

A G R E E M E N T
Between
LONGYEAR CANADA INC.
and
INTERNATIONAL
ASSOCIATION OF
MACHINISTS AND
AEROSPACE WORKERS
Local Lodge No. 2412

May 1, 1994 to April 30, 1996

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ARTICLE 1

Definitions

SECTION 1.01

The term "Employee or Employees" used in this Agreement shall mean only those employees who are included in the Bargaining Unit, as described in Article 2, Section 2.01.

SECTION 1.02

Wherever the term "Working Days" is referred to in Articles 8,10, 12 and 13 of this Agreement, this shall mean only the working days Monday to Friday inclusive.

SECTION 1.03

In this Agreement, words importing male persons include female persons, words in the singular include the plural and words in the plural include the singular.

ARTICLE 2

SECTION 2.01

The Company recognizes the Union as the sole and exclusive bargaining agent and will bargain collectively with the accredited representatives of the Union, representing all production and maintenance employees, including plant employees in the field, but excluding shift foremen, those above the rank of foreman, watchmen, other field employees, office, clerical and salaried employees and cafeteria manager, with reference to all matters pertaining to wages, hours of work, working conditions in and out of the North Bay plants and questions arising out of the interpretation or application of the agreement.

SECTION 2.02

The Company shall give each new employee, when hired, a copy of this Agreement.

SECTION 2.03

The Company agrees no work shall be performed by staff personnel that would normally be done by employees in the Bargaining Unit, except in cases of emergency after hours where at least two (2) bargaining unit employees who normally would perform the job function have been offered and have refused call in as set out in Article 20, for the purpose of instruction, or experimental and development work. In any circumstances, no one outside the Bargaining Unit shall perform work that is normally

performed by employees in the Bargaining Unit to the extent and volume that such work directly results in the lay-off, demotion or displacement of an employee in the Bargaining Unit.

It is understood and agreed that the work performed by supervision in the Diamond Bit Room pertaining to sorting and evaluation of diamonds will not constitute a violation of this collective agreement.

ARTICLE 3

Rights of Management

The Union agrees that it is the exclusive function of the Company to:

- (a) Direct the working forces, maintain order and efficiency.
- (b) Hire, assign, classify, transfer, promote, demote, layoff and recall, discharge, or otherwise discipline employees, subject to the right of an employee to lodge a grievance as herein provided.
- (c) Generally to manage and operate its business in all respects and without limiting the generality of the foregoing to determine the work to be performed, the kinds and locations of equipment to be used, the control of materials and goods, the number of personnel to be employed, make and alter from time to time, rules and regulations, relating to the general conduct of the employees, to be posted on the Bulletin Board, and all other matters concerning the operations of the plant not otherwise specifically dealt with elsewhere in the Agreement. It is understood and agreed that none of the above rules, regulations and rights shall be inconsistent with provisions and terms of this Agreement.

ARTICLE 4

Union Dues and Membership

The company shall deduct monthly from the wages of each employee covered by the Agreement, an amount equal to his union dues and initiation fees, as determined by the Union. In the case of new employees, such deductions shall commence on the payday on which dues and deductions are normally made following thirty (30) days of employment. Such monthly deductions shall be remitted to the Local Union, together with a list showing from whom the deductions were made, on or before the twenty-fifth (25th) day of the month in which said deductions were made.

ARTICLE 5

Strikes and Lock-outs

In view of the orderly procedure established by this Agreement for the settling of disputes and the handling of grievances, the Union agrees that during the life of this Agreement, there shall be no strikes, slow-downs or stoppages of work, and the Company agrees that there will be no lock-outs.

ARTICLE 6

Discrimination

Both parties agree to abide by the terms of the Ontario Labour Relations Act, and the Ontario Human Rights Code, with respect to discrimination.

ARTICLE 7

Union Representatives

SECTION 7.01

The Union shall name a Shop Committee consisting of not more than six (6) members who shall be employees of the Company and covered by this Agreement. It is understood that no more than five (5) members shall attend any meeting with the Company.

SECTION 7.02

Matters pertaining to the interpretation or application of this Agreement and other matters of general concern to both parties shall be discussed by the Company and the Shop Committee, who shall meet at a time mutually agreed upon.

SECTION 7.03

The Union may designate, and the Company shall recognize, a reasonable number of Shop Stewards as elected by the bargaining unit employees.

SECTION 7.04

A Shop Steward who has received the permission of his Foreman, may absent himself from his work or department for a reasonable time for the purpose of negotiating and settling grievances when they arise. The Foreman's permission shall not be unreasonably denied.

ARTICLE 8

Grievance Procedure

SECTION 8.01

- (a) It is agreed that all grievances shall be taken up as promptly as possible after the matter or occurrence giving rise to such grievances.
- (b) It is the mutual desire of the parties hereto that complaints of employees shall be adjusted as quickly as possible. It is generally understood that an employee has no grievance until he has first given his Foreman an opportunity of adjusting his complaint. The employee shall be accompanied by his Steward.
- (c) A grievance to be considered in the grievance procedure must be filed within ten (10) days of the origin of the circumstances giving rise to the grievance or the date on which such matters or occurrence comes to the notice or should have come to the notice of the party grieving. In the case of employees working on out-of-town job sites, the above time limits shall commence upon his return to the North Bay plant.

SECTION 8.02

STEP NO. 1

Failing satisfactory settlement in 8.01 (b) and if an employee has any grievance which he wishes to discuss with the Company, he shall take the matter up in writing with his Department Head and shall be accompanied by his Steward. The Department Head shall give his answer, in writing, within three (3) working days.

STEP NO. 2

Failing satisfactory settlement in Step No. 1, the grievance shall be submitted, in writing, by the Shop Committee to the Production Manager - Equipment Division, Diamond Products Division Manager or C.D.D. Warehouse Supervisor, whichever is applicable, or his designate, within three (3) working days of the Union's receipt of the answer in Step No. 1 and a meeting shall be arranged within three (3) working days between the parties to deal with the grievance. At such meeting, an International Representative of the Union may be present, at the request of either party. The Production Manager - Equipment Division, Diamond Products Division Manager or C.D.D. Warehouse Supervisor, whichever is applicable, or his designate, shall render a decision, in writing, to the Union at this meeting, if possible. If not possible, he shall give the answer within three (3) working days after said meeting.

STEP NO. 3

Failing a satisfactory settlement in Step No. 2, the grievance may be referred to arbitration upon the request of either party.

SECTION 8.03

POLICY GRIEVANCE

Either party may file a grievance involving the interpretation, application or alleged violation of this Agreement within ten (10) working days of the alleged violation, such grievance to be lodged in writing as a policy grievance and shall commence at Step No. 2 and failing satisfactory settlement, it may be referred to arbitration as herein provided.

