

COLLECTIVE BARGAINING AGREEMENT

This Agreement made and entered into this 14th day of September 2004.

By and between

**Cameco Corporation
Port Hope, Ontario**

(hereinafter called the "Company")

- and -

**United Steelworkers of America
(hereinafter called the "Union")**

- on behalf of -

Local 8562

WHEREAS it is the intent and purpose of the Company and the Union to further harmonious industrial relations between the Company and its employees, to establish and maintain satisfactory working conditions, hours of work and rates of pay, and to provide for the prompt and equitable disposition of grievances;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto hereby agree as follows:

Article 1 - SCOPE

- 1.01 The term "employee" or "employees" wherever used in this Agreement shall mean all employees of the Company at Port Hope, Ontario.
- 1.02 Where applicable, masculine pronouns used in connection with employees shall refer to female employees as well as male employees.

Article 2 - JURISDICTION

- 2.01 In accord with the provisions of the Canada Labour Code, the Company comes within the jurisdiction of the Department of Labour of Canada.

Article 3 - CANADIAN NUCLEAR SAFETY COMMISSION

- 3.01 The Government of Canada through the Canadian Nuclear Safety Commission has made the Company responsible for the maintenance of adequate security measures for the work carried out by it in the field of nuclear energy. It is understood and agreed by the Union that neither the security rules that are established pursuant to the operating licence granted by

the Canadian Nuclear Safety Commission nor their administration are matters for collective bargaining or discussions under this Agreement.

- 3.02 In the event that an employee is discharged for security reasons, the Company agrees to notify the Union, and while it is understood that the Company may not be able to divulge the information on which the discharge is based due to statutory, regulatory or contractual regulations and obligations binding upon the Company (collectively referred to herein as "third party restrictions"), the Company will provide to an employee discharged for security reasons disclosure of all material facts relating to his dismissal to the extent that such disclosure is not in violation of the third party restrictions.

Article 4 - RECOGNITION

- 4.01 The above-designated Union shall be the sole and exclusive bargaining agent for all employees of the Company hereinbefore referred to, for the purpose of bargaining with respect to rates of pay, hours of work and other conditions of employment.

The Company agrees to prior consultation with the Union on any changes in conditions of employment not covered by this Agreement.

Article 5 - NO DISCRIMINATION

- 5.01 There shall be no discrimination by the Company or the Union or its members against any employees because of membership or activity or nonmembership in any lawful Union.

Article 6 - MANAGEMENT RIGHTS

- 6.01 The Union recognizes that the Company has the exclusive right:
- (a) To manage the industrial enterprise in which the Company is engaged, and without restricting the generality of this function, to determine the number of employees and the facilities required by the Company at any place from time to time for any and all operations, the kinds and locations of equipment, machines and tools to be used, and to determine the schedules of operations;
 - (b) To maintain order and discipline; to make and amend reasonable rules of conduct and procedures for employees; to hire, promote, classify, transfer, demote or lay off employees; to discipline, suspend or discharge employees if these actions are for just cause; provided however that any exercise of these rights in conflict with the provisions of this Agreement shall be subject to the grievance procedure herein.

Article 7 - NO CESSATION OF WORK

- 7.01 As provided in the Canada Labour Code, there shall be, during the term of this Agreement, no lockout by the Company, and no strike by any employee, nor shall there be any strike of any employee declared or authorized by the Union.
- 7.02 If at any time during the term of this Agreement, employees of Cameco, Port Hope, Ontario should engage in a work stoppage, the Union agrees to cooperate with the Company to ensure that the Company's property is protected from damage or destruction.

Article 8 - UNION STEWARDS & COMMITTEES

- 8.01 The Union may choose one (1) steward who must have seniority status as defined in

Article 11:01 to assist in processing grievances as outlined under the grievance procedure. This number may be adjusted by mutual agreement between the Company and the Union.

8.02 There shall be three (3) Union Committees composed of not more than two (2) members each, who must have seniority status.

8.03 The functions of the three (3) committees shall be as follows:

- (a) to act as the grievance committee referred to in the grievance procedure;
- (b) to meet with representatives of the Company at pre-determined times once every two months to discuss matters of mutual interest to the Union and the Company;
- (c) to represent the Union during contract negotiations with the Company.

At any meetings with the Company, the Committees may be accompanied by a full-time representative of the Union.

8.04 The Company shall be notified in writing by the proper officials of the Union of the name of the steward and the committee members, and of any changes in same, before the Company will recognize them.

8.05 It is agreed that during working hours the discussion of grievances between the steward and employees will, as far as is practical, be kept to a minimum.

8.06 If it is necessary for the steward, committee member or other employee to take time off during working hours in connection with Union business, he must obtain permission from his immediate supervisor. Such permission shall not unreasonably be withheld.

8.07 The steward and committee members who in accordance with the preceding section have received authorization, will be paid their regular basic hourly rate for all time spent attending scheduled meetings with Company representatives.

8.08 Other than specifically permitted in this Article or provided elsewhere in this Agreement, there will be no solicitation of members or other Union activity during working hours.

8.09 Use current Appendix A-1 as appropriate benchmark unless parties mutually agree to deviate in exceptional circumstances or unless Article 22.03 is triggered.

Article 9 - ADJUSTMENT OF GRIEVANCES

9.01 Should any difference arise between the Company and any of the employees concerning the interpretation or alleged violation of the provisions of this Agreement, an earnest effort shall be made to settle such differences without undue delay in the following manner:

Stage One - Within three (3) working days after the grievance has arisen, the employee, accompanied by his steward if he so desires, may take the matter up with his immediate supervisor. Failing settlement within two (2) working days, the employee may proceed to Stage Two.

Stage Two - Within two (2) working days from the date Stage One was completed, the

employee, accompanied by his steward, if he so desires, may take the matter up with his department head or his designate, presenting the grievance in writing on forms agreed upon by the Company and the Union. The decision of the Company at this stage must be given in writing. Failing settlement within three (3) working days of receipt of the written grievance, the grievance may be referred to Stage Three.

Stage Three - Within three (3) working days from the time the Company decision was received at Stage Two, the grievance committee may take the matter up with the General Manager, Port Hope Facility, and/or his delegate or delegates presenting the complete written record of the grievance. Either party may, at its discretion, require the employee or employees concerned to be present and to give evidence regarding the dispute. The Company shall provide the Union with its written decision to the grievance within five (5) working days after the stage 3 meeting has concluded. Failing a satisfactory settlement the matter may be referred to arbitration within twenty (20) working days as provided in Article 10.01.

