the event that the Company requests evidence that an employee is entitled to an Emergency Leave Day, the Company shall reimburse the employee for the cost of obtaining the appropriate documentation.

The Company shall respect an employee's right to medical privacy and shall not require an employee to furnish medical certificates that contain detailed medical information concerning his medical condition.

LETTER OF UNDERSTANDING#17 EMPLOYEE ASSISTANCE PROGRAM

The Company and the Union agree that there is an Employee Assistance Program in effect at the Mine and agree to promote, educate and communicate its benefits to employees.

The Company and the Union have a strong interest in encouraging early treatment and helping to resolve employee problems relating to substance abuse, emotional, medical, family or financial difficulties. To help achieve this goal, the Company and the Union **will** maintain a joint EAP Joint Committee to assist in the promotion of a full and healthy lifestyle through employee assistance programs. Employee assistance is available to every employee or immediate family members.

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