SECTION 8.04

During the discussion of a grievance, if it is agreed between the Company and the Union that witnesses would aid in the settling of a grievance, then such witnesses may be requested to attend said discussion.

ARTICLE 9

Arbitration

SECTION 9.01

If the grievance is not satisfactorily settled in Step No. 3, either party may, within ten (10) days of the Union's receipt of the answer from the Production Manager - Equipment Division, Diamond Products Division Manager or C.D.D. Warehouse Supervisor, whichever is applicable in Step No. 3, notify the other party, in writing, of its desire to submit the grievance to arbitration. The parties shall attempt to agree upon an arbitrator by exchanging nominations, and failing agreement within ten (10) days as to the appointment of an arbitrator, the matter shall be referred to the Minister of Labour with a request from either party for the appointment of an Arbitrator. It is understood and agreed that the arbitrator has no authority to alter, modify or amend any of the provisions of this Agreement nor to give any decision inconsistent with the terms of this Agreement. Each party shall pay one-half of the fees and expenses of the arbitrator. The decision of the arbitrator shall be final and binding on the employee or employees concerned, and both parties to this Agreement.

ARTICLE 10

Suspension and Discharge Cases

SECTION 10.01

A claim by an employee that he has been unjustly suspended or discharged from his employment shall be treated as a grievance if a written statement of such grievance is lodged within three (3) working days after the suspension or discharge. In such a case, the grievance shall start with Step No. 3 of the Grievance Procedure.

Such grievances may be settled under the grievance or arbitration procedure, as follows:

- (a) confirming the Company's decision; or
- (b) reinstating the employee with full seniority, pay for all time lost and restoration of other rights and benefits provided under the collective agreement; or
- (c) any other intermediate terms within the scope of the preceding paragraphs (a) and (b) which are deemed just and equitable in the judgement of the conferring parties under the grievance or arbitration procedures.

SECTION 10.02

The Company agrees that time limits stated in this section shall be extended for employees whose normal tour of duty requires them to work on out-of-town job sites, up to three (3) working days after returning to the North Bay Plant.

ARTICLE 11

Any and all time limits mentioned in Articles 8, 9, and 10, may be extended in writing by mutual agreement of both parties.

ARTICLE 12

Seniority

SECTION 12.01 - Definition of Seniority

Seniority is a principle of granting preference to employees for promotion, demotion, transfer, layoff, and re-hiring after layoff, in accordance with length of employment with the employer.

SECTION 12.02 - Application of Seniority

All cases of promotions, transfers, demotions, layoffs, and recall after layoffs, shall be made on the basis that seniority shall govern when, in the judgement of the employer, which shall not be exercised in an unfair or unreasonable manner, the requirements of operations, the ability, knowledge and skill of the individual to fulfill the normal requirements of the job are relatively equal between two or more employees.

SECTION 12.03 - Seniority Groups

There shall be five (5) separate seniority groups: namely, Equipment Manufacturing Shop (to include Tubing Plant), Bit Manufacturing Shop, Stockroom (to include Tubing Plant), C.D.D. Shop and Diamond Room.

SECTION 12.04 - Seniority Listings

Seniority lists, showing relative seniority ranking of employees, shall be posted on the bulletin board upon the signing of this Agreement and every two (2) months thereafter. Upon the posting of the seniority list, employees shall have fifteen (15) days in which complaints against their seniority standing may be filed. Once filed complaints are settled, it is deemed that the seniority list, as posted, is correct. Copies of the up-to-date seniority list and/or corrected lists will also be supplied to the Union on the date of posting.

SECTION 12.05 - Probationary Employees

An employee shall be considered to be on probation and will not be placed on a seniority list until he has completed ninety (90) calendar days employment with the Company during a period of six (6) consecutive months during which time the Company may assess whether the employee is suitable to be retained. Absence from work for more than five (5) working days during the probationary period shall be added to this

said ninety (90) calendar days. After he has so attained seniority, such seniority shall now date from ninety (90) calendar days prior to the completion of the probationary period with the Company. A probationary employee may be terminated by the Company without recourse to the grievance procedure.

The Company may extend the probationary period for students who are hired during their school vacation, provided that said students are registered as such with the Union. However, if the Company wishes to retain the student beyond his normal vacation, his probationary period shall be established as per the provisions of the above paragraph.

Any employee who has previously worked in a department shall be required to serve only one (1) probationary period in that department during any consecutive twenty four (24) month period.

SECTION 12.06 - Layoff

- (a) The Company shall notify the Union of all layoffs prior to the employee being notified.
- (b) All notices of layoff shall be in writing and will be served personally or by registered mail.
- (c) In all layoffs, probationary employees shall be laid off first.
- (d) Employees laid off in Groups A, B, C, D, E, and F in the Equipment Manufacturing Shop, as shown in Article 31, may exercise their seniority in any of these groups.
- (e) Employees laid off in Groups B, C, D and F in the Bit Manufacturing Shop, as shown in Article 31, may exercise their seniority in any of these groups.
- (f) Employees laid off in Groups A, B and C in the Stockroom, as shown in Article 31, may exercise their seniority in any of these groups.
- (g) Employees laid off in Groups A, B, C and D in the C.D.D. Shop, as shown in Article 31, may exercise their seniority in any of these groups.
- (h) An employee, who is disabled and absent from work, due to illness or injury, on the date that a notice of layoff would otherwise have been served, shall be served such notice of layoff in accordance with this Article. For purposes of this Article, the effective date of layoff shall be deemed to be the date of layoff as set out in the notice of layoff.

It is understood that the application of this Section shall not alter any of the rights of the disabled employee, as set out elsewhere in this Agreement.

SECTION 12.07 - Bumping Privileges

It is agreed that in cases of layoff where an employee exercises his seniority to displace a junior employee, he is entitled to a familiarization period of up to ten (10) working days to become acquainted with the special job duties and/or machines involved in the job he is moving to. During this familiarization period, he must demonstrate sufficient ability and skills to promptly and satisfactorily perform the job.

SECTION 12.08 - Temporary Layoff

For the purposes of this Section, temporary layoff will mean a layoff from employment not exceeding thirteen (13) calendar weeks.

- (a) The Company may layoff employees within each of the five (5) areas, (i.e. Equipment Manufacturing Shop, Bit Manufacturing Shop, Stockroom, C.D.D. Shop and Diamond Room) in accordance with Section 12.02 for a temporary layoff period of three (3) consecutive working days or less. In accordance with Section 12.07, employees may exercise seniority only in the area in which they are working at the time of layoff. It is understood the ten (10) working days familiarization period will not apply to temporary layoff periods, as defined by this paragraph (a).

It is understood that this temporary layoff can only be invoked to a maximum of three (3) occasions per contract year per area.

This clause can only be used when the layoff is necessitated because of an emergency situation, or where there is insufficient work available, due to conditions beyond the control of the Company.

