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MAY 26 2009

**COLLECTIVE AGREEMENT**

between

**COAL VALLEY RESOURCES INC., COAL VALLEY MINE**

and

**THE INTERNATIONAL UNION OF  
OPERATING ENGINEERS LOCAL UNION NO. 955**

**Effective**

**March 1, 2009 to February 28, 2014**

11694(05)

EVERY **MAN**

A

**SAFETY MAN**



"We act as though we had a thousand **lives** to spare and not a single minute."



**YOUR SAFETY**

**IS MAINLY**

**UP TO YOU!**

**BE SURE - NOT SORRY!**

## SAFETY CREED



### WE BELIEVE ...

... that every man bears the unalterable responsibility for keeping out of harm's way. This he owes to himself, his family, his fellows, and his job.

... that no man lives or works entirely alone. He is involved with all men, touched by their accomplishments, marked by their failures. If he fails the man beside him, he fails himself, and will share the burden of that loss. The true horror of an accident is the realization that a man has failed himself - and more - that his fellows have failed him.

... that accidents are conceived in improper attitudes, and born in moments of action without thought. They will cease to be only when the proper attitude is strong enough to precede the act - when the right attitude creates the awareness that controls the act.

... that the prevention of accidents is an objective which crosses all levels of rank, organization and procedure.

... that freedom from harm is not a privilege but a goal to be achieved and perpetuated day by day.

... that the elimination of injury and pain through accidents is a moral obligation upon which the final measure of our performance directly depends.

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**COLLECTIVE AGREEMENT**

This agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by:

**COAL VALLEY RESOURCES INC., COAL VALLEY MINE**

(hereinafter referred to as the Company)

and

**THE INTERNATIONAL UNION OF**

**OPERATING ENGINEERS, LOCAL UNION NO. 955**

(hereinafter referred to as the Union)

**PREAMBLE**

The purpose of this Agreement shall be to record the Agreement of the parties arrived at through negotiation as to terms and conditions of employment relating to rates of pay, hours of work and other working conditions of employees; to provide a method of negotiating settlements of disputes and grievances; and to establish a harmonious relationship between the Company and its employees.

## ARTICLE 1 RECOGNITION

### 1.01

The Company recognizes the Union as the sole and exclusive collective bargaining agent for all employees covered herein with respect to rates of pay, hours of work and working conditions. The Agreement shall cover all hourly employees of Coal Valley Resources Inc., Coal Valley Mine working at the Coal Valley, Alberta Mine Site, excluding Office Staff, Technical Staff, Warehouse Staff, Instrumentmen, Rodmen, Assayers, Foremen, Security Staff, Safety Staff, Janitors, Instructors and Supervisory employees with the authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees or effectively recommend such actions.

### 1.02

a. With the exception of emergencies, the Company agrees that prior to any contracting out of work, such contracting out shall be discussed in a meeting with the Union Business Agent, and Council Chairman or their designees. At this meeting, the Company will provide the Union with the following information:

1. the nature of, and reasons for the work being contracted out;
2. the expected duration of the contract;
3. the anticipated number of contractor employees to be involved;

Following the meeting outlined in 1.02(a) above, the information listed in 1.02(a) 1, 2, and 3 will be posted on a weekly basis on the bid boards currently in use.

Further, the Company undertakes that such contracting out shall not result in the loss of employment to any Coal Valley Mine employee.

b. When the Company employs Contractors to perform maintenance or production work normally performed by Coal Valley Mine employees at its operations the Company agrees that qualified Coal Valley Mine employees within the department concerned will be afforded the first opportunity of overtime which falls within their job classification on the contract job assignment ahead of the contractor employees.

This sub clause will not apply in the event of contract work involving construction, warranty work, fixed price contracts or where the warranty which the contractor provides to the Company for such work would be declared void by virtue of Coal Valley Mine employees performing the work.

c. The Company, on behalf of all contractors, subcontractors, assignees or transferees of work normally performed by employees of the Coal Valley Mine shall forward to the Union the equivalent of union dues for every individual who is employed by such contractor or subcontractor on Company property. The Company will advise the Union monthly in writing, the names of such contractors, subcontractors, assignees or transferees, and the number, names and social insurance numbers of employees employed by the contractor or subcontractor. A contractor or subcontractor is defined as one who performs work on Company property which would come under the scope of the bargaining unit as defined in 1.01 above.

- d. Contractors or subcontractors engaged by the Company to perform work which would come under the scope of the bargaining unit as defined in 1.01 above shall, as a minimum be required to compensate their employees an amount equivalent to the wage rates and wage rate related premiums established in this Collective Agreement. Upon request by the Union, the Company will provide proof of compliance.
- e. The Company will be responsible for collection of such dues from contractors, subcontractors, assignees and transferees.
- f. Contractors or subcontractors engaged for the purpose of construction or warranty work are excluded from the provisions of Clause 1.02 (c). The Union shall be notified prior to such contractors arriving on site, and if the Union so requests, be provided with the information specified in 1.02 (a).
- g. Employees of contractors or subcontractors are required to comply with the Safety Regulations which apply to employees of Coal Valley Resources Inc., Coal Valley Mine.

### **1.03**

Supervisory personnel shall not perform work which is normally performed by bargaining unit personnel except for training or instruction, investigation, testing or emergency conditions - including emergency conditions arising from the illness or unscheduled absence of bargaining unit personnel. Every reasonable effort will be made to arrange for other bargaining unit personnel to perform the work. Records of these efforts will be made and maintained and be available to the Union for their review.

### **1.04**

The Company agrees that any wage incentive or bonus programs, which may be introduced, will allow all employees to participate with equal opportunity to qualify. Personal incentive programs for constructive suggestions, multi-skilling and plant progression are excluded from this clause.

## **ARTICLE 2 MANAGEMENT RIGHTS**

### **2.01**

Except where limited by a provision of this Agreement, the Company shall have the sole and exclusive right to determine all matters pertaining to the management of the Company and its affairs. Without limiting the generality of the foregoing, such Company rights shall include the right to:

- a. maintain order, discipline and efficiency;
- b. select or alter the materials to be produced or processed and determine the schedules of production, the locations of production, the methods and sequence of production; and to subcontract work in accordance with Article 1;
- c. determine the qualifications of any employee to perform any work, taking into full consideration such factors as seniority, ability and performance;



- d. designate the work to be performed by the employee;
- e. designate the time, or times, an employee is to work; Crew starting and stopping times of shift schedules shall not be altered without prior formal discussion with the Union;
- f. hire, reassign, promote and to require employees to observe Company rules and regulations not inconsistent with the terms of this Agreement;
- g. demote, discipline or discharge for only just cause.

### **ARTICLE 3 UNION SECURITY**

#### **3.01**

All employees covered by this Agreement shall, as a condition of employment, apply for and maintain membership in good standing in the Union.

#### **3.02**

The Company shall provide one half hour of paid time for each individual or group of individuals in the first few weeks of employment for a job steward to conduct a union orientation.

### **ARTICLE 4 CHECK-OFF**

#### **4.01**

The Company agrees that upon written request by the Union, accompanied by signed authorization cards, all Initiation Fees shall be deducted for and on behalf of all employees of Coal Valley Resources Inc., Coal Valley Mine and such monies shall be made payable, for deposit only, to the Union's Bank Account and forwarded to the Secretary-Treasurer of the Union not later than the twentieth (20th) day of each month accompanied with a list of names of all employees for and on behalf of whom such deductions have been made. Monthly statements showing the names of all additions and deletions of members shall also be forwarded to the Secretary-Treasurer of the Union.

#### **4.02**

- a. All employees of Coal Valley Resources Inc., Coal Valley Mine who are within the bargaining unit shall, as a condition of employment, consent to the deduction of Union dues to the extent permissible and in the manner prescribed by the Labour Relations Act. Such dues shall be automatically deducted from the earnings of the employee and remitted by the Company accompanied by a list of names and social insurance numbers of all employees for and on behalf of whom such deductions have been made.
- b. When an employee is eligible for non-working dues the Union will notify the Company as to the names and social insurance numbers, the reasons why and the amount owed by the employee. These dues and dues not paid while an employee was on holidays will be automatically deducted from the earnings of the employee and remitted by the Company along with the next months dues.

**ARTICLE 5**  
**SETTLEMENT OF LOCAL AND GENERAL DISPUTES**

**5.01 Purpose**

It is the intent and purpose of this Article, which shall be available to both the Union and the Company, to provide for the presentation and equitable adjustment of grievances. Should any difference arise between the Company and the Union as to the meaning or application of the provisions of this Agreement (or as to any alleged contravention of this Agreement) the same shall be disposed of in accordance with the provisions of this Article.

**5.02 Definition**

A grievance is a dispute raised by an employee or employees or the Company as to the meaning or application of a provision of the Agreement. A grievance must specify the contract provisions involved and also specify the particular relief requested on behalf of the grievor.

**5.03 Grievance Committee**

- a. The Grievance Committee shall consist of the elected Grievance Committee Chairman and six (6) Committeemen who will fairly and equitably represent the various shifts and departments. Changes in crew schedules or the number of departments may necessitate increasing the number of grievance committeemen. These employees shall be duly selected in accordance with the Union's procedures and the Union must advise the Company, in writing, which employees are selected for this committee.
- b. Where the Company requests or agrees to a meeting with a Union committeeman (including Stewards) during the committeeman's working hours, the latter shall suffer no loss of pay as a result of attending such a meeting and any other employees required to attend the said meeting will suffer no loss of pay.