- 9.02 Any difference arising directly between the Union and the Company concerning the interpretation, administration or alleged violation of this Agreement (other than contract renewal discussions) may be submitted in writing by either party to the other at Stage Three.
- 9.03 In determining the time within which any step is to be taken under the foregoing provisions of this Article, Saturdays, Sundays, recognized general holidays and annual plant shutdowns shall be excluded.
- 9.04 If advantage of the provisions of this Article is not taken within the time limit specified or as extended by mutual agreement in writing between the Company and the Union, the matter in dispute shall be deemed to have been abandoned and cannot be reopened.
- 9.05 The nature of the grievance and the remedy sought shall be set out in the written record at Stage Two and may not be subject to change at Stage Three or in the arbitration procedure.

The section or sections of this Agreement the meaning of which is in dispute, or which are alleged to have been violated, shall be set out in the written record at Stage Three and may not be subject to change in the arbitration procedure.

- 9.06 At any Stage of the Grievance Procedure, if the Steward or Grievance Committee member is unavailable, the senior Union executive on the property shall delegate a replacement to fulfill the absentee's duties.

Article 10 - ARBITRATION

- 10.01 In case any dispute concerning the interpretation or violation of this Agreement has not been settled after proceeding through the proper stages of the grievance procedure as set forth, and after exhaustion of such grievance procedures, the same may be referred by either party to arbitration within twenty (20) days as set forth in Stage Three of the grievance procedure.

The grievance will be heard by a single arbitrator, unless the parties mutually agree to submit the matter to a three person Board of Arbitration. In the event a Board is used, all references herein to Arbitrator, shall be read as referring to a Board of Arbitration.

- 10.02 In the event that the Company and Union are unable to agree upon the selection of an

arbitrator, the Minister of Labour of Canada shall be requested to make the appointment.

If arbitration proceedings involve discussion of plant details and processes subject to security rules, it is understood that the arbitrator shall have a security rating acceptable to the Canadian Nuclear Safety Commission.

- 10.03 Arbitration shall be heard at the facility or at such other place as the parties agree upon in writing.
- 10.04 The written record of the grievance presented at Stage Three of the grievance procedure and the decision of the Company thereon or in the case of a difference between the Union and the Company, the written application by the applicant for arbitration and the reply thereto by the other party, shall be presented to the Arbitrator.
- 10.05 Each party shall pay an equal share of the fee and expenses of the Arbitrator. No costs of arbitration shall be awarded to or against either party.
- 10.06 The decision shall be made at the earliest opportunity after the close of the hearings and the decision of the Arbitrator in respect to an interpretation or alleged violation of this Agreement shall be final and binding upon the parties, but in no event shall the Arbitrator, have power to alter, modify, or amend this Agreement or substitute provisions for an existing provision, or to give any decisions inconsistent with the terms and provisions of this Agreement.
- 10.07 Prior to arbitration hearing the parties may agree to discuss the grievance in a without prejudice mediation process. The mediator will be jointly selected and each party shall pay an equal share of the Mediator's fees and expenses.

Article 11 - SENIORITY

- 11.01 Definition - Seniority shall accumulate throughout the total period an employee has been on the Company's payroll except that (1) a newly hired employee shall have no seniority rights during his first 520 actual hours worked of employment, and (2) the seniority of a laid-off employee shall continue to accumulate for a maximum of twenty-four (24) months immediately following his date of lay-off.

The Company will post a seniority list monthly in the lobby and provide a copy of such list to the Local Union President. Upon request twice per year a copy of the seniority list shall be sent to the Staff Representative, which copy shall include the employees' seniority date, classification, current rate of pay, telephone number and address.

- 11.02 (a) Application - In all cases of promotion, transfer, lay-off, recall from lay-off and reclassification, and shift work scheduling the following factors shall govern:
 - (i) The length of continuous service with the Company at the Company's Port Hope Facility.
 - (ii) The ability of the employee to perform the available work.

When factor (ii) is relatively equal as between two or more employees, then seniority shall govern.

Where two (2) or more employees have the same date of employment, seniority will be determined alphabetically by the employee's surname.

11.02 (b) When a vacancy occurs subsequent to a layoff, the job will be posted in accordance with 11.05 and only employees actively at work can bid. If there are no qualified applicants, the job will be offered to the senior laid-off employee with recall rights, providing he has the minimum qualifications for the job. In the event the job offer is refused, the employee will be deemed to have quit.

11.03 Loss of Seniority - An employee shall lose all seniority for any of the following reasons:

(a) If he voluntarily quits.

(b) If he is discharged for cause and subsequently not reinstated.

(c) If he is laid off and fails to return to work within ten (10) calendar days from the receipt of the Company's notice by registered mail to return to work, unless he can substantiate by medical evidence that he was unable to return because of illness or accident, or the Company accepts other good reasons for his failure to return.

(d) If he is laid off and the time elapsed from his date of lay-off exceeds twenty-four (24) months.

11.04 Probationary Employee - As referred to in Section 11.01, a newly hired employee shall have no seniority rights during his first 520 actual hours worked of employment during which period he shall be on probation and subject to transfer, demotion, lay-off, dismissal or discharge at the sole discretion of the Company, notwithstanding anything in this Agreement to the contrary. With respect to any matters other than those referred to herein, a probationary employee shall have recourse to the grievance procedure. Upon completion of the probationary period, he shall be placed on the seniority list effective from his date of employment.

11.05 (a) Vacancies - Any and all vacancies within the bargaining unit desired by the Company to be filled will be posted immediately for five (5) days (excluding Saturdays, Sundays, plant shutdowns and recognized general holidays) on the special Company bulletin board provided for this purpose.

Any employee sincerely desirous of transferring to the posted classification, and who feels he has the necessary qualifications, may within the period of posting fill out an application form especially provided for this purpose, and deposit it in the box located by the bulletin board.

The successful applicant shall be transferred to the posted job within thirty (30) days following his appointment. This may be extended by mutual agreement of the Company and the Union.

(b) If there is a vacancy which has been created by the absence of a regular Plant Guard – Group Leader or Fire Systems Inspector, and which the Company requires to be filled, the Company will, if it chooses to fill the vacancy by other than a temporary transfer, post a temporary job posting for three (3) days. Such posting will be handled according to the criteria in 11.02 (a).

There will be no subsequent posting to fill any vacancy created by the successful bidder, nor shall there be any posting to fill a temporary vacancy in

the Plant Guard classification.

The Company may hire a temporary employee to fill that resultant vacancy or any vacancy in the Plant Guard classification. The temporary employee will be paid Job Class 5, but no other monetary or seniority provisions of the collective agreement shall apply to such temporary employee. The temporary employee will be required to pay union dues. The temporary employee may not be retained beyond ninety (90) days, unless otherwise agreed.