- (b) The Company shall not temporarily layoff employees who have been employed for ninety (90) calendar days or more, for a period of more than three (3) working days, but less than thirteen (13) calendar weeks, unless the Company gives seven (7) working days notice.

SECTION 12.09 - Notice on Termination/Indefinite Layoff

For the purposes of this Section, indefinite layoff will mean a layoff from employment exceeding thirteen (13) calendar weeks.

The Company shall not terminate the employment of, or place on indefinite layoff, an employee who has been employed for ninety (90) calendar days or more, unless the company gives:

- (a) Two (2) weeks notice, in writing to the employee, if his period of employment is less than two (2) years;
- (b) Three (3) weeks notice, in writing to the employee, if his period of employment is two (2) years or more, but less than five (5) years;

- (c) Five (5) weeks notice, in writing to the employee, if his period of employment is five (5) years or more, but less than ten (10) years and ten (10) weeks notice, in writing to the employee, if his period of employment is ten (10) years or more.

SECTION 12.10 - Employee Recall from Layoff

When employees are recalled, they shall be advised in writing as to whether the work is deemed by the Company to be temporary work or permanent work. If the work is temporary, the Company shall indicate the expected duration of the temporary work.

For the purposes of this Section, temporary work will mean a period of employment not exceeding thirteen (13) calendar weeks. In any event, it is understood that the total accumulation of temporary work will not exceed sixty-five (65) working days during any period of two hundred and eighty (280) successive calendar days. If this limitation is exceeded, new notice of layoff, as set out in Section 12.09, will be required.

- (a) An employee on layoff will be provided with notice of recall by registered mail at his last known address, except in instances where the period of recall is anticipated to be for a period of not more than twenty (20) working days. In cases where the work is anticipated to be for not more than twenty (20) working days, employees qualified to perform the work will be contacted by telephone in order of seniority and advised of work available. If after a reasonable attempt to contact an employee by telephone fails and that employee is not able to be contacted, the next senior employee on the applicable seniority list will be contacted and advised of the work available. In such cases where a junior employee performs the work, the senior employee, who was not able to be contacted, shall have bumping privileges for the duration of the current work without notice to the junior employee.
- (b) An employee who refused recall to temporary work or to a lower rated job, will not, by reason thereof, lose his right to recall, but will lose further claim in the current layoff to temporary work or to the job which he has refused to accept, unless said employee indicates, in writing, to the Company and the Union, his availability for future temporary work.
- (c) If additional temporary work becomes available during any temporary work period, where the temporary work may be extended, employees performing such temporary work shall be notified, as soon as practicable by the Company, in writing, of the anticipated duration of the temporary work.
- (d) It is understood that the recall of employees to temporary work, as defined by this Section, will not be invoked in any unreasonable manner.

SECTION 12.11 - Loss of Seniority

An employee shall lose his seniority when any of the following occurs:

- (a) Leaves voluntarily or is discharged for cause.
- (b) Fails to notify the Company of his intention to return to work from a layoff within five (5) working days after notification, by registered mail at his last known address, or fails to return to work within seven (7) working days unless a satisfactory reason, acceptable to the Company, is given.
- (c) If an employee with less than five (5) years seniority is laid off for a period of more than eighteen (18) months, or a period equal to his seniority, whichever is the lesser, or if an employee with more than five (5) years seniority is laid off for a period of more than twenty four (24) months. Any period of time worked under a temporary recall, as defined in Section 12.10, will be added to the original date of indefinite layoff, as defined in Section 12.09, and the effective date of the layoff will be advanced accordingly.

A period of time mentioned above will be calculated on the basis of one (1) month for every twenty (20) days worked.

- (d) If an employee fails to return to work on the first regular working day following the expiration of a leave of absence, unless extenuating circumstances, beyond the employee's control, prevent him from returning.
- (e) If an employee utilizes a leave of absence for purposes other than that for which it was granted.
- (f) If an employee is absent from work more than three (3) consecutive work days without notifying the Company or fails to provide a reason satisfactory to the Company for his failure to do so.

ARTICLE 13

Job Posting

When new jobs are created within the bargaining unit or vacancies over thirty (30) days occur in Group "A", they shall be posted on the bulletin board for five (5) working days. Applicants must apply, in writing, to the Department Manager. The posting of new jobs shall be limited to the first job created. The posting of vacancies in Group "A" shall be limited to all jobs created in Group "A" by filling of such vacancy. Where such jobs are created and such vacancies occur, the provisions of Article 12 shall apply.

The name of the successful applicant will be announced forthwith. Where there are no successful applicants, an employee may be prevented from temporarily filling any position. The employer shall make every reasonable effort to notify employees of subsequent vacancies.

Temporary vacancies shall not be used to circumvent the job posting procedures.

ARTICLE 14

Promotions

Promotions or transfers to positions outside the bargaining unit are not governed by the provisions of this Agreement, but where an employee has been so promoted or so transferred, is later transferred to a position in the bargaining unit and thereby covered by the provisions of this agreement, he shall be credited only with such seniority that he had at the time he was promoted or transferred out of the bargaining unit.

ARTICLE 15

Leave of Absence

SECTION 15.01

The Company may grant leave of absence with or without pay to an employee for legitimate personal reasons. Requests and authorization for a leave of absence shall be in writing on a form supplied by the Company. Seniority will continue to accumulate during said leave of absence.

SECTION 15.02

The Company will grant leave of absence without pay to employees delegated to attend a Trade Union conference or convention if a request is made by the Union no later than two (2) weeks before such leave is to commence. The following conditions will apply to such a leave of absence:

- (a) Each leave will not exceed two (2) weeks.
- (b) No more than one person from a department will be granted leave of absence at one time.
- (c) No more than thirty (30) days total leave of absence will be granted to a person in any one year.
- (d) Seniority of the employee will continue to accumulate during such leave of absence.

SECTION 15.03

On request from the Union, leave of absence for full time work with the International Association of Machinists and Aerospace Workers, or the District Lodge, will be granted, without pay, to one (1) member of the Union, for a period of one (1) year, subject to renewal for further periods by mutual consent of the parties. On a leave of absence under this Section, seniority will not accumulate. Upon return to employment with the Company, the employee will retain the accumulated seniority which he had at the commencement of his leave of absence.

SECTION 15.04

Time granted off to union officials for preparation of and contract negotiations, preparing for, and attending arbitration cases, will not be considered leaves of absence under any of the aforementioned cases. Seniority will continue to accumulate during "time-off" under this section.

SECTION 15.05

A female employee will be granted a leave of absence for a maximum period of six (6) weeks for the purpose of adopting a child. Upon return to work, she shall be entitled to her same job or to a comparable position and pay rate.

ARTICLE 16

Posting Notices

The Union shall have the privilege of having its notices, which have been approved by the Company, posted on a bulletin board provided by the Company. The Company's approval of such notices shall not be unreasonably withheld. Notices shall be removed by the Union when no longer current.