**5.04 Duties**

- a. The duties of the Grievance Committee shall be confined to the purpose as set forth in paragraph 5.01 above. Upon so requesting of his Foreman a Grievance Committeeman (or Steward) will be allowed to process a grievance during the shift, if the grievor requests of his Foreman that a Grievance Committeeman (or Steward) be present. Such permission will not be unreasonably withheld. The time of processing the grievance will be scheduled during the shift in which the grievance arose so as to minimize interruptions in production.
- b. The Union agrees that an employee may be represented by either the Grievance Committeeman (or Steward), not both, during the pursuit of a grievance (except at Step 2 and beyond).

**5.05 Procedures for an Employee Grievance**

When an employee grievance exists, an employee or group of employees affected may verbally discuss the grievance with his or her Foreman either with or without a Grievance Committeeman (or Steward) present, with no loss of regular earnings. If the grievance is not settled in the course of such discussion, it will be reduced to writing and submitted to a Grievance Committeeman (or Steward).

The grievor, Grievance Committeeman (or Steward) and supervisor will meet to discuss the grievance. If no solution is reached the procedure to be followed is outlined in the remainder of the Article.

The Union shall receive a copy of all documented discipline in Step 1 and above.

In cases of demotion or Step 3 or 4 of the positive discipline procedure the Company will inform the employee in the presence of a Grievance Committeeman (or Steward). The Union will be informed within 24 hours of implementing the decision. In discharge cases Steps 1 and 2 will be by-passed and Step 3 will take precedence.

**FIRST STEP:**

The grievance shall be presented in writing to the immediate supervisor of the employee(s) concerned, within seven (7) calendar days of the above mentioned meeting. Any grievance, including a grievance lodged by an employee claiming he was discharged without just cause not presented within seven (7) calendar days of the occurrence of the act causing the alleged grievance shall be deemed abandoned.

The grievor, a Steward and/or a Grievance Committeeman, the Supervisor and his supervisor will meet to discuss the grievance.

The supervisor will give his decision in writing within seven (7) calendar days from the time the grievance was presented to him.

If the initiator of the grievance does not receive a response within the time limits of this first step; or these meetings do not take place, the grievance may be advanced immediately to the third step unless mutual agreement is arranged in writing.

**SECOND STEP:**

If a satisfactory settlement is not reached in the first step, then it may be referred in writing to the Department Manager or his designate, within seven (7) calendar days after the receipt of the Company's written answer in the first step. At the second step, the grievor may be represented by not more than two (2) members of the local Grievance Committee (or stewards) and by a representative of the Union. The Department Manager or his designated representative may be accompanied by other officials of the Company and shall give his decision in writing within seven (7) calendar days following receipt of the written grievance under step two.

**THIRD STEP:**

If a satisfactory settlement is not reached in the second step, then it may be referred in writing to the General Manager or his representative within seven (7) calendar days after receipt of the Company's answer in the second step. At the third step, the grievor may be represented by up to two (2) members of the Local Grievance Committee and by a representative of the Union. The Union members and the Company representatives will meet and discuss the grievance and the Company's answer will be given in writing within seven (7) calendar days after receipt of the written grievance under step three.

#### **FOURTH STEP:**

If no satisfactory settlement has been reached in the first three steps, then the grievance may be submitted to arbitration by written notice and given within fourteen (14) calendar days after delivery of the Company's answer under step three. If within fourteen (14) calendar days after such written demand for arbitration the parties have failed to agree upon an Arbitrator, the Minister of Labour for the Province shall be asked to appoint one. The decision of the Arbitrator shall be binding on both the Company and the Union. The Company and the Union shall equally bear the expense of the Arbitrator. The Company and the Union shall both request the Arbitrator to render a decision within thirty (30) days if at all possible.

#### **5.06 Authority of the Arbitrator**

The Arbitrator shall have no authority to add to, modify or alter any of the terms or provisions of this Agreement; the sole authority of the Arbitrator is to render a decision as to the meaning and interpretation of this written contract with respect to the dispute. The Arbitrator shall not have jurisdiction to consider any grievance which arose before or after the term of this Agreement.

#### **5.07 Proceeding- Time and Place**

Each arbitration proceeding shall be held at such place and at such time as shall be mutually agreed upon by the Company and the Union, and if they cannot agree, then the Arbitrator shall designate the place and time.

#### **5.08 Company/Union Grievance**

In the event that either the Company or the Union wish to process a grievance, such grievance shall be submitted by the one party to the other, in writing, and shall be submitted within seven (7) calendar days of the act causing the grievance. The party in receipt of the grievance must make known its decision regarding the grievance to the other party within seven (7) calendar days of receipt. In the event that the grievance is not resolved at this time either party may submit the grievance to arbitration in similar manner as outlined in step four, Article 5.05.

#### **5.09**

For the purpose of this Article, in the event that the initiator of a grievance fails to process it in accordance with the above stated time limits, the grievance shall be deemed abandoned unless such time limits have been extended by mutual agreement in writing.

#### **5.10**

If the initiator of a grievance does not receive a response to the grievance within the time limits set forth in this Article 5, the grievance may be advanced to the next step of the grievance procedure unless such time limits have been extended by mutual consent in writing.

#### **5.11**

At the time the supervisor becomes aware of a situation which could result in disciplinary action, he will inform the employee(s) involved of that possibility. In the event of any disciplinary action, such action will be decided upon and the employee(s) involved so notified within seven (7) calendar days of the occurrence or the awareness of the occurrence of the act causing the discipline. Failure to comply with this time limit (with the exception of extensive investigation) will result in abandonment of any disciplinary action related to that occurrence. Notification shall be required for any extension to the above time limit.

**ARTICLE 6  
NO STRIKE OR LOCKOUT**

**6.01**

The Company agrees that it will not cause or direct any lockouts of its employees during the life of this Agreement. In like manner, the Union agrees that no employees either collectively or individually shall cause or take part in any sit-down, slow-down, strike or stoppage of work during the life of this Agreement. It is further agreed that the Company may discharge any employees causing or taking part in any sit-down, slow-down, strike or stoppage of work during the life of this Agreement.

**6.02**

In the event of suspension of work, arising out of any cause whatsoever, employees who are required for the safe and orderly shutdown of the mine shall not cease work but shall stay as required to shut down their work area in a safe manner and fully protect the Company's property under their care.

**ARTICLE 7  
SENIORITY**

**7.01**

Seniority shall be determined on the basis of the length of continuous service with the Company, subject to the following:

- a. All new employees will be considered probationary employees for the first forty-five (45) shifts worked. Upon completion of the probationary period, any new employee will be considered a regular employee and his seniority shall be retroactive to his date of hiring. In the event of a work force reduction during the probationary period, the last probationary man hired will be the first man laid off, subject to 7.04. During the probationary period employees have full rights under the grievance procedure.
- b. In the event of any layoff, the Union and employees shall be notified at least two (2) weeks in advance (with the exception of unforeseen circumstances) and be provided with an explanation of the reasons for the layoff.
- c. An employee's seniority shall be lost when he ceases to be an employee of the Company under the scope of this Agreement, by reason of:
  1. dismissal,
  2. voluntary resignation,
  3. failure to report to work within ten (10) days after written notice to return to work after a layoff. Written notice will be in the form of a registered letter mailed to the last known address of the employee, with return receipt requested,
  4. absence extending beyond an authorized vacation period or beyond the period of leave of absence granted by the Company without notification and approval (emergencies excluded),

5. absence due to layoff extending more than six (6) months if the employee does not notify the Human Relations department of his status at least once every six (6) months in writing,
6. absence due to disability (except Workers' Compensation Board cases) extending more than six (6) months if the employee does not notify the Company of his status at least once every six (6) months in writing,
7. a promotion to a position out of the bargaining unit subject to Article 26.

## **7.02**

The Company agrees to prepare and post not later than January 31st of each year, or at such other times as may be mutually agreed upon, in a place easily accessible to all employees, a list of names of all the employees showing their job classification and bargaining unit seniority standing, the latter being open to protest by employees for thirty (30) days from the date of such submission. Upon proof of error being established by a representative of the Union, correction shall be made immediately. The Company will supply the Union with a copy of seniority lists and corrections thereto.

## **7.03**

- a. The parties recognize the responsibility to attempt a reasonable accommodation of employees with permanent partial disabilities. Employees having a permanent partial disability which prevents or significantly limits an employee from performing his normal job **shall** be given one bid preference over other employees in the class of work they can reasonably perform, or reasonably be trained to perform. To exercise rights under this paragraph, a vacancy must exist on a job prior to the disabled employee having preference of assignment. The competency of the individual to perform the work in question shall be decided by the Company in discussion with the Union and employee after reviewing the necessary medical documentation.
- b. Disabled employees wishing to exercise the rights conferred in 7.03 (a) must:
  1. provide a report by a recognized specialist in the field specific to his disability satisfactory to the Company thirty (30) days in advance of placing a bid.
  2. state his intention on his bid form.