However, if the original temporary vacancy has been created as a result of Maternity or Paternity leave, the temporary employee may be retained beyond ninety (90) days but not exceeding one (1) year. After ninety (90) days, such temporary employee will be paid at the applicable second learner period rate of pay and will progress in accordance with Appendix B thereafter. Further, such employee will be covered by Extended health and Dental benefits effective on the first of the month following the 90 day period. No other monetary or seniority provisions of the collective agreement shall apply to such temporary employee.

Notwithstanding Articles 11.01 and 11.04, if the Company subsequently decides to hire the temporary employee as a regular employee, his service as a temporary shall count $\frac{1}{2}$ for 1 towards completion of his probation period and the attainment of seniority.

Upon the return to work of the absent employee, he will, subject to his being able to perform the work and subject to the Company's return to work policies, be returned to the job he held at the commencement of the absence, provided the job still exists.

The person who successfully bid on the temporary posting will then be returned to the job he held before the posting.

If circumstances change such that the temporary vacancy exceeds ninety (90) days, the situation will be discussed by the parties to achieve a mutually agreeable solution.

If circumstances change and the absent employee will not be returning to his previous job, the Company, if it requires the vacancy to be filled, will repost the job as a normal job posting under article 11.05 (a).

11.06 When an employee is assigned to work four (4) hours or longer on his shift or work day on a job bearing a higher rate than his regular job, he shall be paid the higher rate for the full shift or work day.

11.07 Preferred Hiring Status - Any employee laid off under the terms of this Agreement shall be given preferred hiring status over new hires for other jobs which may become available in other bargaining units at the Facility.

Security guards placed in jobs within the Local 13173 shall have seniority status for vacations, general holidays, pensions and all other fringe benefits covered by the Agreement with Local 13173.

11.08 Security guards will normally work a rotational schedule between guardhouses. However, the Company reserves the right to assign guards to specific guardhouses as

required for training or special security matters.

Article 12 - DISCHARGE OR SUSPENSION

- 12.01 The Company will notify the Union promptly in writing of the reason for the discharge or suspension of any employee.
- 12.02 In the event that any employee with seniority status is discharged or suspended for other than security reasons, (as described in Article 3.02), such discharge or suspension may be made the subject of a grievance provided presentation is made at Stage Three of the grievance procedure within three (3) working days of the discharge or suspension.
- 12.03 Notwithstanding anything contained in Article 10.06, in the event that a discharge or suspension grievance should go to arbitration, the Arbitrator shall have the power to modify or amend the penalty imposed by management.
- 12.04 When an employee on site is suspended or discharged, he will, if he so requests, be given a reasonable opportunity to confer with a plant Union Representative before leaving the premises.

Article 13 - HOURS OF WORK

- 13.01 This Article provides the basis for the calculation of any payment for overtime and premiums, and shall not be construed as a guarantee of hours of work per day or week or a guarantee of days of work per week.
- 13.02 The Company reserves the right to operate all and any of its plants and facilities on a continuous basis.
- 13.03 Eight (8) hours of work per day and forty (40) hours of work per week shall be regarded as the normal complement of hours, unless otherwise provided in this Agreement.

For pay purposes, the normal work day is defined as the twenty- four (24) hour period from 00:00 to 23:59.

- 13.04 Day Workers - An employee who is scheduled to work from 8:00 a.m. to 5:00 p.m. Monday through Friday with one hour for lunch from 12:00 noon to 1:00 p.m., or from 8:00 a.m. to 4:30 p.m. with a half-hour lunch period, will be considered as a Day Worker. The lunch period shall be without pay. A day worker, who for any reason is required to work through or during the lunch period, shall be allowed a minimum of thirty (30) minutes without pay for the purpose of eating.
- 13.05 Shift Workers - An employee who is normally scheduled according to posted shift schedules to work eight (8) consecutive hours from 8:00 a.m., 4:00 p.m. or 12:00 midnight will be considered a Shift Worker. A shift worker required to work an additional fifteen (15) minutes to relieve another guard shall be paid the fifteen (15) minutes at straight time rate.

Changes in shift workers' schedules shall be posted as early as possible. Revisions of shift schedules will be discussed with the Union as early as possible.

In the event that it becomes necessary for a guard to change crews or shifts, every attempt will be made to minimize any loss of pay due to a reschedule by the Company of hours of work.

Article 14 - OVERTIME AND OTHER PREMIUMS

- 14.01 All employees recognize and agree that within reason they are obligated to work overtime hours when requested to do so. There is also an obligation on the part of the Company to give the employee as much notice as possible.
- 14.02 Overtime payment will be made on the following basis:
- (a) Time and one-half:
 - (i) for all work performed in excess of regularly scheduled daily hours;
 - (ii) for all work performed up to eight (8) hours during an employee's scheduled day off;
 - (iii) for all work performed up to eight (8) hours on a recognized general holiday.
 - (b) Double Time:
 - (i) For all work performed in excess of twelve (12) hours in any twenty-four (24) hour period reckoned from the beginning of an employee's regularly scheduled shift;
 - (ii) For all work performed in excess of eight (8) hours during an employee's scheduled day off;
 - (iii) For all work performed in excess of eight (8) hours on a recognized general holiday;
 - (iv) For all work performed up to eight (8) hours on a Sunday if Sunday is the employee's scheduled day off;
 - (v) For all work performed in excess of eight (8) and up to twelve (12) hours on a Sunday, when Sunday is a scheduled work day.
 - (c) Double time and one-half:
 - (i) For all work performed in excess of eight (8) hours on a Sunday, if Sunday is the employee's scheduled day off.
 - (ii) For all work performed in excess of twelve (12) hours on a Sunday, when Sunday is a scheduled work day.
- 14.03 An employee called in to work after the start of his vacation shall be paid in the same manner as an employee performing work on his scheduled day off.
- 14.04 An employee required to work more than two (2) hours overtime immediately prior to or following his regular shift shall, without pay deduction, be allowed, at his option, thirty (30) minutes off in order to go home for a meal, or twenty (20) minutes at the plant to eat a meal provided at the Company's expense.
- 14.05 Change in Shift Schedule - Whenever an employee's regularly scheduled working hours are changed by the Company, that is both starting and finishing time, he shall be paid for all regular hours worked by him during the first shift under his changed schedule:
- (a) at his straight time hourly rate if he has been given minimum notice of forty-eight (48) hours prior to the commencement of his changed shift schedule; or
 - (b) at the rate of time and one-half or the applicable overtime rate, whichever is greater, if he has not been given notice of forty-eight (48) hours.

When it is necessary for an employee to work two consecutive shifts, overtime rates will apply regardless of prior notice.