ARTICLE 17

Safety and Health

SECTION 17.01

The Company agrees to comply with safety legislation of the Province of Ontario. The Union agrees to assist in assuring full observance of all safety rules.

The Company will recognize a joint safety committee comprised of not more than three (3) Company Representatives and three (3) Bargaining Unit employees appointed by the Union.

One (1) Bargaining Unit employee will be selected from the C.D.D. Shop. Said committee shall meet on a monthly basis, or as the need arises, for the purpose of discussing any matters concerning safety and health of the employees, and to make safety recommendations, if necessary, to the Company.

SECTION 17.02

The Company will supply a bulletin board whereby the First Aid Personnel may designate their presence in the plants.

SECTION 17.03

The Company agrees to provide employees with the initial pair of approved prescription safety glasses and a maximum of one replacement pair of approved prescription safety glasses per year to a maximum value of one-hundred and twenty (120) dollars per pair, at no cost to the employee. This maximum will be increased to one hundred and seventy (170) for those employees requiring special lenses due to a documented vision impairment. Due to the nature of their work, Welders and Precision Grinders will not be

subject to the limitation of one replacement pair of approved prescription safety glasses per year.

SECTION 17.04

The Company shall continue to provide necessary protective clothing and safety devices as in the past, including any additional items deemed necessary from time to time by the Company and including approved recommendations of the Safety Committee.

SECTION 17.05

The Company will pay a maximum of eighty-five (85) dollars during the Contract years 1994 and 1995 towards the purchase of one (1) pair of safety boots per employee.

SECTION 17.06

It is understood that the provisions of safety glasses, as set out in Section 17.03, and safety boot allowance, as set out in Section 17.05 will apply only to permanent employees of the Company covered by this Agreement, who are on the payroll and actively at work. An employee on temporary recall, as defined in Section 12.10, will not be eligible for the provision of safety glasses or safety boot allowance, as set out in Sections 17.03 or 17.05 respectively.

ARTICLE 18

Hours of Work

SECTION 18.01

The work week shall be five (5) consecutive days, commencing at 12:01 a.m. Monday and ending at 12:00 midnight Friday.

A work day shall be twenty-four (24) consecutive hours within the work week, starting at 12:01 a.m.

An employee's normal work week shall consist of five (5) days of eight (8) hours each, within the work week in accordance with posted schedules.

An employee's normal work day shall consist of eight (8) consecutive hours within the work day.

SECTION 18.02

Schedules referred to in Section 18.01 shall be posted not later than 4:00 p.m. Thursday for the week following, and shall indicate the shift, job or anticipated job position and work week of each employee.

SECTION 18.03

The Company shall, when making such schedules referred to in Section 18.02, ensure that an employee's days off shall be consecutive.

SECTION 18.04

Changes in work days in the schedule for the current work week shall not be made during such work week to avoid payment of overtime, and when an employee works on one of his scheduled days off or works overtime on a scheduled day, he shall not be required by the Company to take an additional scheduled day off in lieu of the unscheduled day worked.

SECTION 18.05

Where three (3) shifts are being operated, the following starting and finishing times will apply:

- (a) 12:00 midnight - 8:00 a.m.
- (b) 8:00 a.m. - 4:00 p.m.
- (c) 4:00 p.m. - 12:00 midnight

Where two (2) shifts are being operated, the following starting and finishing times will apply:

- (a) 8:00 a.m. - 12:00 noon
12:30 p.m. - 4:30 p.m.
- (b) 4:30 p.m. - 8:30 p.m.
9:00 p.m. - 1:00 a.m.

Where a single shift is being operated, the following starting and finishing times will apply:

(a) **Manufacturing**

8:00 a.m. - 12:00 noon
12:30 p.m. - 4:30 p.m.

(b) **Bit Division**

8:00 a.m. - 12:30 p.m.
1:00 p.m. - 4:30 p.m.

SECTION 18.06

A twenty (20) minute lunch period shall be allowed with pay, to all employees working on a three (3) shift basis.

SECTION 18.07

When employees, who normally work on a three (3) shift basis, are requested to work an overtime day shift on Saturday, they will be paid for their twenty (20) minute lunch break, if they remain working until 2:00 p.m. or after.

ARTICLE 19

Overtime

SECTION 19.01

Overtime shall be divided amongst employees as equitably as possible, consistent with the efficient operation of the plant.

SECTION 19.02

When it is necessary to retain employees beyond their normal quitting time for a specific job, those employees doing the job on the normal shift shall be given preference.

SECTION 19.03

When overtime is anticipated on weekends, or an employees' scheduled days off, two (2) days' notice shall be given when possible.

SECTION 19.04

All hours worked in excess of eight (8) hours per day, Monday through Friday, shall be paid at a rate of time and one-half (1 1/2). All hours worked on Saturday shall be paid at the rate of time and one-half (1 1/2).

SECTION 19.05

All hours worked on a statutory holiday will be paid at time and one-half (1 1/2) the regular hourly rate, in addition to the straight time holiday pay.

SECTION 19.06

Hours worked on Sunday shall be paid at the rate of double time for all hours worked.

SECTION 19.07

For the purpose of computing overtime, a "4 shift employee's" first day off will be deemed to be a Saturday, his second day off a Sunday.

SECTION 19.08

Employees who work overtime in excess of two (2) hours with less than twenty-four (24) hours notice, will be provided with a meal allowance of five (5) dollars during the life of this Agreement.

ARTICLE 20

Call In

SECTION 20.01

If an employee is, on occasion, summoned to the plant by the Company for the performance of any work, other than his regular scheduled working hours, he shall be paid a minimum of four (4) hours at the applicable rate for all non-scheduled hours worked.

SECTION 20.02

If call in is within two (2) hours of the commencement of his regular shift, he will be paid at the rate of one and one-half (1 1/2) times for all hours worked prior to the commencement of his regular shift after which regular shift pay will take over.

SECTION 20.03

Whenever an employee's regular scheduled working hours are changed by the Company, i.e. both starting and finishing times, he shall be paid at the rate of time and one-half (1 1/2) the regular wage rate for the work so performed during the first normal working day following such changes, if less than twenty-four (24) hours prior notice of such change has been given to the employee by the Company.

ARTICLE 21

Special Allowances

SECTION 21.01

There shall be two (2) paid fifteen (15) minute rest periods each shift.

SECTION 21.02

There shall be a three (3) minute wash-up period prior to lunch break and end of work day, also at the end of each period of overtime.

ARTICLE 22

Bereavement Allowance

SECTION 22.01

If requested by the employee, a leave of absence with pay shall be granted to a maximum of three (3) working days, where death, or deaths, occur in the employee's immediate family and where the employee is attending the funeral. Immediate family, for the provisions of this Agreement, shall be limited to the employee's mother, father, sister, brother, spouse, children, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, step parents, step children, and grandchildren.