## **7.04**

- a. In the event of a layoff of employees - layoff, bumping or recalling of employees shall take place on the basis of seniority provided the employee has sufficient ability and is Coal Valley qualified to perform the function required. The Company shall maintain a list of current mailing addresses of all employees. A copy of the list will be made available to the Union at such times as may be mutually agreed upon. It is the responsibility of each employee to notify the Company of his mailing address.
- b. Subject to 7.04(a) no experience is necessary for the following entry level positions - labourer, blaster's helper II, plant operations trainee, tool crib attendant, shovel/dragline oiler, and steam cleaner.
- c. Within six (6) months of his last layoff date, an employee recalled to a job classification other than that from which he was originally laid off will have the option to accept that position or decline it and remain on the recall list. Thereafter, if any

permanent position is offered the employee must accept the position or take severance pay.

### **7.05 Layoff Procedure**

- a. Those employees laid off will have the option of:
  1. Taking a layoff without severance pay, subject to 7.04(c), or
  2. Terminating employment with the Company and taking the severance pay, subject to 7.06, or
  3. Exercising seniority rights by bumping the least senior employee in a classification providing such employee has the ability and is Coal Valley qualified to perform the job he is bumping into.
- b. Employees indirectly affected as a result of other employees bumping will have the options outlined in 7.05(a) (1,2,3) above.
- c. Those employees who after the application of all seniority provisions of this agreement would otherwise be laid off will have the option as indicated in 7.05(a) (1,2) above.

### **7.06 Severance Pay**

The following Article deals with the calculation and entitlement to severance pay in the event of layoff:

Should the Company lay off employees for an indefinite period as specified below in this article, then those employees laid off will be eligible for a severance payment of three (3) hours pay per month of service at the employee's regular rate of pay up to a maximum of six hundred (600) hours provided that employees accept the severance as final termination of employment with the Company and will not be eligible for any recall rights under the Collective Agreement.

If at the time of layoff, no return to work date is given, then the employees laid off are eligible for severance at the time of layoff notice.

If the return to work date is greater than thirty (30) calendar days from the date of layoff, then the employees laid off are eligible for severance pay at the time of layoff.

If while on layoff, the total number of calendar days laid off exceeds thirty (30) in the preceding twelve (12) months the employees shall be entitled to severance pay.

### **7.07 a. Severance Pay in the event of Mine Closure**

The following Article deals with the calculation and entitlement to severance pay in the event of layoff due to mine closure.

Should the Company elect to permanently close the Coal Valley Mine, severance pay as described in Article 7.06 above will be amended as follows:

Employees eligible for severance payments will receive four (4) hours pay per month of service at the regular rate of pay for the employees current bid position, up to a maximum of seven hundred (700) hours.

Effective March 1, 2013 the maximum amount will be increased to eight hundred (800) hours

**7.07 b.**

In the event of a mine closure, employee severance pay will be reduced by the amount received on income replacement (WI/LTD/WCB) after the effective date of the employee's layoff.

**ARTICLE 8  
APPRENTICESHIP TRAINING**

**8.01 Purpose**

The purpose of this program is to improve the knowledge and skills of persons employed as apprentices by Coal Valley Resources Inc., Coal Valley Mine. Training will be conducted in accordance with the requirements of the Alberta Manpower Development Act.

**8.02 Potential Apprenticeship Trades**

The trades where employees may be apprenticed are as follows:

Heavy Duty Mechanic	4 Year Program
Electrical	4 Year Program
Millwright	4 Year Program
Instrumentation	4 Year Program
Light Duty Mechanic	4 Year Program
Welder	3 Year Program

**8.03 Candidate Selection**

- a. Applicants will be chosen according to the Job Posting Provision, (Article 9), subject however, to their possessing the mental and physical capacity to meet Company standards and Provincial Legislation.
- b. Journeymen must work three (3) years in one trade prior to being considered in another.
- c. Unless previously indentured in the trade, applicants will only be credited with a maximum of one (1) year experience (in a related trade) upon the accepted recommendation of the Trades Committee to the Union and the Company.

**8.04 Eligibility to Continue**

Once started in this program, subject however, to the provisions of this Agreement, the apprentice shall have the right to continue providing he passes all his tests and work is available for him. In case of manpower reductions, an apprentice who has entered his final year of apprenticeship shall be able to complete his apprenticeship unless the employee is being laid off. At the completion of his apprenticeship, if there is no vacancy available, Article 8.05 (e) shall apply.



a. On The Job Training

1. The Company will ensure that the apprentices will be given the necessary on the job practical training. The Trades Committee may make recommendations on apprenticeship training.
2. During his apprenticeship, an apprentice will be required to rotate through different work areas related to his trade. Before moving on to his next rotation, an evaluation will be conducted by his immediate Foreman, the Apprenticeship Coordinator, General Foreman and the Journeyman he was assigned to work with. In the event of a problem arising, the evaluation may be reviewed by the Trades Committee.
3. During the apprentice's on the job training period, the Company will make periodic evaluation of the apprentice's progress or lack thereof. A documented unsatisfactory work record may result in the apprentice being required to withdraw from the program. A meeting involving the Company, the Union and the affected individual is required prior to removal from the Apprenticeship Program.

b. Schooling

1. All successful applicants will be registered as apprentices and will attend technical training within twelve (12) months of registration and each succeeding year thereafter. Apprentices shall attend technical training as prescribed by the Director of Apprenticeship and Industrial Training. If for any reason the vocational school facilities are unavailable, such period of excess shall be credited to the apprentice in the succeeding training requirements if successfully completed.
2. In the event that an apprentice fails the tests at the end of his period of training in the vocational school, the apprentice will be given the opportunity to re-attend that period of training at his own expense, however, should the apprentice fail the repeated period of training, or any subsequent training period, he shall be required to withdraw from the program. A meeting involving the Company, the Union and the affected individual is required prior to removal from the Apprenticeship Program.
3. Depending upon the availability of space in the vocational school and with the approval of the Apprenticeship Branch, the apprentice will be reassigned to the course which he has failed, preferably within a period of one hundred and twenty (120) days.

**8.05 Rates**

- a. Wage rates while apprentices are engaged in on the job phases of their training shall be in accordance with the Schedule of Standard Hourly Wage Rates applicable to Apprenticeship Training as set forth in Exhibit A. Progress from one rate to the next takes place only after successful completion of all the requirements for each period which are outlined in his record book.
- b. While the apprentice is engaged in attending vocational school as part of his apprenticeship training, he shall receive payment from the Company in the amount of forty (40) hours per week times his hourly wage rate as specified in Exhibit A, less

any amount received from the government in the weekly authorized training allowance.

- c. The apprentice wage rates will, upon completion of the vocational training requirements, be adjusted retroactively to his appropriate apprenticeship anniversary date. This will not apply in the event an apprentice fails or refuses to attend his scheduled vocational training program. Employees failing exams shall only be paid the new rate upon successful completion and his anniversary will be adjusted to that date.
- d. Upon successful completion of his apprenticeship and being the successful bidder on a vacancy, the apprentice shall receive the established certified Journeyman rate of pay (subject to 8.05(e)).
- e. If an apprentice successfully completes his apprenticeship and there is no vacancy, he will bump the least senior employee in his former position at the current rate of pay.

#### **8.06 Tools For Apprentices And Tradesmen**

- a. All apprentices shall acquire and maintain an approved list of tools and be in the process of building up the necessary tools to equip himself for the job.
- b. Tool lists should be reviewed for apprentices and all trades receiving a tool allowance.
- c. Apprentices and tradesmen's tools may be periodically checked by the Training Department.
- d. Anyone not having tools set out in the tool list will have one week to purchase and be checked off. Proof of purchase from the dealer must be provided.
- e. Anyone failing to abide by the Company policy concerning tools will be subject to discipline.

#### **8.07 Trades Upgrading**

It is agreed that a tradesman who writes a provincial examination to qualify for the Maintenance A (Alberta or Interprovincial Journeyman) rate in Exhibit A of this Collective Agreement will upon the successful attainment of that status be paid as follows for the time expended in writing the examination:

- a. Suffer no loss of earnings if the test is written on a scheduled day of work, or;
- b. Receive 8 (eight) hours straight time pay at his classified rate in Exhibit A if the test is written on a scheduled day of rest.

It is agreed that the Company retains the right to schedule the examinations to meet operating requirements.

#### **8.08 Operations- Training**

In the interest of improved training programs on site the Company and the Union support the concept of the Training Committee making recommendations through the Department Managers directly involved with regard to operations training.

To ensure a complete evaluation, the Training Committee Co-chairman may request to make a quarterly presentation at the monthly Union/Management meeting outlined in Article 31.01.

## **ARTICLE 9 VACANCIES, RE-ASSIGNMENTS AND TRANSFERS**

### **9.01 Vacancies**

When filling a permanent vacancy, it is agreed that the factors to be considered shall be seniority, and ability to perform the work required. In the event that two or more applicants for a position have the ability to perform the work required, in accordance with the standards prescribed in Article 9.02(b) the Company will award the position to the employee with the greatest seniority. Should the Company award the position to a junior employee, the reason for the decision will be discussed with a Union representative prior to awarding the bid. However, in the event that there are no applicants or that none of the applicants for the position has sufficient ability to properly perform the work in question, the Company, after discussing the vacancy with a Union representative, reserves the right to fill the position from any source. Current employees will receive preference on training positions over new hires.