The Company will make every effort to eliminate short shift changes which would require a man to work sixteen (16) hours in a day.

The Company agrees to notify employees as soon as possible of any change in shift schedules.

14.06 Where a change in shift schedule is made for the convenience of an employee or where, with the consent of the Company, an employee arranges for personal convenience to cover another employee's shift, such hours worked shall not be subject to overtime pay.

14.07 Shift Differential - The following premiums will be paid to all shift workers for regularly scheduled work performed:

From 4:00 p.m. to 12:00 midnight - 37¢ per hour effective July 1, 1999

From 12:00 midnight to 8:00 a.m. 58¢ per hour effective July 1, 1999

14.08 Sunday Premium - Shift workers regularly scheduled to work on Sunday shall be paid at the rate of time and one-half for all hours worked.

14.09 Call-Out - Without Prior Notice - If an employee, after he has left the plant upon conclusion of his regular shift or work day, is requested by the Company to return to work prior to the beginning of his next scheduled shift or work day, he shall be paid for the work so performed a minimum of four hours at his straight time hourly rate or the pay to which he would otherwise be entitled under this Agreement, whichever is the greater.

In the event that an employee, as the result of a call-out without prior notice, reports for work after 11:00 p.m., any hours worked between midnight and 6:00 a.m. will be paid at double time rates. A minimum payment for the call-out work shall be equal to four hours at straight time rate.

Call-Out - With Prior Notice - If an employee during his regular working hours is requested by the Company to return to work at a specific time other than one hour immediately preceding his regular working hours, he shall be paid for the work so performed a minimum of three (3) hours at his regular straight time hourly rate or the pay to which he would otherwise be entitled under this Agreement, whichever amount is the greater.

This section will not apply to overtime work scheduled for the convenience of an employee.

14.10 Overtime pay shall not be paid more than once for the same hours worked.

Article 15 - GENERAL HOLIDAYS

15.01 In accord with the Canada Labour Code, the following shall be observed as general holidays: New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day and Boxing Day.

15.02 When New Years Day, Canada Day, Christmas Day or Boxing Day falls on a Sunday or a Saturday, the immediately preceding Friday or the next Monday shall be considered as

the holiday.

- 15.03 Pay for each of the above-mentioned holidays shall be computed such that employees receive their straight time regular hourly rate of wages for their normal hours of work in the week in which the holiday falls.
- 15.04 An employee will be entitled to pay for any of such holidays, provided he is in receipt of wages (vacation pay and pay under this Article to be deemed to be wages) for at least fifteen (15) days during the thirty (30) calendar days immediately preceding the holiday; or, if the holiday falls during a leave of absence not exceeding two weeks; or, if the holiday falls during an absence due to non-compensable illness or accident not exceeding three weeks; or, if he works his regularly scheduled shift or work day before and his regularly scheduled shift or work day after the holiday.
- 15.05 If a general holiday falls on an employee's regularly scheduled day off, the employee, if entitled to the general holiday with pay under Section 15.04, shall be given a day off with pay at some other time convenient to him and the Company. Such lieu days may be consecutive if the employee wishes.
- 15.06 If a general holiday falls within the period of an employee's annual vacation, the employee shall be entitled to an additional day off at some time convenient to him and the Company. Further, if entitled under 15.04, the employee shall receive pay for the general holiday on the basis of his normal scheduled daily hours of work in the week preceding his vacation.
- 15.07 Notwithstanding Section 15.04, an employee scheduled to work on a day of observance of a general holiday but failing to work because of being absent without authorized leave will not be paid for the holiday.

Article 16 - VACATION WITH PAY

- 16.01 Employees will be entitled to vacation with pay as follows:

<u>Continuous Service After</u>	<u>Vacation Period</u>	<u>Vacation Pay (Percentage of Earnings*)</u>
1 year	2 weeks	4%
5 years	3 weeks	6%
8 years	4 weeks	8%
20 years	5 weeks	10%

* Earnings to include maternity and parental EI benefits, Weekly Indemnity and Worker's Compensation benefits.

- 16.02 This Article shall be administered in accordance with the Canada Labour Code, except that the cut-off date for the calculation of vacation pay shall be the last day of the third full pay period in the month of June. Service will be recognized during the calendar year in which the anniversary date occurs.
- 16.03 Employees may submit their preferred vacation period by March 1 and seniority shall govern. Vacation periods may be requested covering the 12 month period up to March 1 of the following year. Employees applying for vacation after March 1 will be scheduled on a first come, first served basis.

16.04 Service Vacations - In addition to his annual vacation, each employee who completes continuous service of twenty-five years shall be entitled to a service vacation of three weeks with pay. Pay will be calculated at the employee's basic rate in effect on the day of his entitlement.

Each employee shall be similarly entitled to such service vacation upon completion of each five-year period of continuous service subsequent to date of his first entitlement.

Each employee who under this Article has become entitled to a service vacation shall take this vacation at a time approved by the Company during the year of entitlement or the three year period immediately following the year of entitlement. This vacation may be taken in one week blocks.

An employee who is entitled to service vacation may waive taking any week of service vacation by signing an irrevocable waiver and presenting it to the Company. When such employee retires, he will be paid a lump sum amount equal to forty (40) hours pay for each week which was waived at his basic rate in effect on the date of his retirement.

Article 17 - LEAVE OF ABSENCE

17.01 Marriage or Death in Family

(a) The Company will grant special leave of three (3) days with pay at straight time hourly rate to employees with not less than six months service on the occasion of their marriage.

b) The Company will grant special leave of three (3) days at straight time hourly rate to an employee experiencing a death in his immediate family. For this purpose immediate family is defined as father, mother, foster parent, grandparent, brother, brother-in-law, sister, sister-in-law, spouse or child of the employee; father or mother of the employee's spouse; grandchild; or any other relative residing permanently with the employee.

17.02 Union Business - The Company agrees to grant reasonable leave of absence without pay to a maximum of two (2) employees for the transaction of business for the Union. Application for such leave shall be made by the Union to the Manager, Port Hope Facility, well in advance. Such employees who would not receive pay under some other article of the Collective Agreement will receive their normal pay and benefits while on such Union leave and the Company will bill the Union for payment on a monthly basis.

17.03 Special Leave with pay at straight time hourly rate will be granted on the day before Christmas Day, the day before New Year's Day and the day after New Year's Day to all employees except shift workers engaged in operations continuing throughout Christmas and New Year's.

Shift workers engaged in operations continuing through Christmas and New Year's will have three (3) days added to their vacations in lieu of the special leave noted above.

17.04 Jury Duty - The Company will pay to an employee required to serve on a jury, or subpoenaed as a Crown witness, the difference between his pay at basic rate for the regular working hours missed and the fee received for such service.