One day off, with pay, will be provided to an employee attending the funeral of his grandfather or grandmother.

SECTION 22.02

Pay for such leave shall be limited to eight (8) hours in each calendar day, at the employee's straight time job rate.

SECTION 22.03

The days of the leave of absence for which the employee shall receive pay shall be limited to those days on which the employee was scheduled to work and does not work. Neither time off nor pay granted under this provision shall be used in computing overtime of any description.

ARTICLE 23

Jury Duty

An employee who is unable to work his regular shift because he is required to perform jury service, or has been subpoenaed as a witness, will be paid the difference between his straight time hourly earnings for the hours he normally works on his regular shift and the jury or witness pay. All time spent on jury duty shall be considered as time actually worked and shall not reflect adversely on any other section or benefit provided in this Agreement.

ARTICLE 24

Pay Cheques

Except in cases beyond the Company's control, pay cheques shall be issued in sealed envelopes, as follows:

- (a) Every second Thursday. Should any of these days fall on a holiday then payday shall be the day preceding.
- (b) At 8.00 a.m. Friday for those employees coming off shift at that time.

ARTICLE 25

Statutory Holidays

SECTION 25.01

Every employee shall be paid for eight (8) hours straight time for each of the following days:

New Year's Day	Civic Holiday
Good Friday	Labour Day
Easter Monday	Thanksgiving Day
Victoria Day	Christmas Day
<i>Canada Day</i>	Boxing Day

Subject to Section 25.03, each employee shall receive one (1) floating holiday to be taken at the employee's discretion during the current contract year. It is understood that this "Floater" will be granted subject to Management's approval, after a request has been made to the employee's supervisor. An employee on temporary recall shall not be eligible for this "Floater" holiday.

SECTION 25.02

Holidays for the night shift shall be declared to be either on the eve of the statutory holiday or on the holiday, whichever is more suitable to the occasion.

SECTION 25.03

The employee shall be eligible for holiday pay provided each of the following conditions are met:

- (1) The employee has completed thirty (30) calendar days' employment.
- (2) Worked on the scheduled day before and after the holiday, unless absence is due to verified illness, death in the immediate family, lay-off or when the Company has granted permission of absence for a portion of or all of the day.

- (3) Worked one (1) full shift in the fourteen (14) days immediately preceding the day on which the holiday is observed, or is on annual vacation.

SECTION 25.04

When a "four shift" employee whose holiday, as referred to in Section 25.01, falls on his normal work day, he shall be granted said holiday on the day preceding or following his normal days off.

If a holiday falls on an employee's normal days off, or during his vacation, he will be granted the holiday on the day preceding or following such days off within the work week.

The day granted as the holiday, as laid down in this Section, shall be deemed to be the actual holiday for the purpose of paying overtime in the event an employee performs work on such a day.

SECTION 25.05

The observance of holidays referred to in Section 25.01 on other than days declared by statute or decree shall be by negotiation between the Company and the Union.

ARTICLE 26

Annual Vacations

SECTION 26.01

For the purpose of determining vacation pay, the vacation year shall be the twelve (12) month period ending December 31st of the previous year. For the purpose of determining vacation entitlement, service as of December 31st of the current year shall apply. The vacation year shall be considered as the twelve (12) month period ending December 31st in the current year.

SECTION 26.02

The annual vacation period for employees covered by this Agreement will be determined by mutual agreement between the Company and the Union, keeping in mind Company commitments and the efficient operation of the plant. A list of the employee's vacation entitlement shall be posted no later than March 1st and the vacation schedule shall be established before June 1st. A skeleton shop force may be retained during vacation period, at the discretion of the Plant Superintendent.

SECTION 26.03

Employees who have less than eighteen (18) months of service with the Company shall receive vacation pay of four (4) percent of the employee's gross earnings for the previous year.

SECTION 26.04

Employees with eighteen (18) months of service with the Company shall receive two (2) weeks of vacation with pay of eighty (80) hours at his current rate, or four (4) percent of his gross earnings for the previous year, whichever is greater.

SECTION 26.05

Employees with five (5) years of service with the Company and less than twelve (12) years of service shall receive three (3) weeks of vacation with pay of one hundred and twenty (120) hours at his current rate, or six (6) percent of his gross earnings for the previous year, whichever is greater.

SECTION 26.06

Employees with twelve (12) years of service with the Company and less than twenty (20) years of service *shall receive four (4) weeks and two (2) days of vacation with pay of one hundred and seventy-six (176) hours* at his current rate, or eight (8) percent of his gross earnings for the previous year, whichever is greater.

SECTION 26.07

Employees with twenty (20) or more years of service with the Company *shall receive five (5) weeks and two (2) days of vacation with pay of two hundred and sixteen (216) hours* at his current rate, or ten (10) percent of his gross earnings for the previous year, whichever is greater.

SECTION 26.08

Employees with thirty (30) or more years of service with the Company shall receive six (6) weeks of vacation with pay of two hundred and forty (240) hours at his current rate, or ten (10) percent of his gross earnings for the previous year, whichever is greater.

SECTION 26.09

"Gross Earnings" used in the calculation of vacation pay will be based on an employee's total earnings as shown on his T4 slip, but excluding taxable benefits.

SECTION 26.10

An employee who has been absent due to layoff, leave of absence or illness [except Workers' Compensation, Union leave of absence as per Section 15.04, apprenticeship training, and temporary layoff as set out in Section 12.08(a)], in excess of *two hundred*

and seventy (270) hours during the vacation year, shall receive, during the next vacation year, vacation pay and time off entitlement based on Section 26.04 through 26.08, pro-rated to take into account said period of absence.

In the event of an employee on Workers' Compensation, an equivalent gross earnings calculation will be made, based on a normal work week, to the extent that the Workers' Compensation Board of Ontario assigns liability to the Company. Such equivalent gross earnings will be included for calculation of vacation pay. If an employee on Workers' Compensation was not actively at work on a full time basis for any part of a vacation year, he shall not be entitled to vacation time off or vacation pay in the next following vacation year.

SECTION 26.11

The term "service" used in this article shall exclude any period of absence due to layoff or leave of absence exceeding forty-five (45) consecutive calendar days in any vacation year.

ARTICLE 27

Out of Town

SECTION 27.01

The Company may assign certain shop employees to out-of-town job sites. This applies mainly to employees of the Contract Drilling Division but may apply periodically to other employees in the Bargaining Unit. As clarification, the term "out-of-town job site" shall be defined as any place of work outside the City of North Bay's city limits.

SECTION 27.02

It is the Company's intention that, whenever it is practical, C.D.D. Shop employees will not be posted to out-of-town job sites for periods in excess of six (6) weeks.

SECTION 27.03

An employee required to work at an out-of-town job site in Canada shall receive fifty (50) cents above his regular hourly rate of pay for all hours worked.