### **9.02**

- a. Vacancies occurring in permanent job classifications will be posted for eight (8) full days and those employees wishing to apply must do so in writing within eight (8) days of the posting of the notice of vacancy. No applications from employees received later than the posted closing date will be considered.
- b. Position posting will include **the job** classification in which the opening occurs, the department and subsection at that department, shift schedule at that point in time, as well as the primary job duties to be considered in evaluating the applicants.

### **9.03**

All applications must be submitted in duplicate, with one (1) copy being deposited in the Company bid box, the other in the Union bid box. Employees who are going on vacation may deposit an 'INTENTION TO BID' notice in the bid box outlining the jobs they would wish to bid on during their absence.

### **9.04**

Within four (4) working days of the closing of the bid, notice of the selection shall be posted on the Notice Board and a copy of the notice mailed or delivered to the Local Union. The job will be taken up within twenty-eight (28) days or earlier if possible, from the date of posting of the name of the selected candidate. The selected candidate will not be eligible to apply for a further job posting for a period of six (6) months from the date the posting is awarded unless he specifically so requests and it is mutually agreed between the Company and the Union. Employees in temporary bid positions and employees bidding to apprenticeships shall be excluded from this six (6) month provision.

### **9.05 Job Re-assignments**

- a. Vacancies of a temporary nature which will last longer than a single shift will be offered to the most senior qualified employee on that shift and in that department. An employee who temporarily accepts another position will return to his original position upon completion of the temporary work. A temporary vacancy which will last

longer than thirty (30) days (excluding vacation relief) will be posted for temporary bid. Temporary bids shall be posted with the reason for the vacancy (e.g. illness). Should a temporary bid become permanent, it shall be re-posted for bidding.

- b. In the event of a temporary re-assignment which would result in the employees gross earnings being reduced (that is, from a twelve (12) hour shift to a ten (10) hour shift or an eight (8) hour shift) the least senior employee in the classification and work area may be required to accept the re-assignment if senior employees decline.
- c. In the event of a permanent re-assignment senior employees in the classification and work area involved shall be offered the position first, in order of seniority. The least senior employees in the classification and work area shall be required to accept the position if senior employees decline.

#### **9.06**

- a. Employees in the classification of "Oiler" in the pit will be considered as being trained as future equipment operators and are therefore required to progress to Relief Operator I positions when they are qualified and vacancies occur. In the event of an unfilled bid, the junior Relief Operator I in the progression will be required to permanently fill the operator position.
- b. Natural progression to the positions in this clause are not considered as bid positions and are therefore excluded from the six (6) month restriction on future bidding. Unless otherwise agreeable to the Company, an employee who declines to so progress may be removed from the Oiler classification.

#### **9.07 Probationary Period Pertaining to Bidding**

An employee accepting a new position may be allowed to revert to his former position (crew and start time), if he is not qualified or for other legitimate reasons, without loss of seniority, at any time up to the completion of two (2) shift rotations, or longer if mutually agreed. An employee who wishes to revert must submit a written reason and the request to grant is subject to mutual agreement between the Company and the Union. Such employee will not be eligible to bid for another job posting for a period of six (6) months unless mutually agreeable to the Company and the Union.

If during this probationary period, it appears to the Manager that such employee does not have the ability to perform the duties of such position, the Company may, after consultation with the Union, require him to revert to his former position during such period, without prejudice and without loss of seniority and with full bidding rights restored, with the exception of such position.

During this probationary period an employee shall not be discharged for failure to meet acceptable work standards (gross negligence excepted).

#### **9.08**

In the event that employees are required to temporarily perform work which is outside their job classification it will be assigned in an equitable fashion so as not to show favouritism to, or discrimination against any individual.

#### **9.09 Shutdown Bid Procedures**

- a. In the event of a planned, temporary shutdown, (eg. Vacation or Christmas Shutdown) all positions required to be worked shall be posted. Positions shall be

awarded to the most senior qualified applicants. In the event that there are insufficient bids received to fill all of the required positions, the least senior qualified employee in the classification and work area, will be required to work.

- b. Employees shall be limited to working one (1) set of shifts during each of the planned, temporary shutdowns (i.e. Vacation or Christmas Shutdowns of up to two (2) weeks each), provided there are sufficient applications for the work required.

### **9.10 Transfers**

A transfer will be defined as the movement of an employee from one shift or department to another in which the employee maintains essentially the same position (eg. same shift type and job duties). The following will establish the means whereby employees may qualify for such transfer:

- a. Applications must be submitted in duplicate, one (1) copy to be submitted to the employee's immediate supervisor and one (1) retained by the employee. The supervisor will process the applications through to the Department Manager who will respond within two (2) weeks of the date of application. The decision is the sole responsibility of the Department Manager.

In the event that a vacancy occurs and a transfer is on file, the position will be filled through the transfer of a qualified candidate in preference to a bid, or a new hire. Transfer requests must be submitted two (2) weeks prior to a vacancy occurring, or a permanent or temporary job posting being posted.

If a position is filled temporarily and then becomes permanent, only those transfer requests submitted two (2) weeks prior to the original temporary postings will be considered.

- b. Should the employee's request be refused a full explanation in writing will accompany the response. The request would then remain on file for further consideration when openings occur or mutual moves become available.
- c. Transfer requests will be evaluated on a first come first serve basis and not according to seniority of the applicants.
- d. Employees transferred at their own request will not be eligible to apply for another transfer for a period of twelve (12) months.
- e. Employees will not be restricted under the transfer provisions of this Article 9 as a result of a job reassignment required by the Company.
- f. Employees requesting a transfer and then refusing when an opening occurs will have their transfer request canceled and will not be eligible to apply for a further transfer for a period of six (6) months.
- g. Transfer requests will be made out to specifically identify to which shift and crew the employee wishes to be transferred.

## **ARTICLE 10 BEREAVEMENT LEAVE**

### **10.01**

In the case of a death in the immediate family of an employee (including his mother, father, step-parents, children, wards and legal guardians, spouse, brothers, sisters, daughter-in-law, son-in-law, mother-in-law and father-in-law), on application to the Company, the employee will be granted a leave of absence of one (1) day (to be taken prior to the funeral). If he attends the funeral of the deceased, an additional three (3) consecutive days leave of absence will be granted inclusive of the day of the funeral. If he does not attend the funeral, he will receive the day of the funeral off. If he is regularly scheduled to work on any of these above days, he will be paid at his regular straight time hourly rate for each of the above mentioned days he would have worked.

### **10.02**

In the case of a death of the employee's brother-in-law, sister-in-law, grandparents, grandparents-in-law, or grandchildren, the employee will, if he attends the funeral, receive three (3) consecutive days leave of absence inclusive of the day of the funeral. If he is regularly scheduled to work on any of these days he will be paid at his regular straight time hourly rate for each of the days he would have worked provided he attends the funeral.

## **ARTICLE 11 ABSENCE FROM WORK**

### **11.01**

- a. An employee who may be absent from work due to illness, or late, shall notify his Supervisor or call (780) 794-8100, prior to the beginning of his shift. It is understood that in certain circumstances, an employee may not be able to contact Station 1 before the start of his shift.

If the Supervisor cannot be contacted, the employee shall call (780) 794-8100. If there is no one available at that number to take the call, the call will start an answering machine. The employee must leave his message, name, date, time, department and supervisor's name, which will be forwarded to the employee's supervisor.

Compliance with this Article does not automatically provide a leave of absence as set out in Article 11.02. The message only fulfills the notification requirement.

All information left on the answering machine will be recorded in a call-in log book. The information will also be passed on to the appropriate departments and supervisors. Supervisors may also check the machine for messages when they arrive at work.

- b. When an employee absents himself from his work, unless through a proven sickness or by first having arranged with the Supervisor or Department Head and obtaining his consent, he may be disciplined. In certain circumstances the Company will require proof of illness. Any employee who habitually absents himself from work, except in cases of sickness proven by a doctor's certificate, will be disciplined.

- c. When an employee is required to provide medical proof of illness prior to returning to work, he shall be so informed by his Foreman (or General Foreman or Department Head) in advance.

### **11.02**

An employee may be granted a leave of absence without pay for sufficient reason and at the discretion of the Company. A leave of absence request must be in writing and signed by his Supervisor. In unusual circumstances verbal authorization of a leave of absence may be provided by his Supervisor. When a request is submitted in writing, the Company shall respond within eight (**8**) days.

### **11.03**

When a regular employee is called for jury service or formally subpoenaed as a witness, he shall be excused from work on the days he is required to appear in court. Employees called in this manner, upon proof of such service and of the amount of pay received therefore, will be paid whatever sum, if any, is necessary in addition to the fees received for such service to reimburse him for earnings lost because of such service.