17.05 Apart from annual vacations, and leaves either with or without pay as set out in this Article,

absences from work due to personal illness or accident or other reasons specifically approved by the Company will be regarded as authorized leaves.

- 17.06 On request of the Company, an employee absent because of illness or accident must furnish proper medical evidence as proof that his absence was due to a legitimate illness or injury.
- 17.07 An employee scheduled to work and prevented from reporting to work must notify the Supervisor on duty or, in his absence, the Security Guard or Switchboard Operator, the reason for his absence as soon as possible prior to the beginning of the employee's shift, except in the case of a definite emergency or proven inability to give notification promptly. If the Company receives notice of absence less than two (2) hours before the beginning of the employee's shift, it may secure replacement in its sole discretion without regard to the normal procedures.

Article 18 - SAFETY AND HEALTH

- 18.01 One representative appointed by the Union shall be a member of the Company's Workplace Health and Safety Committee as referenced in Article 18.02 (1) of the Local 13173 collective agreement.

Article 19 - MISCELLANEOUS

- 19.01 Medical Examination - An employee must submit to a medical examination by the Company doctor at any time upon request by the Company.
- 19.02 On the Job Injuries - An employee shall suffer no loss of earnings for the balance of the day he received injury in the plant, if he is sent home, to the hospital or doctor because of this injury, or any day he must receive medical attention outside the plant because of a plant injury, provided he is not reimbursed by Worker's Compensation for the time involved.
- 19.03 Existing policies regarding provision of protective clothing and safety equipment shall be continued for the life of this Agreement.

19.04 Uniform Allowance - The Company will provide uniforms, if requested by the employee on the following basis:

Overshoes - every 12 months
1 Pair Dress Safety Shoes or Police-type Boots - every 12 months
Pants - every 18 months
Tunic or Windbreaker - every 18 months
2 Winter Shirts - every 18 months
2 Summer Shirts, open-neck style - every 18 months
2 Ties - every 18 months
Summer Cap - every 24 months
Winter Cap - every 36 months
Parka, Police Quality - every 36 months
Uniform Dress Gloves, Winter Weight - every 12 months
Sam Brown Belt - one issue

Note 1: Calculations for uniform replacements will exclude time lost through illness or absenteeism.

Note 2: Uniform replacements may be made within the allowance period if required, on the basis of "fair wear and tear".

19.05 Union Notices - The Company will provide a bulletin board for the exclusive posting of notices of Union meetings, social affairs, or any reasonable non-controversial business matters of the Union. Each notice which the Union desires to post shall be submitted to the General Manager, Port Hope Refinery, or his delegate, for approval.

In view of this method of informing employees, the Union agrees that there shall be no unauthorized distribution of any kind of literature upon the premises of the Company by the Union, its representatives or its members.

19.06 Supplementary Policy Agreements - The policy with regard to:

- (a) Financial assistance for training and education courses;
- (b) Employment of students in the bargaining unit;
- (c) Return of staff to the bargaining unit;
- (d) Plant shutdown;
- (e) Staff working;
- (f) Attendance at department safety meetings;
- (g) Overtime;
- (h) Employee Assistance Program (EAP);
- (i) Work schedules

is covered by the letters and notices which have been provided to the Union as supplements to this Contract.

Article 20 - UNION SECURITY

20.01 The company shall deduct Union dues including, where applicable, initiation fees and assessments, on a weekly basis, from the total earnings of each employee covered by his agreement. The amount of dues shall be calculated in accordance with the International Union's Constitution.

- 20.02 All dues, initiation fees and assessments shall be remitted to the International Union forthwith and in any event no later than fifteen (15) days following the last day of the month in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers of America, AFL-CIO-CLC, P.O. Box 13083 Postal Station 'A', Toronto, Ontario, M5W 1V7 in such form as shall be directed by the International Union to the Company along with a completed Dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator.
- 20.03 The remittance and the R-115 form shall be accompanied by a statement containing the following information:
- a) A list of the names of all employees from whom dues were deducted and the amount of dues deducted;
 - b) A list of the names of all employees from whom no deductions have been made and reasons;
 - c) This information shall be sent to both Union addresses identified in article 20.02 in such form as shall be directed by the Union to the Company.
- 20.04 The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this article.
- 20.05 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid by the employee during the previous year.
- 20.06 A designated member of the Union Executive or his delegate will participate in the Indoctrination Program for new employees and summer students.

Article 21 - CONTRACTING OUT

- 21.01 The Company will not employ outside contractors where in its judgement, existing Facility employees are available and capable of performing the work, or where present employees may be laid off or the re-hire of laid-off employees prevented.

Article 22 - WAGES

- 22.01 The wages set forth in Appendix "A" shall apply to the respective job classifications as set out in Appendix "A-1", Schedule of Job Classes.
- 22.02 Learner jobs requiring "learner" rates are set out in Appendix "B".
- 22.03 If a new job classification not shown in Appendix A-1 is established or in the event of a substantial change in the job content of an existing job classification which takes place following ratification, the Company shall establish the base rate and learner progression subject to negotiation with the Union.

In case the parties are unable to agree on such a rate and progression, the matter shall be referred to mediation/arbitration. The parties agree to Brian Keller to act as the mediator/arbitrator for this purpose.

The mediator/arbitrator is empowered to hear and decide the initial rate question for such job classification and the appropriate learner progression by taking into account rates and learner progressions for existing classifications and by placing the new or changed

classification into proper relationship with such existing learner progressions and rates. The mediator/arbitrator shall make a decision that is binding on both parties for the duration of this agreement.

Such rate will be retroactive to the day that such new job classification was created or the day an existing job was substantially changed following ratification.

22.04 Except as otherwise provided, no basis shall exist for an employee covered by this Agreement to allege that a wage rate inequity exists.

Article 23 - COST OF LIVING ALLOWANCE

This Article shall not be operative.

Article 24 - EMPLOYEE BENEFIT PLANS

24.01 The following benefit premiums will be 100% paid by the Company.

- (i) Ontario Health Insurance Plan (OHIP)
 - (a) Hospital accommodation plus medication and out-patient services as provided by the Plan.
 - (b) Doctor's services, surgery, etc., in accordance with the Ontario Medical Association's schedule of fees.
 - (c) The service of Chiropractors and Osteopaths.
 - (d) Eye examinations by an Optometrist.
- (ii) Extended Health Care (10/20 deductible)
 - (a) Prescription drugs.
 - (b) The difference between ward and private hospital accommodation.
 - (c) Private nurses.
 - (d) Out of province coverage.

Plus other benefits as provided by the plan.