An employee required to work at an out-of-town job site in any foreign country shall receive sixty-five (65) cents above his regular hourly rate of pay for all hours worked.

An employee required to work on drill moves at a job site where such moves are accomplished by helicopter shall receive an additional sixty (60) cents per hour for all hours worked on the move.

The Company shall provide room and board without cost to employees on out-of-town job sites.

SECTION 27.04

When the Company sends a shop employee to an isolated area with extreme climatic conditions, the Company shall supply, subject to prior approval by the employee's supervisor, the necessary outerwear clothing required by the climate. Such clothing shall remain the property of the company.

SECTION 27.05

It is understood that shop employees whose normal duties include driving Company vehicles or transporting Company goods to and from out-of-town job sites shall not be considered as assigned to said job site and Sections 27.03, 27.04, and 27.09 shall not apply.

SECTION 27.06

Employees required to travel on Company business shall, while travelling to and from their temporary place of duty, be paid their regular rates of pay at straight time up to a maximum of eight (8) hours in any twenty-four (24) hour period for all time spent in travelling. Such time spent travelling shall not be taken into consideration when computing overtime. Travelling time starts when actual travelling begins and the subsequent twenty-four (24) hour period is considered and each subsequent similarly defined twenty-four (24) hour period is considered until a permanent intermediate or temporary destination is reached. When an employee is enroute to or from a special job, waiting time, due to delay beyond control of the employees concerned, will be paid at straight time rates for eight (8) hours per day, but not in excess of fifty-six (56) hours per week, including all other straight time worked in the particular week concerned.

SECTION 27.07

The Company shall pay all travelling expenses, supported by receipts, up to a maximum of sixty (60) dollars per day incurred by employees while travelling to and from out-of-town job sites. This daily maximum may be increased at the Company's discretion if deemed inadequate. In such cases, the Company will provide the employee with written authorization of the increase prior to the commencement of travel.

SECTION 27.08

When special arrangements are made with an employee being sent to an out-of-town job site, the Company agrees to notify the Union in writing of such arrangements at least ten (10) days prior to the employee's departure. It is recognized that there may be occasions where the ten (10) day notice period may be reduced. It is further agreed

that if any of the special arrangements are unacceptable to the Union, the Company is prepared to discuss those conditions with the Union.

SECTION 27.09

The Company agrees that when Bargaining Unit employees are sent out of town or country to perform work, the senior person available in that classification is offered the job unless the job conditions dictate otherwise.

ARTICLE 28

Employee Benefits

SECTION 28.01

The Company will pay one-hundred (100) percent of the costs of the employee benefits outlined in Sections 28.02, 28.03, 28.04, 28.05, 28.06, 28.07, 28.09, 28.10 and 28.11.

SECTION 28.02

Life Insurance - under a plan established with The Great West Life Assurance Company, employees are entitled to Group Life Insurance, in accordance with their annual base salary, and after completing thirty (30) calendar days of service with the Company. Life insurance will be set as below:

All Employees - two times annual base earnings. This amount is rounded to the next higher \$1,000.00 if not already a multiple thereof.

Dependent Coverage -

Spouse	\$8,000
Children over 14 days	\$4,000

SECTION 28.03

Basic Hospital Insurance - As a replacement for previous OHIP coverage, all employees including their families will have hospital coverage as provided by the Province of Ontario and funded by the Ontario Employer Health Tax.

SECTION 28.04

Supplementary Hospital Plan - All employees, including their families will have (semi-private hospital) coverage under the provisions of the Supplementary Hospital Plan.

SECTION 28.05

Extended Health - All employees, including their families, are entitled to benefits under the provisions of The Great West Life Extended Health Care Plan, with an annual deductible of twenty-five (25) dollars per employee for all covered expenses except prescription drugs. The prescription drugs portion of the Extended Health Plan will be covered by a generic drug plan card (two (2) cards to be issued per family), provided by The Great West Life Assurance Company. Each purchase of prescription drugs under this plan will be subject to a two (2) dollar deductible amount to be paid by the employee at the time of each purchase.

SECTION 28.06

Short Term Disability Income - Employees who meet eligibility requirements and after completing thirty (30) calendar days service with the Company, who through accident or illness are unable to earn their living, will be entitled to two-thirds (2/3) of their basic weekly earnings, for a period not exceeding fifteen (15) weeks.

Weekly benefits will begin with the first day of disability due to injury, or the third working day if disability is due to illness. In the event an employee works part of, but no more than four (4) hours of, his regularly scheduled shift and is absent for the balance of that shift due to verified illness, the remainder of that shift will constitute half (1/2) a day of the two (2) day waiting period applicable to an illness claim. This plan will be administered by The Great West Life Assurance Company.

Income benefits received under Workers' Compensation and any other type of insurance benefit, will be deducted from payments made by the insurance company.

Any dispute regarding the payment of benefits will be subject to the grievance and arbitration provisions of the Collective Agreement.

SECTION 28.07

Long Term Disability Income - After completing thirty (30) calendar days service with the Company, an employee is eligible for long term disability insurance coverage. Should disability last for more than fifteen (15) weeks, eligible employees are entitled to long term disability benefits, payable by The Great West Life Assurance Company. Benefits will be sixty-six and two-thirds (66-2/3) percent *of the employee's insured rate to a maximum of seventeen hundred and fifty (1750) dollars per month; effective May 1, 1995, increase maximum to eighteen hundred and fifty (1850) dollars per month.* Disability must be severe enough to prevent the employee from performing his regular work with the Company. House confinement is not required, but the employee must be under the regular care and treatment of a doctor. If the employee is subject to disability payments under Workers' Compensation, or from other sources, such payments will form part of, and be considered in the payment of benefits as set out herein. The long term disability protection will be administered in accordance with the terms of the contract with the The Great West Life Assurance Company.

SECTION 28.08

If an employee is injured on the job, as a result of which he is required to leave the job, he shall be paid for the balance of his regular shift.

SECTION 28.09

Pension Plan

- (a) The pension plan effective January 1, 1968 is provided for employees in the bargaining unit. It is described in the explanatory booklet "Longyear Canada Retirement Plan "A" for Hourly-rated Employees", dated May 1, 1983.
- (b) It is fully financed by the Company.
- (c) The Company shall not reduce the benefits for the pension plan for the life of this Agreement.
- (d) Each member who attains his normal retirement date will thereupon become entitled to a normal pension, the monthly amount thereof to be equal to *the sum of twenty-four dollars and fifty cents (24.50) multiplied by the number of years of pensionable service prior to May 1, 1988 and thirty-four (34) dollars multiplied by the number of years of pensionable service after May 1, 1988.*

Diamond Products employees with benefits under former Plan "D" shall have such benefits supplemented to an amount equal to *the sum of twenty-four dollars and fifty cents (24.50) multiplied by the number of years of pensionable service prior to May 1, 1988 and thirty-four (34) dollars multiplied by the number of years of pensionable service after May 1, 1988.* An adjustment in this supplement will be made for any employee with benefits under former Plan "D", who, at any time prior to his retirement, may withdraw his contributions from the plan.