### **11.04**

- a. If operating conditions permit, leave of absence without pay of mutually agreed duration may be granted for official Union business to a maximum of four (4) employees at any one time and also provided that not more than two (2) employees in any one classification or department may be absent from the mine at any one time for this purpose. Such time of approved leave shall be considered as time worked for seniority purposes and benefit qualifications only. Such employees shall provide one (1) weeks notice to their Foreman prior to taking such leave. The Union shall submit written verification to the Human Relations Department. In certain circumstances these numbers may be increased by mutual agreement with the Company.
- b. Employees who are elected or appointed to full-time Union office shall be granted a leave of absence without pay. Not more than two (2) employees at any one time will be granted such leave. Employees on such leave shall continue to accrue seniority and service with the Company. If an employee returns to the minesite within two (2) years of commencing such leave he will be awarded the position he left subject to possessing the seniority and ability to perform the work; or if he were to be otherwise laid off, he would have bumping rights. If an employee returns subsequent to two (2) years, he will be awarded a vacant entry level position, or in the event there is no vacancy, be able to bump to an entry level position subject to having the seniority and mental and physical capability to perform the work in question. Benefit coverage will remain in effect for the affected employee(s) for three (3) months following his accepting a position with the Union.
- c. Employees granted a leave of absence under paragraph 11.04(b) must return to work within two (2) weeks after the expiration of such Union appointment or they shall be assumed to have voluntarily terminated their employment with the Company.

### **11.05**

An employee who is granted a leave of absence shall suffer no loss of seniority provided he returns to work as scheduled upon the expiry of the leave of absence (emergencies excluded).

## **ARTICLE 12 STATUTORY HOLIDAYS**

### **12.01**

The following days shall be observed as holidays without deductions of pay therefore:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Victoria Day	Remembrance Day
*3rd Monday in February	Christmas Day
Canada Day	Boxing Day
1st Monday in August	

Holidays shall be effective regardless of the day of the week on which they fall except if a holiday falls on a Saturday or Sunday and the Federal and/or Provincial government proclaims a substitute day, then that day shall be recognized as that holiday for the purpose of this section unless mutually agreed otherwise.

\* This holiday will be replaced by 'Heritage Day' or any other holiday which the Federal or Provincial government may proclaim in February subsequent to the effective date of this Agreement.

### **12.02 Holidays Not Worked**

a. Each employee shall receive holiday allowance for any of the Statutory Holidays not worked (and named in this Agreement), provided he works his full regular scheduled shift immediately before and after the holiday unless excused for one of the following reasons:

1. He is on his authorized annual vacation during which time one of the aforesaid Statutory Holidays occurs, in which case he is entitled to the following options:
  - i) An extra day of vacation on what would have been the first day the employee would have worked after his vacation, or
  - ii) By agreement with his Supervisor, on another day that the employee would have worked after his vacation and before his next vacation.

The employee must indicate on his vacation request form:

- (i) If he wishes to take the extra day as part of the vacation.
  - (ii) If he wishes to use the extra day at a later date.
2. He is absent due to death in his family as outlined in Article 10.
3. While on his regular job an employee suffers an accident which prevents him from working his regular shift on the day before or after the Statutory Holiday as required above and for which he receives no Workers' Compensation benefits for time lost, such accident having been reported by him to his Supervisor and/or Loss Control Department during or immediately at the end of the shift in which the accident occurred.



4. Having commenced work on his regular scheduled shift before or after the Statutory Holiday concerned, the employee is prevented from completing such shift because of illness, provided, however, that the employee reports immediately to his Supervisor or Loss Control Department.
  5. He is absent due to an off-the-job accident (verified by a doctor's certificate) and is collecting weekly indemnity.
  6. He is unable to return to work for his full regular shift immediately before or after the Statutory Holiday concerned due to delay, breakdown or failure of public transportation (i.e., bus, plane, train, ship or due to breakdown or failure of private automobile). Proof acceptable to the Company shall be required in order to establish such employee's eligibility for the holiday allowance.
  7. He is absent from one or both shifts because he is sick (proof required).
  8. His absence is otherwise excused by the Department Manager, or his designate.
- b.
1. For eight (**8**) hour shift employees, a holiday allowance for a holiday not worked shall be computed by multiplying by eight (**8**) the minimum hourly wage rate as in Exhibit A of the employee's regular classification.
  2. For ten (10) hour shift employees:
    - (i) a holiday allowance for a holiday falling on a scheduled day of work not worked shall be computed by multiplying by ten (10) the minimum hourly wage rate as in Exhibit A of the employee's regular classification.
    - (ii) a holiday allowance for a holiday falling on a scheduled day of rest shall be computed by multiplying by eight (**8**) the minimum hourly wage rate as in Exhibit A of the employee's regular classification.
  3. For twelve (12) hour shift employees:
    - (i) a holiday allowance for a holiday falling on a scheduled day of work not worked shall be computed by multiplying by twelve (12) the minimum hourly wage rate as in Exhibit A of the employee's regular classification.
    - (ii) a holiday allowance for a holiday falling on a scheduled day of rest shall be computed by multiplying by eight (**8**) the minimum hourly wage rate as in Exhibit A of the employee's regular classification.
- c. If the employee was regularly scheduled to work the holiday, he shall also receive the applicable shift differential he would have earned as per Article 15.01, and in the case of twelve (12) hour shift employees, be paid in accordance with Article 17.03(b).

### 12.03

The Company may require employees to work a holiday, in which event, all time worked on a holiday as specified in Article 12.01 of this Article shall be paid at two times (2X) the employee's regular rate of pay in addition to pay for the full holiday at the employee's regular rate of pay.

Excepting emergency breakdowns, the Company will provide two (2) weeks notice as to whether or not the Statutory Holiday will be worked.

In the event there is less than two (2) weeks notice the crew scheduled to work shall have the right of first refusal in so far as manning requirements are concerned. Thereafter, the equal distribution of overtime rules specified in 17.07 (b) shall apply with the understanding that the junior man in designated areas shall be required to work (if senior employees decline).

## ARTICLE 13 ANNUAL VACATIONS

### 13.01 Eligibility

- a. An employee with one (1) or more years of continuous service is eligible for a vacation in any calendar year during the term of this Agreement if in the preceding calendar year he has worked ninety percent (90%) of the days of his regular working days excluding days not worked while on indemnity insurance, or Workers' Compensation or trades school attendance and has worked in the calendar year for which the vacation is sought. Those employees working less than ninety percent (90%) of their regular working days will receive vacation entitlement on a pro-rata basis.
- b. An employee who has been unable to take his vacation due to an injury or sickness, prior to the end of the calendar year, will receive his earned vacation pay entitlement on December 15th of that year.

### 13.02 Vacation Entitlement

a.	Years of Service	Vacation Weeks	Vacation Pay
	Less than 2 years	2 weeks	4% times the gross earnings earned during the previous vacation year
	more than 2 years	3 weeks	6% times the gross earnings earned during the previous vacation year
	more than 10 years	4 weeks	8% times the gross earnings earned during the previous vacation year
	more than 15 years	5 weeks	10% times the gross earnings earned during the previous vacation year

Effective March 1, 2011, employees with more than thirty (30) years service will be entitled to six (6) weeks vacation with vacation pay at 12% times the gross earnings earned during the previous vacation year.

- b. Employees entitled to receive increased vacation time benefits in a calendar year will be permitted to take the time anytime in that year. However, where increased monetary benefits are earned in a calendar year the employee will not receive these until his anniversary date.

### **13.03**

A week of vacation shall consist of one (1) shift rotation and associated days off.

### **13.04**

- a. The Company may elect to shut down the mine or any portion of the mine and grant employees their vacations at that time. The projected dates of the vacation shutdown will be announced prior to March 15 of each calendar year, and confirmed no later than one (1) month prior to the start of the shutdown (emergencies excepted). Those employees for whom there is no work available may elect to take a leave of absence during this shutdown for time down in excess of two (2) weeks vacation. Any outstanding vacation entitlement not utilized at this time must be scheduled, and will be approved in accordance with Article 13.04(c) and (e).
- b. Any time designated as a vacation shutdown will be scheduled to coincide with the major school vacation periods.
- c. Should the Company not elect to have a vacation shutdown, vacations for eligible employees will be scheduled throughout the calendar year and whenever possible, will be granted at a time desired by the employees, subject to the orderly operation of the mine. If the employee's spouse is also employed at the mine, their vacation will be scheduled simultaneously should they so desire, but if either has not earned vacation allowance they will be given leave of absence to accommodate the vacation entitlement of the other.
- d. Employees may carry one (1) week of vacation into the next year.
- e. Subject to the orderly operation of the Mine, vacation requests will be determined on the basis of seniority provided the requests are submitted prior to March 31st. After March 31st, vacations will be scheduled on a first come first serve basis. Vacation requests will be returned to the employees by April 15th or within two (2) weeks of their submission if submitted after March 31st.
- f. Subject to the orderly operation of the Mine, vacation requests for the first quarter of the calendar year will be determined on the basis of seniority provided the requests are submitted prior to December 1st of the previous year. After December 1st, vacations will be scheduled on a first come first serve basis. Vacation requests will be returned to the employees by mid December or within two (2) weeks of their submission if submitted after December 1st.
- g. An employee may break down vacation entitlement into one (1) week segments.

### **13.05**

- a. An employee will receive his vacation pay earned since his last vacation payout, two (2) weeks prior to taking his vacation(s). A minimum thirty (30) days notification is required.
- b. Holiday pay shall be shown on every pay in two (2) forms:

1. gross; and
2. net of approximate taxation.

### **13.06 Termination**

Upon termination, an employee shall receive the unused portion of earned vacation in the form of vacation pay based upon his entitlement as provided for in this Article.

## **ARTICLE 14 RATES OF PAY**

### **14.01 Wage Scales**

The hourly wage rates for work performed in the various job classifications are as specified in Exhibit A.