	Effective <u>July 1/04</u>	Effective <u>July 1/05</u>	Effective <u>July 1/06</u>
(iii) Life Insurance	\$51,000	\$51,500	\$52,000
Spouse & each dependent	\$2,000	\$2,000	\$2,000
(iv) Accidental Death/Dismemberment	\$51,000	\$51,500	\$52,000
(v) Weekly Disability Benefit Plan – For new claimants after the date of ratification, change Plan to provide 70% of pre-disability regular weekly earnings on a 1/4/15 basis without E.I. carve out, subject to Policy provisions.			
(vi) Long Term Disability Benefit Plan – For new claimants after the date of ratification, change Plan to provide 70% of pre-disability regular monthly earnings (maximum \$5,000 per month) from week 16 to age 65, subject to Policy provisions. The benefit will be reduced by the amount of CPP or any other pension received and will have an all source income limitation of 80%.			

	Effective <u>July 1/01</u>
(vii) <u>Paid up Life Insurance On Retirement Plan</u>	\$4,000

This life insurance will not be payable for an employee who has received a *\$51,000 lump sum payment due to a disability which has made the employee unable to resume work.

* Effective July 01/05, \$51,500; July 01/06, \$52,000

(viii) Dental Plan

- (a) Diagnostic and preventative services
- (b) Minor restorative services
- (c) Major restorative services
- (d) Surgical services
- (e) Denture Services
- (f) Maximum amount payable annually on behalf of any individual is \$1,525 for calendar year 2005, \$1,550 for calendar year 2006, \$1,575 for calendar year 2007.
- (g) Effective Jan 1/95 - Orthodontics - 50% coverage to a life limit of \$1,000 per person.

(ix) Vision Care

- (a) Maximum \$225.00 allowable per family member during any one 24 month period for eye glasses, or contact lenses on written prescription by medical doctor or registered optometrist.

24.02 It is understood that the Company may change the carriers which underwrite the above benefits as long as the level of benefit coverage is maintained during the life of this Agreement.

24.03 Full details regarding coverage under the various plans are outlined in the appropriate booklets or brochures. An updated pamphlet will be provided to employees within ninety (90) days of ratification.

24.04 Supplemental Employment Benefit Plan for employees on maternity leave.

All full time employees with at least six (6) months of service are eligible for the supplemental plan. The employee must be in receipt of employment insurance benefits to be eligible for benefits under this plan.

Procedure – The plan covers full time employees who are unable to work because of a health related reason resulting from childbirth.

The benefit top-up paid will be for a maximum period of (6) weeks following childbirth. It will be calculated based on 100% of an employee's regular earnings prior to maternity leave less the employment insurance benefit received by the employee.

The employee will be required to provide confirmation of the employment insurance benefit payment to verify the amount received. Payment of benefit will not be initiated until verification of employment insurance benefits receipts are submitted to human resources

(this includes the two (2) week waiting period). Payments made under the plan will be subject to CPP contributions and income tax deductions. Employee pension contributions of 5.5% will be deducted from the Company's top-up payment, of which the Company will make matching contributions.

Payments will be self insured by the Company.

Benefits under this plan are in accordance with maternity leave as defined under the employment insurance act.

Article 25 - TERM OF AGREEMENT

25.01 This Agreement shall become effective on September 14, 2004, and shall remain in effect until June 30, 2007 and from year to year thereafter unless either party gives notice to the other party hereto of an intent to terminate or amend this Agreement. Such notice shall be given in writing not earlier than one hundred and twenty (120) days and at least thirty (30) days before the expiry date of this Agreement or the anniversary of the termination date in any subsequent period during which this Agreement remains in force.

THIS AGREEMENT made in quintuplicate and signed this 28th day of January 2005, at Port Hope, Ontario.

FOR CAMECO CORPORATION
Port Hope, Ontario

FOR UNITED STEELWORKERS OF AMERICA
Local 8562

APPENDIX "A"
STANDARD HOURLY WAGE SCALE

Job Class	July 1, 2004	July 1, 2005	July 1, 2006
1	20.154	20.754	21.354
2	20.469	21.084	21.704
3	20.784	21.414	22.054
4	21.099	21.744	22.404
5	21.414	22.074	22.754
6	21.729	22.404	23.104
7	22.044	22.734	23.454
8	22.359	23.064	23.804
9	22.674	23.394	24.154
10	22.989	23.724	24.504
11	23.304	24.054	24.854
12	23.619	24.384	25.204
13	23.934	24.714	25.554
14	24.249	25.044	25.904
15	24.564	25.374	26.254
16	24.879	25.704	26.604
17	25.194	26.034	26.954
18	25.509	26.364	27.304
19	25.824	26.694	27.654
20	26.139	27.024	28.004
21	26.454	27.354	28.354
22	26.769	27.684	28.704
23	27.084	28.014	29.054
Summer Student	14.11 70% of JC 1	14.53 70% of JC 1	14.95 70% of JC 1
Job Class Increment	31.5	33.0	35.0

NOTE

<u>Security</u>	<u>Job Class</u>	<u>Training Schedule</u>
Plant Guard - Group Leader	11	-
Plant Guard	9	Appendix "B"
Fire Systems Inspector	11	Appendix "B"

APPENDIX "B"

LEARNER PERIOD - CLASSIFICATION ANALYSIS

<u>JOBS REQUIRING LEARNER RATE</u>			<u>HOURS AND JOB CLASS FOR LEARNING PERIODS</u>			
<u>Job Title</u>	<u>Months Factor 2</u>	<u>Class</u>	<u>No. of Learner Periods</u>	<u>520 hr 1st period</u>	<u>520 hr 2nd period</u>	<u>520 hr 3rd period</u>
Plant Guard	7 - 12 months	9	2	5	7	9
Fire Systems Inspector	3 months	11	1	9	11	

SUPPLEMENTARY POLICY AGREEMENTS

(a) Financial Assistance for Training and Education Courses

This notice will clarify the policy of the Company to assist employees who, of their own initiative, seek to extend their knowledge and training by enrolling in accredited extension or correspondence courses in subjects related either specifically to their jobs or to other phases of the Company's operations where, in management's opinion, such courses benefit both the employees and the Company.

1. To qualify for assistance an employee possess the ability and determination to complete the course of his choice, and be willing to pursue his studies outside normal working hours.
2. Financial assistance is limited to two courses of acceptable standards per calendar year. Application should be made in advance to the appropriate department head on forms available at the payroll office.
3. For approved courses, payment of 50% of the tuition fee will be made upon proof of registration and the remaining 50% will be paid upon proof of satisfactory completion of the course.
4. Except in special circumstances, courses should be taken outside working hours. Leave without pay will be granted to write examinations if such occur during working hours.