- (e) Employees will be retired from employment with the Company upon reaching sixty-five (65) years of age.
- (f) Pension Plan will provide vesting rights, with no age limit requirement:
 - (a) after five (5) years of employment for service prior to January 01, 1987,
and
 - (b) after two (2) years of employment for service after January 01, 1987.
- (g) The Company will provide the Union with a copy of the Actuarial Report(s) covering the Pension Plan.

SECTION 28.10

Basic Dental Plan

After completing ninety (90) calendar days of service with the Company, all employees, including their families, will have coverage under the provisions of the Company's Dental Plan for Bargaining Unit Employees with The Great West Life Assurance Company which will cover the 1992 O.D.A. Schedule of Fees; effective May 1, 1995, the 1993 O.D.A. Schedule of Fees.

SECTION 28.11

Vision Care

After completing ninety (90) calendar days of service with the Company, all employees, including their families, will have coverage under the provisions of the Company's Vision Care Plan for Bargaining Unit Employees with The Great West Life Assurance Company.

SECTION 28.12

Sick Leave Benefits

- (a) For the purpose of determining sick leave entitlement, the benefit year shall be considered as the twelve (12) month period ending April 30th each year.
- (b) Employees shall be entitled to Sick Leave Credits, during the current benefit year, at the employee's normal rate of pay, in accordance with the following schedule based on the employee's length of service as of April 30th of the previous benefit year:

1 day of sick leave for 3 months service, but less than 6 months service.

3 days of sick leave for 6 months service, but less than 1 year service.

6 days of sick leave for 1 year service, but less than 2 years service.

10 days of sick leave for 2 years service, but less than 3 years service.

12 days of sick leave for 3 years service, but less than 4 years service.

14 days of sick leave for 4 or more years of service.

The term "service" used in this Section shall exclude any period of absence due to layoff or leave of absence exceeding forty-five (45) consecutive calendar days in any benefit year.

- (c) Sick leave benefits shall begin with the first scheduled working day when absence is due to non-compensable injury and with the third scheduled working day when absence is due to illness.
- (d) Sick leave shall be paid to supplement the short term disability insurance plan and payment will be made in accordance with the insurance plan during periods of absence due to illness or non-compensable accidents. The sick leave credits, if any, will be reduced to supplement the insurance plan to provide the employee with his regular wages, after the qualifying period outlined in Section (c). Sick

leave shall not be paid for any day where an employee receives compensation elsewhere in this Agreement.

- (e) Sick leave credits are not cumulative from year to year. The employer, in May or June of each year, shall pay each employee for one and one-half (1-1/2) hours at his normal rate of pay for each day of unused sick leave.
- (f) Employees who are absent from work in excess of thirty (30) working days in any year, excluding absence due to Workers' Compensation of sixty-five (65) working days or less, vacations, illness and apprenticeship training, shall have sick leave credits in the following year pro-rated accordingly.
- (g) The employer shall require a medical certificate certifying to an employee's inability to work, before paying any sick leave benefits to employees.

SECTION 28.13

It is understood the Company's contributions to all employee benefits, outlined under Section 28, shall cease when employees are:

- (a) On strike.
- (b) Laid off for more than thirty-one (31) days.

On leave of absence in excess of one (1) month.

In cases of pregnancies of female employees, the employee will pay the premiums and, when returning to full employment, they shall be reimbursed for premiums paid.

SECTION 28.14

It is understood that the waiting periods for entry into the fringe benefit plans, as outlined in Sections 28.02 through 28.07, 28.10, and 28.11 shall apply only to new employees. An employee on layoff, who is recalled for temporary or permanent work, as outlined in Section 12.10, shall have fringe benefits reinstated upon the first day of return to work.

ARTICLE 29

General Benefits

SECTION 29.01

The Company will pay one hundred (100) percent of the cost of two (2) sets of uniforms per contract year. Uniforms must be worn by all shop employees, with the style and

colour to be negotiated between the Company and the Union. Uniforms must be to reasonable standards at all times.

It is understood that the provision of uniforms, as set out in this Section, will apply only to permanent employees of the Company covered by this Agreement, who are on the payroll and actively at work. An employee on temporary recall, as defined in Section 12.10, will not be eligible for the provision of uniforms, as set out in this Section.

SECTION 29.02

The Company agrees to paying the premium for liability insurance up to a maximum of one-thousand (1,000) dollars for all employees' tools and personal effects while in transit to and from, and on the job site. Such insurance is to be secured by the employee and the premium receipt submitted on his expense account or billed directly to the Company.

ARTICLE 30

Wage Premiums

SECTION 30.01

The Company shall pay the following shift differential pay:

1. *For shifts starting between 2:00 p.m. and 10:00 p.m. - fifty (50) cents per hour.*
2. *For shifts starting between 10:00 p.m. and 6:00 p.m. - Sixty (60) cents per hour.*

SECTION 30.02

An employee, whose regular schedule entails work on Sunday, shall be paid, in addition to any shift premium applicable, a premium of sixty-five (65) cents per hour for each hour so worked on Sunday.

SECTION 30.03

The Company may from time to time, as it deems necessary, appoint or delete Lead Hands to oversee a department or specific part of the operation. The Lead Hand shall receive sixty-five (65) cents per hour over and above the regular hourly rate of his classification for all hours worked. The Lead Hand shall not be called upon to discipline an employee.

SECTION 30.04

In areas where a "Lead Hand" has been designated, and the employee so designated is absent for any reason, the next qualified Senior Man in the designated work area,

consistent with the provisions of Article 12, and providing he is leading more than one employee, shall receive sixty-five (65) cents per hour over and above the regular hourly rate for his classification for all hours worked.

SECTION 30.05

In the event the Shift Foreman, on the afternoon shift or night shift, is unable to carry out his duties or fails to report for work, the next qualified Senior Man on his designated shift, consistent with the provisions of Article 12 (Seniority) will take charge of the shift and shall be entitled to a premium of sixty-five (65) cents per hour over and above the regular hourly rate for his classification for all hours worked.

However, if the Shift Foreman is to be absent for any predetermined period of time, the Shop Superintendent may, in his sole discretion, ask existing supervisory personnel to take charge of the shift during his absence.

ARTICLE 31

Wage increase as follows:

May 1, 1994 1% to all wage rates with the exception of the base rate of all classifications which will remain the same.

May 1, 1995 1.25% to all wage rates with the exception of the base rate of all classifications which will remain the same.