### **14.02 New Classification**

When the Company establishes a new job classification, the Company will establish a rate for such classification and notify the Union in writing. If the Union disagrees with the rate or classification, the proper Union representatives will advise the Company in writing within fifteen (15) days from the date of notification requesting negotiation. If agreement of the parties cannot be reached the issue is then subject to the Grievance Procedure. Any adjustment agreed to will be retroactive for the hours worked in the job.

### **14.03 Temporary Assignments**

An employee temporarily leaving his regular classification to work at one carrying a higher wage rate shall be paid at the higher rate for a minimum of one-half ( $\frac{1}{2}$ ) the regular hours of his shift. If an employee works more than one-half ( $\frac{1}{2}$ ) of his regularly scheduled shift in a higher classification, he shall be paid the higher rate for the entire shift. This shall not apply to employees receiving training in a position. With the exception of re-classifications, employees who are required to work temporarily in a lower classification shall maintain their regular wage rate.

### **14.04 Lead Hand Premiums**

The Company may designate employees as lead hands, (with the acceptance of the employee), during which time they shall receive the greater of forty cents (\$0.40) per hour more than their basic rate of pay or forty cents (\$0.40) per hour more than the highest rate in the group he is leading.

A lead hand acts as a leader of a group or groups of employees working on similar or related work. He assigns work to the men as directed by the Supervisor and works along with and coordinates work among them. The lead hand functions as a work leader and not as a Supervisor. He is responsible for the correct completion of work but not for disciplinary action or other personnel matters which are the responsibility of the Supervisor to whom the lead hand reports. As determined by the Company, lead hands who do not function in the manner described above may be removed from the position.

### **14.05 Trainer**

It is a normal function of an employee to orientate new employees on his job. However, in certain areas during periods of increasing crews or high turnover, a trainer may be appointed for training or upgrading of job skills. An employee designated as a trainer shall

be paid one dollar (\$1.00) per hour above his normal classification rate while on a training assignment. This rate will not be compounded with the lead hand rate.

## **ARTICLE 15 SHIFT DIFFERENTIALS**

### **15.01**

Shift Differentials for eight (8) hour shift employees shall be as follows:

- a. Thirty cents (\$0.30) per hour for all straight time hours worked on afternoon shift where such shift forms part of an employee's regular schedule.
- b. Seventy-five cents (\$0.75) per hour for all straight time hours worked on midnight shift where such shift forms part of an employee's regular schedule.

Effective March 1, 2010, the shift differential in 15.01(b) will increase to one dollar (\$1.00) per hour.

Effective March 1, 2012, the shift differential in 15.01(b) will increase to one dollar twenty five cents (\$1.25) per hour.

### **15.02**

Shift Differentials for ten (10) hour shift employees shall be as follows:

- a. Thirty cents (\$0.30) per hour for all straight time hours worked on afternoon shift where such shift forms part of an employee's regular schedule.
- b. Seventy five cents (\$0.75) per hour for all straight time hours worked on midnight shift where such shift forms part of an employee's regular work schedule.

Effective March 1, 2010, the shift differential in 15.02(b) will increase to one dollar (\$1.00) per hour.

Effective March 1, 2012, the shift differential in 15.02(b) will increase to one dollar twenty five cents (\$1.25) per hour.

### **15.03**

A shift differential in the amount of seventy five cents (\$0.75) per hour will be paid for all straight time hours worked on the "night" shift of the 12 hour - 4 and 4 schedule. No premium will be paid on the "day" shift of the 4 and 4 schedule.

Effective March 1, 2010, the shift differential in 15.03 will increase to one dollar (\$1.00) per hour.

Effective March 1, 2012, the shift differential in 15.03 will increase to one dollar twenty five cents (\$1.25) per hour.

## **ARTICLE 16 GROUP INSURANCE**

### **16.01**

It is agreed that the Company will pay the full cost of a Group Insurance and Weekly Indemnity Insurance plan for the benefit of its employees, on the following basis:

- a. To provide a weekly indemnity benefit of 50% of base hourly rate at base hours for an accident off the job or for sickness. The weekly amount shall not be less than five hundred and fifty dollars (\$550.00). This benefit will commence on the fourth (4th) day of disability due to sickness and on the first (1st) day of disability due to accident or hospitalization and will be payable for a maximum of fifty-two (52) weeks during any one (1) period of disability. In accordance with the Unemployment Insurance Act or Regulations concerning loss replacement plans, it is agreed that the level of benefits will be equal to sixty percent (60%) of an employee's insurable earnings, as defined under said Act or Regulations.

Effective March 1, 2005, this benefit will be increased to fifty-five percent (55%) of base hourly rate at base hours but the weekly amount shall not be less than five hundred and fifty dollars (\$550.00).

Effective March 1, 2007, this benefit will be increased to sixty percent (60%) of base hourly rate at base hours per week but shall not be less than five hundred and fifty dollars (\$550.00) per week.

Base hours for the calculation of weekly indemnity will be the average hours worked per week on an employee's regular shift.

- b. The Weekly Indemnity Insurance plan will not pay benefits for illness or accidents covered by Workers' Compensation, or illness or accident arising out of other employment.
- c. Fifty thousand dollars (\$50,000.00) life insurance on the life of each employee, increasing to one hundred thousand dollars (\$100,000.00) life insurance in the event of accidental death.
- d. It is agreed that within ninety-six (96) hours of being notified of the death of an employee, the Company will provide to the designated beneficiary an advance of eight thousand dollars (\$8,000.00) (payable by cheque) of the life insurance benefit payable under Article 16.01 (c). Upon receipt of this advance, the beneficiary shall sign an assignment of benefit agreement instructing the life insurance carrier to reimburse the Company the eight thousand dollars (\$8,000.00) advance from the life insurance otherwise payable.

### **16.02 Long Term Disability Insurance**

Long Term Disability insurance will be provided commencing after fifty-two (52) weeks of disability and continuing to a maximum of age sixty-five (65) for eligible employees. The amount of such disability benefit shall be forty percent (40%) of base hourly rate at base hours, reduced by the amount of compensation an employee receives from the Workers' Compensation Board. The calendar month amount shall not exceed a maximum of two thousand five hundred dollars (\$2,500.00) and shall not be less than one thousand eight hundred dollars (\$1,800.00) per calendar month.

Effective March 1, 2005, this benefit will be increased to forty-five percent (**45%**) of base hourly rate at base hours but shall not exceed a maximum of two thousand six hundred and twenty five dollars (\$2,625.00) per calendar month and shall not be less than one thousand eight hundred dollars (\$1,800.00) per calendar month.

Effective March 1, 2006, this benefit will be increased to fifty percent (50%) of base hourly rate at base hours but shall not exceed a maximum of two thousand seven hundred and fifty dollars (\$2,750.00) per calendar month and shall not be less than one thousand eight hundred dollars (\$1,800.00) per calendar month.

Effective March 1, 2007, this benefit will be increased to fifty-five percent (55%) of base hourly rate at base hours but shall not exceed a maximum of two thousand eight hundred and seventy five dollars (\$2,875.00) per calendar month and shall not be less than one thousand eight hundred dollars (\$1,800.00) per calendar month.

Effective March 1, 2008, this benefit will be increased to sixty percent (60%) of base hourly rate at base hours but shall not exceed a maximum of three thousand dollars (\$3,000.00) per calendar month and shall not be less than one thousand eight hundred dollars (\$1,800.00) per calendar month.

Base hours for the calculation of long term disability will be the average hours worked per month on an employee's regular shift.

The cost of the premiums of the plan will be borne by the Company.

### **16.03**

- a) It is agreed that the Company will pay the full cost of the Alberta Health Care Plan and better than equivalent of the Standard Blue Cross Medical Plan.
- b) Effective March 1, 2009, the level of benefits, subject to the terms of the insuring company's policies, procedures and regulations shall include coverage for Basic Optical Examinations not paid by the Alberta Medical Care Insurance Plan to a maximum of one examination (maximum ninety (\$90.00) per twenty-four (24) months for adults nineteen (19) years of age and over, or one examination (maximum ninety (\$90.00) per twelve (12) months for dependent children eighteen (18) years of age and under.

### **16.04**

The Company will pay the full premium cost of the dental program covering the employee, his spouse and dependent children. The level of benefits are as follows:

- a. Basic Dental Benefits (Plan A) - 100% coverage
- Dental Option 1 (Plan B) - 80% coverage
- Orthodontia (Plan C)-50% coverage to a lifetime maximum of \$2000.00 per individual, plus up to \$200.00 per year after the maximum is reached.

- b. The following annual deductibles shall apply to Plan A and B:
- \$25.00 annual deductible for a single employee with no dependents
  - \$50.00 annual deductible for an employee with one (1) or more dependents.
- c. Effective January 1, 1999, Plan A and B will be subject to a combined maximum of two thousand five hundred dollars (\$2,500.00) per calendar year per insured individual.

Effective January 1, 2006, the combined maximum for Plans A and B will increase to three thousand dollars (\$3,000.00) per calendar year per insured individual.

**16.05**

In the event of a shutdown of three (3) months or less the Company agrees to pay the premium payments of the following benefits; Life Insurance, Accidental Death and Dismemberment, Alberta Health Care, Supplementary Health and Dental.

**16.06**

In the event of an employee's death, the Company agrees to pay the premium payments of the following benefits for three (3) months - Alberta Health Care, Supplementary Health, and Dental.