It should be noted that the Company does not guarantee indefinite continuation of this policy and that all decisions regarding employee eligibility of course content, et cetera, are at the discretion of the Company.

(b) Employment of Summer Students in the Bargaining Unit

The Company agrees to limit the number of summer students hired to do work normally done by members of the bargaining unit, to a maximum of 10% of the number in the bargaining unit at any given time and to limit their tenure to five (5) consecutive months in one period, provided however:

- (i) For the purpose of summer work, a summer student is defined as having completed one full-time term at high school, university or community college immediately prior to the summer work term, and is intending to return to school in the coming fall.
- (ii) Summer students will not be employed where their hiring results in a demotion, lay-off or maintenance of a demotion, of a regular employee.
- (iii) The summer students will pay union dues during any period of employment beyond an initial four (4) month period of grace.
- (iv) Preference will be given to those applicants who have completed at least one full-time year at a university or community college.

In the event a summer student decides to remain at Cameco as a permanent employee, he must first make application and obtain approval of the Company. If he is accepted for permanent employment he will be considered a new employee as of the date of his acceptance and Article 11.01 (Seniority) and Article 19.01 (Deduction of Union Dues) shall govern as of this date.

(c) Return of Staff to the Bargaining Unit

It is the Company's contention that an employee transferred or promoted out of the Bargaining Unit retains the right to be returned to the Bargaining Unit with the same seniority he had when he left the Bargaining Unit. Notwithstanding this contention, but without prejudice to this expressed right, the Company agrees to limit such action during the life of this Collective Bargaining Agreement to the extent that any employee transferred or promoted out of the Bargaining Unit for longer than six months will not be returned to the Bargaining Unit without approval by the Union. If such employee returns to the bargaining unit, he will have union dues for the period he worked outside of the bargaining unit deducted from his pay.

(d) Plant Shutdown

The Company firmly believes that a complete plant shutdown will not occur in the foreseeable future. However, in the event of a permanent cessation of all production activities at the Facility, the Company agrees, without prejudice, to discuss termination pay with the Union.

(e) Staff Working

It is not the Company's intention to use Staff personnel to do work normally allocated to hourly rated employees.

However it is recognized and agreed by the Union that the following occasions constitute cases where it is acceptable for staff personnel to perform work normally done by hourly rated employees:

- (i) For the purpose of training new employees.
 - (ii) In an emergency situation where a staff employee's failure to act could result in an injury to an employee, a loss of Company production or damage to Company property.
 - (iii) For short periods up to 1 1/2 hours to permit Security Guards to attend Safety Meetings, Medical Examinations, Accident Investigations, Security Investigations, etc., provided however that during any absences of the guard for longer than 1 1/2 hours the Company will make every endeavour to find and call-in an off duty guard.
- (f) It has been the practice for many years to hold department safety meetings on a frequency of once per month. Safety is a very important consideration, and the policy is that all work must be performed under safe conditions and in a safe manner. It is believed that attendance at department safety meetings is of mutual benefit, both to the employee and to the Company.

The department safety meetings are usually held during normal working hours. However, this is not always possible, due to shift schedules, and occasionally an employee is required to attend a safety meeting that involves time which is over and above the normal working hours in a day. Under these circumstances, the employee is paid at the applicable overtime rate.

Although it is not compulsory, employees are expected to attend safety meetings when requested to do so. An employee may be excused from attending a safety meeting outside of regular working hours, provided he has good reason for not attending and providing he has obtained permission of his supervisor.

- (g) It is agreed by the Union and Company that overtime may be required of any employee and agree that overtime shall be distributed as equitably as possible between all employees in the

department.

A voluntary overtime list will be compiled on a continuous basis, and will be maintained by the supervisor or designate. This list will be posted in the department and shall be the basis for overtime distribution.

Overtime hours, including scheduled and unscheduled call-outs, shall be tracked for all overtime worked or refused.

The Union and the Company will discuss the equitable distribution of overtime at the joint Union-Company meetings.

(h) Employee Assistance Program

The Company agrees to maintain an Employee Assistance Program (E.A.P.) during the term of this Agreement.

(i) Work Schedules

Subject to mutual agreement of the Company and Union Committees, and subject to terms of the Canada Labour Code, modified work weeks or schedules have been and may continue to be entertained and implemented between the parties under separate Memoranda of Agreement attached hereto.

MEMORANDUM OF AGREEMENT

This Agreement made and entered into this 11th day of January 2005.

By and between
Cameco Corporation
Port Hope, Ontario

(hereinafter called the "Company")

- and -

United Steelworkers of America

(hereinafter called the "Union")

- on behalf of -

Local 8562

WHEREAS it is the intent and purpose of the Company and the Union to continue twelve (12) hour shift schedules:

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto hereby agree as follows:

1. Twelve (12) hours of work per day shall be regarded as the normal complement of hours.
2. Employees will normally be scheduled to work twelve (12) consecutive hours from 8:00 a.m., 8:00 p.m. or 7:00 a.m. to 7:00 p.m. according to the every other weekend off schedule. They shall be required to report fifteen (15) minutes early to relieve another employee on the job and shall be paid an additional fifteen (15) minutes at straight time rate.
3. Overtime payment will be made on the following basis:
 - a) Time and One-Half
 - i) for all work performed within twelve (12) hours prior to or following a normal scheduled work day of 12 hours.
 - ii) for all work performed up to the (12) hours on a recognized general holiday.
 - b) Double Time
 - i) for all work, performed in excess of regularly scheduled daily hours;
 - ii) for all work performed in excess of twelve (12) hours during an employee's scheduled day off;

iii) for all work performed in excess of twelve (12) hours on a recognized general holiday;

iv) for all work performed up to twelve (12) hours on a Sunday if Sunday is the employee's scheduled day off;

v) for all work performed in excess of twelve (12) hours on a Sunday when Sunday is a scheduled work day.

c) Double Time and One-Half

i) for all work performed in excess of twelve (12) hours on a Sunday when Sunday is a scheduled work day.

4. Pay for General Holidays shall be calculated pursuant to the requirements of the Canada Labour Code, such that employees will be paid their regular rate of wages for their normal hours of work.
5. On June 30, 1995, June 30, 1996, and June 30, 1997, any lieu days accumulated from statutory holidays and special leave days will be paid to the employee and no lieu days will be owed as a result of those holidays.
6. An employee will be entitled to pay for any General Holiday provided he is in receipt of wages (vacation pay and pay under this Article to be deemed to be wages) for at least ten (10) days immediately preceding the holiday; or as otherwise provided in the Collective Bargaining Agreement.
7. There will be Plant Guards who will normally work an eight (8) hour shift schedule and will be utilized to replace employees absent for extended periods of time.