SECTION 31.05

Employees in Group "A", "B", "C", "D", "E" and "F", Section 31.01, and in Group "A", "B", and "C" Section 31.02 and Group "B", "C", and "D" Section 31.03 and Section 31.04 shall receive a wage increase of forty (40) cents per hour every six (6) months except for NC and CNC lathes, CNC millers and Cridans in Group "B", Section 31.01, who shall receive a wage increase of fifty (50) cents per hour every six (6) months until the maximum rate for their classifications has been reached. It is provided, however, that any absence(s) in excess of thirty (30) working days shall not be used for the purpose of this Section. The increment entitlement date shall be adjusted by the length of the aforementioned period(s) of absence.

Nothing contained herein shall prevent the Company from accelerating an employee through the range of classification rates referred to in this Article, for meritorious service.

SECTION 31.06

An employee who has worked in any classification for twelve (12) calendar months, who may be reassigned to a lower classification, due to layoff, shall retain the rate of pay being paid prior to the reassignment. In situations where an employee is recalled from layoff, as defined in Article 12, and is assigned to a lower rated classification, he shall be paid the top wage rate of that classification or the wage rate he was being paid prior to his layoff, whichever is lower. In the event that an employee is subsequently reinstated to the former position held prior to his layoff, he shall receive his former pay rate for that position.

SECTION 31.07

If during the term of this Agreement a new classification not outlined in Article 31, is established by the Company, the Company shall set the wage rate and notify the Union in writing. The Union shall have ten (10) working days from the date of said letter to notify the Company of its position with respect to the above mentioned wage rate. Should the Union disagree with the Company's position in this matter, a meeting between the Union and the Company shall be held within five (5) working days of the Union's response. If within fifteen (15) working days of the discussions, agreement has not been reached, the question may be referred to arbitration. It is understood that the arbitrator may use no criteria other than the relationship the new job bears to the wage rates set out in Article 31.

SECTION 31.08

The Company may hire students during the school vacation period, at the appropriate student rate, providing such employment does not result in the displacement of regular employees or prevent the recall of regular employees, who are on lay-off.

All provisions of this Agreement shall apply to Student Help, except that seniority shall not accrue to such Student Help unless they are retained by the Company as regular employees following the school vacation period, at which time their seniority shall commence with their original date of hire. Union Dues deductions pursuant to Article 4 of this Agreement shall not apply to such Student Help.

Student rate will be seventy-five (75) percent of minimum rate.

ARTICLE 32

C.O.L.A.

The standard of living of employees shall be protected by a cost-of-living allowance (C.O.L.A.) based on the Consumer Price Index (C.P.I.) (1986 = 100) for Canada, as published by Statistics Canada. C.O.L.A. to be determined as follows:

- (a) The starting or base figure shall be the figure published for the month of April, 1994, and the amount of C.O.L.A. shall be determined on the basis of one (1) cent per hour for each full .35 change in the C.P.I. *Effective May 1, 1994 the base figure becomes April, 1994 and effective May 1, 1995 the base figure becomes April, 1995.*
- (b) The formula outlined in (a) above will be applicable only after the C.P.I. has risen a full seven (7) percent from the April, 1994 level. The first payment of C.O.L.A. shall take effect with the first full pay period of the month immediately following the month in which the C.P.I. exceeds seven (7) percent. Subsequent adjustments to C.O.L.A. shall take effect with the first full pay period of each month.
- (c) C.O.L.A. adjustments shall be calculated in accordance with (a) and (b) above and shall be folded into wage rates at the end of each contract year.

The Cost-of-Living allowance payment shall be an "Adder" and shall not be part of an employee's wage rate. Such payment shall be payable for hours actually worked. (See example). It shall not be part of an employee's pay for any other purpose, and shall not be used in the calculation of any other pay, allowance, or benefit, except in the calculation of vacation.

Example

If an employee worked eighty (80) regular hours and five (5) hours overtime, when the Cost-of-Living adjustment was at eight (8), he would earn 85 hours x \$0.08 = \$6.80 in Cost-of-Living Allowance.

- (d) In the event that the base, upon which the C.P.I. is presently calculated, changes, the C.O.L.A. shall continue to be calculated on the existing basis. If this is not possible, the parties shall agree on a new basis for calculation.
- (e) C.O.L.A. is only applicable to permanent employees and not to students.

ARTICLE 33

Apprenticeship Training

SECTION 33.01

It is agreed that the Company, at its discretion may have Apprentices.

An Apprenticeship Committee shall be formed to mutually agree upon and recommend schedules and regulations for the betterment of Apprenticeship training.

All schedules and regulations shall conform to Provincial Government Apprenticeship standards.

This Committee will consist of two (2) Representatives appointed by the Union and two (2) Representatives appointed by the Company.

ARTICLE 34

Section 34.01

This Agreement shall *become effective the first day of May, 1994 and shall continue in effect until the 30th day of April, 1996, and shall* thereafter continue from year to year unless either party gives notice in writing, of its intention to terminate the Agreement or to enter into negotiations for the purpose of amending the Agreement within a period of not less than thirty (30) days and not more than ninety (90) days prior to any such yearly date of termination.

SECTION 34.02

If notice of intention to amend is given by either party pursuant to 34.01, such negotiations shall commence not later than fifteen (15) days after the date of such written notice.

SECTION 34.03

Negotiations pursuant to this Article 34 shall be conducted with the Company by a Union Committee of not more than six (6) members, who shall be employees of the Company covered by this agreement and shall be on the payroll and actively at work. An International Representative of the Union may participate in these meetings at the request of either party.

SECTION 34.04

Severance Pay

In the event of a permanent and complete closure of the plant in North Bay, the Company will increase the maximum under the provincial severance pay regulations

from 26 weeks to 35 weeks for all full time permanent employees. This provision has a maximum of 35 weeks which will include any regulatory requirements on severance payments.

SECTION 34.05

Duly executed by the parties hereto, this 30th day of April, 1994

For Longyear Canada Inc.

**For The International Association
of Machinists & Aerospace Workers
- Local 2412**

D. E. Brazeau

S. Connor

H. W. Morin

L. Milne

K. J. Perrin

G. Moore

R. Ransom

M. Rich

L. Robillard

W. Ryan

Letter of Understanding
between
LONGYEAR CANADA INC.
and
INTERNATIONAL ASSOCIATION
of
MACHINISTS & AEROSPACE WORKERS
LOCAL 2412

It is agreed between the parties that the rates of pay of G. Aubut and L. Milne will be "red circled" (additional \$0.25 per hour) and shall receive any additional increases.

Dated at North Bay, Ontario this 30th day of April, 1994.

For Longyear Canada Inc.

**For The International Association
of Machinists & Aerospace Workers
- Local 2412**

D. E. Brazeau

S. Connor

H. W. Morin

L. Milne

K. J. Perrin

G. Moore

R. Ransom

M. Rich

L. Robillard

W. Ryan