**16.07**

The Company shall pay the premiums for the establishment of a vision care program which will provide payments for frames and lenses to a maximum of two hundred and fifty dollars (\$250.00) every twenty-four (24) months per insured family member.

Effective March 1, 2012, this benefit will be increased to a maximum of three hundred dollars (\$300.00) every twenty-four (24) months per insured family member.

**16.08**

For the purposes of Supplementary Health, Dental and Vision care, dependent children shall be deemed to include:

- a) dependent children under the age of 19 years,
- b) dependent children under the age of 25 in the case of a single, full-time student solely dependent on the employee for support.

**ARTICLE 17  
HOURS OF WORK AND OVERTIME**

**17.01**

The Company may operate any and all sections of the mine on a continuous basis with the work schedule and shift schedule to be arranged by the Company. Prior to implementing any changes the Company will discuss them fully with the Union.



## 17.02

### EIGHT HOUR EMPLOYEES

Subject to 17.03, all time worked over eight (8) hours per day or forty (40) hours per week shall be paid for at two (2x) times the regular wage rate.

### TEN HOUR EMPLOYEES

Subject to 17.03, all time worked over ten (10) hours per day or forty (40) hours per week shall be paid for at two (2x) times the regular wage rate.

All employees who work on a ten (10) hour shift schedule which allows for seven (7) day per week operation shall receive a weekend premium of one dollar (\$1.00) per hour for all straight time hours worked on a Saturday or Sunday.

## 17.03

a. Depending on the shift schedule, the forty (40) hour week may be exceeded with no overtime payment required provided that the average number of hours in a four (4) week period or whatever rotating shift schedule as established by the Company does not exceed an average of forty (40) hours per week.

b. In lieu of paying overtime for hours worked beyond eight (**8**) per day or forty (40) per week, the following shift schedule premium is to be paid to employees working the 4 and 4, 12-hour compressed work week schedule.

Employees on the condensed work week schedule consisting of four (4) consecutive twelve (12) hour shifts followed by four (**4**) consecutive days of rest shall work their scheduled twelve (12) hour shift at ten (10) hours times their regular straight time hourly rate and two (2) hours at one and one-half (1½x) times the regular straight time rate.

c. The two (2) hour overtime premium will not be paid in the event the hours worked in excess of ten (10) fall on a Statutory Holiday which the employee works and for which he receives Statutory Holiday pay.

d. Article 17.02 will not apply to employees working the 4 and 4, 12-hour schedule. Rather time worked in excess of ten (10) hours in a day will be paid as described above and time worked on the employee's regularly scheduled day of rest will be paid at two (2x) times the employee's regular hourly rate.

e. All employees who work on a twelve (12) hour shift schedule which allows for seven (7) day per week operation shall receive a weekend premium of one dollar (\$1.00) per hour for all straight time hours worked on a Saturday or Sunday.

If during the life of this Collective Agreement, the present shift schedule (four (4) on and four (4) off twelve (12) hour shift schedule) is discontinued for any reason, or either of the parties to this Agreement wish to depart from this schedule, the Company and the Union agree to meet and negotiate the premium pay to be associated with the alternate work schedule which the Company may establish. In the event the parties are unable to agree upon the "premium pay" to be associated with such schedule within the thirty (30) days of commencing negotiations, the matter will be referred to an Arbitrator (as per Article 5) whose decision will be final and binding.

This re-negotiation clause does not apply to variations of the twelve (12) hour shift schedule or ten (10) hour shift schedule which may be implemented.

#### **17.04**

The definition of the eight (8) hour day and the forty (40) hour work week herein does not service as a guarantee of hours of work per day or per week but is stipulated only for the purpose of computing overtime pay.

#### **17.05**

- a. When an employee is called out to work on his regularly assigned period of rest and the call-out does not extend into his regular shift, he will be paid an amount equal to half (½) his regular shift at the applicable overtime rate.
- b. It is agreed that an employee whose call-out commences prior to and extends into his regular shift is to be compensated as follows:
  1. When the call-out work commences two (2) hours or less prior to the starting time of the employee's regular shift the employee will be paid overtime rates for the actual overtime hours spent working prior to the commencement of his regular shift and overtime rates for the portion of his regular shift so as to provide a maximum of half a shift at the applicable overtime rate of pay for the call-out. The duration of his regular shift will be paid at his regular straight time rate.
  2. When the call-out work commences more than two (2) hours prior to the starting time of the employee's regular shift, the employee will be paid for hours equal to half (½) his regular shift at the applicable overtime rate of pay for the time worked prior to the commencement of his regular shift. The regular shift will be paid at his regular straight time rate.
  3. An employee who is requested to return to work prior to departing from the minesite at the end of his shift is not considered to be on call-out.

#### **17.06**

An employee who reports as scheduled without having been notified not to report and for whom no work is available will be allowed four (4) hours pay for eight (8) hour shift employees; five (5) hours pay for ten (10) hour shift employees and six (6) hours pay for twelve (12) hour shift employees at the rate of the job for which he was scheduled to report. For this article only reporting shall mean to have been acknowledged through a check off by the Company to have been at their regularly scheduled bus pick up point on time.

#### **17.07**

- a. In the event that an employee is requested to change from his regular scheduled shift with an eight (8) hour or less work break between the change, the employee shall be paid at the rate of two (2x) times his regular straight time rate for the hours worked in the first shift of the changed schedule.
- b. In all departments, a system of equitable distribution of overtime beyond an employee's normal work schedule shall be established where each employee shall have the opportunity of overtime within his regular shift classification and work area.

- c. If, after having worked authorized overtime an employee is given less than a nine (9) hour work break before his next regularly scheduled shift:
  - 1. He will be provided with a nine (9) hour break
  - or
  - 2. If he commences work at his regular time he will be paid at the applicable overtime rate for those hours worked until the nine (9) hour provision has lapsed.
- d. When an employee changes shift that employee may request to work at regular rates after two (2) days off to allow for transition to the new shift schedule to prevent excessive loss of earnings.
- e. The Company agrees to give two (2) weeks notice, where practical, of any shift change.

#### **17.08**

- a. After two (2) hours of overtime which is continuous with an employee's regular shift a hot meal shall be supplied by the Company. Thereafter a hot meal shall be supplied every four (4) hours. This shall not apply when an employee has been given more than twelve (12) hours advance notice prior to the overtime nor in the event of a call-out of less than five (5) hours.
- b. In the event of unscheduled overtime the crews performing the work shall be provided with the following option on the first overtime meal as outlined in (a) above. The choice must be made as a group and all involved must abide by the selection of:
  - 1. A hot overtime meal after two (2) hours, or
  - 2. Complete the job without a meal break and be provided with a meal voucher at the time of departure cashable at a suitable restaurant in town, or
  - 3. Complete the job without a meal break and receive one (1) additional half (½) hours pay at overtime rates.

#### **17.09 Hot Change**

Where the Company implements a hot change (i.e., the shift change occurs at the employee's designated work station) the employees involved shall be paid at overtime rates for the amount of time spent at work beyond the normal hours of work specified in Article 28.

#### **17.10 Voluntary Overtime**

The Company will not enforce compulsory overtime beyond an employee's regular shift schedule and hours of work established in Article 17.

## **ARTICLE 18 CLOTHING AND TOOLS**

#### **18.01 Clothing**

- a. The Company shall provide on a personal issue system, wet suits, rubber boots, hip-waders, gloves, clear safety glasses (including prescription glasses), colored flash

glasses, clip-on sun glasses, dust masks, water jugs, ear plugs, hard hats and hard hat liners and protective clothing for Welders (gloves, aprons, air arc hoods, etc.) to those employees where, in the opinion of the Company and/or on the recommendation of the joint Health and Safety Committee, such protective apparel is required. Replacement items will be provided upon return of the used articles.

- b. Employees are required to take good care of any articles provided to them by the Company and such articles shall be returned to the Company prior to termination of employment. The value of articles lost or damaged through proven negligence will be deducted from the employee's next appropriate pay.
- c. The Company agrees to continue to provide the coverall service currently in effect.
- d. Employees' clothing in the locker room shall be insured for **loss** by fire to a maximum of two hundred dollars (\$200.00) from May 1st to September 30th inclusive and four hundred dollars (\$400.00) from October 1st to April 30th inclusive per individual.
- e. Effective January 1, 2009, the company shall reimburse permanent, active employees for the purchase of one pair of CSA approved safety boots to a maximum of one hundred and twenty five dollars (\$125.00) per calendar year per employee upon proof of purchase, or, at the employee's option; to a maximum of two hundred and fifty dollars (\$250.00) per two (2) calendar years upon proof of purchase. Newly hired employees shall be eligible for this reimbursement upon successful completion of the probationary period,

## **18.02 Tools**

- a. Tradesmen who are required to buy and maintain their own tools, including conversion to metric tools, shall receive a tool allowance for each hour worked on the following basis:
  - Maintenance A, B, and Apprentices (Electrician, Heavy Duty Mechanic, Millwright, Instrument Mechanic, Motor Mechanic, Machinist)
    - Thirty cents (\$0.30) per hour for all hours worked.
  - Welder, Serviceman, Carpenter, Plumber and Apprentices
    - Fifteen cents (\$0.15) per hour for all hours worked.
- b.
  - 1. To facilitate the process of Journeymen and Apprentices acquiring required tools, they may upon request and Company approval receive one (1) tool allowance advance up to a maximum of one thousand five hundred dollars (\$1,500.00) upon proof of purchase. The employee shall pay the advance back through a payroll deduction of a minimum of twenty-five dollars (\$25.00) per pay period. Upon full repayment of this loan an employee may apply for a further loan.
  - 2. Employees receiving such loans shall authorize the Company to deduct the balance of the loan from their final pay upon termination of employment.
  - 3. All tradesmen's tools stored on the Company's premises shall be insured against loss by fire. The amount will be limited to those on the approved tools lists unless special or additional tools are pre-registered with the Company.