In the event that they are given a minimum of twenty-four (24) hours' notice prior to the commencement of the changed schedule, the provisions of the Memorandum of Agreement shall apply.

In the event of less than twenty-four (24) hours' notice, they shall be paid at the rate of time and one-half or the applicable overtime rate under the Collective Bargaining Agreement.

8. Effective September 14, 2004, shift premium will be paid at the rate of 42.0¢* per hour worked on a twelve (12) hour continuous shift schedule. *Effective July 1, 2005 43.0¢; effective July 1, 2006 45.0¢.

Shift premium will be paid at the rate of 67.0¢ per hour worked on the twelve hour, one shift (8:00 pm - 8:00 am) night shift schedule. *Effective July 1, 2005 68.0¢ per hour; *effective July 1, 2006 70.0¢ per hour.

Shift leader premium will be paid at the rate of 67.0¢ per hour on a twelve (12) hour continuous shift schedule effective September 14, 2004; 68.0¢ effective July 1, 2005; 70.0¢ effective July 1, 2006.

9. All employees who are assigned to a twelve (12) hour shift will receive a twenty (20) minute lunch period and two ten (10) minute coffee breaks during the shift.
10. Supplementary Policy Agreement (e) is amended to three (3) hours instead of 1 1/2 hours.

- 11. Notwithstanding the above, the remaining provisions of the Collective Bargaining Agreement apply.
- 12. This twelve (12) hour shift is agreed to by the parties on the basis that the Company will not incur any additional costs as compared to the existing eight (8) hour shift schedule.
- 13. In the event that either party experiences unforeseen difficulties with any aspect of this Agreement and such difficulties cannot be mutually resolved, either party can terminate this Agreement upon 14 days notice.
- 14. This Agreement becomes effective 12:01 a.m. September 14, 2004, and terminates at 12:00 midnight June 30, 2007.

THIS AGREEMENT made in quintuplicate and signed this 28th day of January 2005 at Port Hope, Ontario.

FOR CAMECO CORPORATION
Port Hope, Ontario

FOR UNITED STEELWORKERS OF AMERICA
Local 8562

LETTERS OF UNDERSTANDING

September 14, 2004

Mr. Rob Davis
President, Local 8562
United Steelworkers of America

Dear Rob:

Re: Retirement Bonus

A. Each employee who has completed twenty-five (25) years service who retires after attaining the age sixty (60) will receive a lump sum to assist in the purchase of health benefits. Such sum may be taken as a retiring allowance to the extent permissible under the Income Tax Act if the employee so wishes. The lump sum will be determined in accordance with the following table:

\$20,000 for employees who retire before their 61st birthday; or
\$17,000 for employees who retire before their 62nd birthday; or
\$14,000 for employees who retire before their 63rd birthday; or
\$11,000 for employees who retire before their 64th birthday*.

*Any employee who turns 64 between July 1, 2004 and January 1, 2005 will, if he retires in January 2005, be paid a lump sum of \$10,000.

B. The Company will provide a retirement bonus to certain employees who have completed twenty-five (25) years service and are between the age of fifty-five (55) and fifty-nine (59) on the following conditions:

- i. For a one month period commencing on January 1, 2005 and January 1, 2006, such employees who have attained that age and service level by the date will have the opportunity to elect early retirement.
- ii. The company will pay a retirement bonus of \$20, 000 to up to five (5) such employees each year. If more than five (5) such employees elect early retirement, only the senior five (5) will receive the bonus. The other employees may then withdraw their election if they so choose.
- iii. Those employees who make the election under paragraph (i) will retire no earlier than six (6) months after the election and the retirement bonus will only be paid on the employee's retirement.
- iv. Employees will only be entitled to benefits under section A or B of this letter.

Yours truly,

Gary P. McCracken
Employee Relations Officer

September 14, 2004

Mr. Rob Davis
President, Local 8562
United Steelworkers of America

Dear Rob:

Re: Ontario Health Premium Tax

Following the commencement of negotiations, the Ontario government announced in its 2004 budget that it would institute a Health Premium tax payable by Ontario taxpayers. The parties have negotiated significant wage increases during these negotiations and are desirous of offsetting the impact of this Health Premium tax on Cameco's employees. Accordingly, the parties have reached the following understanding:

Effective July 1, 2004, each employee who works five (5) days in any month will be credited with a fifty dollar (\$50) Health Premium credit for that month. For the purposes of this provision, vacation days shall be considered days worked. During the month of February (commencing February 2005), the company shall pay the Premium credit accumulated during the prior calendar year in a lump sum to each employee. Each employee will have the option of having the lump sum paid into his/her RRSP if there is contribution room.

This understanding will only continue so long as the Government maintains the Health Premium tax.

Yours truly,

Gary P. McCracken
Employee Relations Officer

October 12, 2004

Mr. Rob Davis
President, Local 8562
United Steelworkers of America

Dear Rob:

Re: Accumulation of Lieu Time

To provide a more consistent method of accumulating and taking time off in lieu of general holidays and special leave days outlined under Article 15 and 17, management proposes to implement the following guidelines:

Lieu Time Accumulation

Lieu time will be accumulated by hours to a maximum of 144 hours (9 stats and 3 SLD's).

Excess lieu time over 144 hours will be automatically paid out to an employee.

Scheduling Lieu Time

Lieu days will normally be taken as full regular shifts i.e. 8, 10 or 12 hours at a time convenient to the employee and the company. Partial shifts may be considered by the company based on operational requirements.

Employees may request to have lieu time paid out at their discretion.

Please review with your committee and advise if you find these guidelines acceptable.

Yours truly,

Gary P. McCracken
Employee Relations Officer

September 14, 2004

Mr. Rob Davis
President, Local 8562
United Steelworkers of America

Dear Rob:

Re: Grievance – Equitable Overtime Distribution

On Wednesday, August 13, 2003, a stage 3 grievance meeting was held pertaining to equitable distribution of overtime opportunities. During this meeting two or three instances were provided when monetary damages have been paid at 1st and 2nd stage levels of the grievance procedure. It was suggested that these settlements may constitute a past practice that employees become to understand is an acceptable resolution to this type of issue.

As stated during this meeting, and many times previously, management is not prepared to provide monetary damage settlements for equitable overtime distribution grievances. Future issues pertaining to equitable overtime distribution will be resolved by providing an alternative overtime work assignment. The company and union can also discuss overtime distribution quarterly as outlined in 19.06 (g) overtime.

By way of this letter, all managers, superintendents and supervisors are advised to obtain prior approval from the human resources department before providing any future monetary grievance settlements in at Stage 1 and Stage 2.

Yours truly,

Gary P. McCracken
Employee Relations Officer