The tool lists will be prepared by the Joint Trades Committee and recommended for approval by the Company. Additions or deletions to the list can be made at anytime of the year through the Trades Committee.

- c. Coal Valley Resources Inc., Coal Valley Mine employees will not be required to supply their own personal hand tools to contractors.

## **ARTICLE 19 PYRAMIDING OF PREMIUMS**

### **19.01**

It is understood by the parties that there shall be no pyramiding of premiums under this Agreement.

## **ARTICLE 20 SAFETY**

### **20.01**

The Company and the Union, realizing the benefits to be derived from a safe and healthy place of employment, agree that they and all employees, Union Stewards and Officers, and the Supervisors at all levels shall cooperate to promote safe work practices, healthy conditions, safety rules and procedures.

Notwithstanding the responsibility placed solely on the Company by the Occupational Health and Safety Act and Regulations to provide safe and healthy working conditions, it is also understood that the Act and Regulations places specific responsibilities on individual employees.

### **20.02**

- a. The Company and the Union shall jointly maintain an equal representation Health and Safety Committee composed of one (1) employee in each department, (Pit, Shop and Plant); and two (2) co-chairmen. Should the number of departments in the operation increase the number of committee members shall be increased in equal numbers.
- b. The Union will endeavor to increase the number of committee representatives at one (1) per department per crew and will notify the Company in writing of which members can be utilized for the functioning of this committee when they are on site.
- c. The function of this committee shall be to bring safety concerns to the attention of Management and the Union and to recommend solutions on problems relating to safety, good housekeeping and health at the operation.

### **20.03**

The Union and the Company will appoint one (1) person each to act as co-chairman for the committee. The Company and the Union will ensure that the Company representatives and employee members appointed to the committees have such qualifications as to enable them to complete inspection tours and report as required by any relevant legislation or governmental directives. The inspections shall be conducted in each area by any two (2) of the representatives of each party. The meetings of the committee, again consisting of any

two (2) representatives from each side, shall be held at least once per month and more often if necessary. Prior to the meeting, the inspection tour of the operation will be conducted. The inspection tour report will be discussed at the monthly meeting. The committee shall also discuss:

- a. Any accidents that occurred in the previous month, the causes and preventative measures.
- b. Any safety and health complaints.
- c. Any proposed changes in the safety and health procedures or rules.
- d. Results of any tests or surveys pertaining to the health and safety of the employees.
- e. Review the minutes from the previous crew safety meetings and answer concerns arising from those minutes.

The minutes of the monthly meetings will be copied and made available in enough quantity to each co-chairman for distribution to the members of their committee. A copy of the minutes of the monthly meetings will also be forwarded to the appropriate governmental agency.

#### **20.04**

Time spent on monthly inspections and at subsequent meetings shall be considered as being time worked. Employees shall not suffer a **loss** of income as a result of attendance at such meetings and/or inspections. Any time spent at the minesite for scheduled meetings and tours on the employee's regular time off shall be paid for at the employee's regular rate of pay.

#### **20.05**

In the event of an occurrence of an accident or near miss involving bargaining unit employees resulting in a formal investigation by the Company, a Union representative of the Health and Safety Committee, who is familiar with the work area shall participate in the investigation. The Union co-chairman will designate to the Company the member that is to attend the investigation. If a committee member is not on site a Union steward shall participate in the investigation.

#### **20.06**

- a. No employee will be required to perform work that he has reasonable grounds to believe constitutes imminent danger to himself or others nor will he be disciplined for such refusal. An employee who is unsure of the safety of any action should, prior to committing such action, discuss his concerns with his Foreman and, if necessary, his Steward and/or a Safety Committeeman. Any disagreement thereafter as to the safety of any act should be referred to the Department Manager. Prior to involving any outside agency the concern will be raised with the General Manager.

Prior to requesting other employees to perform the same function the Foreman will ensure that such employees are made aware of the alleged dangers associated with the work.

- b. When required to work in a (potentially) hazardous location, remote from other employees, an employee may request of his Supervisor, and his Supervisor shall

authorize, another employee to accompany him or establish a more frequent visitation by himself or others to ensure the employee's safety.

**20.07**

Copies of all accident and near miss investigations conducted by the Company will be forwarded to the Union Office within seven (7) days of the incident.

**20.08**

It shall be the duty of an employee to report immediately to his Supervisor any unsafe act or working condition. Complaints in regard to general safety conditions shall be reported by an employee personally or through the Health and Safety Committee to the supervisor in charge and failing a satisfactory solution, to the Department Manager concerned or his designee.

**20.09**

Each shift shall hold a safety meeting once per month within their regular scheduled shift, at a time separate from their regular lunch break. An appropriate day shift time will be allotted for safety related and other topics.

**20.10**

The Company agrees to provide and maintain adequate first aid facilities and equipment; e.g. lens cleaning stations as well as locker rooms, lunch rooms, washrooms, washing and shower facilities, in a sanitary condition as far as is possible. Employees using these facilities are expected to refrain from littering and abusing the facilities. Abuses will be dealt with under the disciplinary procedure.

**20.11**

In the interest of better communications and as evidence of the common approach to attempting to provide the safest possible working environment the Joint Occupational Health and Safety Committee will undertake various projects as assigned by the Joint Union/Management Committee. These projects could involve such aspects of a safe and healthy work place, as testing present conditions at or on Company property and safe methods of working.

**20.12**

During the life of this Collective Agreement, the Company shall develop and maintain an inventory of chemical substances on site for the purpose of developing the procedure for safe handling and emergency treatment. The information gathered, where possible, will include:

- a. The common and chemical name of that substance.
- b. The chemical composition and the physical and chemical properties of the substance.
- c. The Toxicological information respecting that substance.
- d. The effect of both long and short term exposure or contacts of that substance on humans.
- e. The protective measures used in respect of that substance, and

- f. The methods of disposal of that substance.

The Union will cooperate with the Company in the gathering and formulation of this information, through the Joint Health and Safety Committee.

### **20.13**

- a. In conjunction with Article 22, the Company shall arrange testing for employee's hearing and lung function every two (2) years. The results of these tests will be reviewed with the employee by appropriate personnel should it be necessary or a copy given to the employee if so requested.
- b. The Company shall cooperate with the government agencies responsible for Occupational Health and Safety in establishing adequate testing for significant health hazards. The Union Safety co-chairman will be familiarized with such testing techniques and be kept informed of the results. The Union Safety co-chairman or his designate may accompany the government testing personnel if he so desires.
- c. In the event that government personnel are unable or unavailable to conduct certain tests for significant health hazards, or if after their testing a further concern exists, the Union may request further independent testing be carried out at their expense. Such testing will be carried out so as to minimize interruptions to production. Access to the property for these additional independent tests will not be denied by the Company, provided the justification for such test is fully explained, and those conducting the tests be an approved testing authority.

## **ARTICLE 21 PAY DAY**

### **21.01**

At the Company's option employees may be paid by cheque or direct bank deposit. Pay Day shall be bi-weekly on Thursday, except if delayed by reasons beyond the Company's control. The Company shall be allowed one (1) week hold back in order to prepare payrolls. If a Statutory Holiday falls on the regular pay day, employees shall be paid the day before.

### **21.02**

An employee who terminates shall, receive his final pay on the following pay day.

### **21.03**

An employee who has an error of one (1) shift or more in his pay will, if he so requests, receive pay for same within forty-eight (**48**) hours of his reporting the error to payroll or have it adjusted on the next pay period, as he requests. (Saturdays and Sundays to be excluded from the above forty-eight **48** hours).

## **ARTICLE 22 PHYSICAL EXAMINATIONS**

### **22.01**

The Company shall have the right to require that any applicant for employment shall pass a physical examination arranged by the Company. The Company shall pay for those costs of the pre-employment examination not covered by Medicare. The Company shall also have



the right to require periodic physical examinations for any employee to be conducted by a physician of the employee's choice. The Company reserves the right to seek additional medical opinion(s). Additionally, audiometric testing may be periodically conducted by Company personnel. The Company shall pay, at the employee's regular wage rate for work time lost by the employee in obtaining periodic physical examinations (but not pre-employment examinations). If the periodic medical examination is scheduled for the employee's day off he shall receive four (4) hours pay at his regular wage rate.

## **ARTICLE 23 PERSONNEL RECORDS**

### **23.01**

Employees are allowed to review their employee record file on a quarterly basis. Discipline records will be removed from the personnel file in accordance with the provisions of the Positive Discipline System and will not be considered for disciplinary action or evaluation thereafter.

Safety records will be retained on file for a period of two (2) years and may be considered in disciplinary action.

## **ARTICLE 24 TRANSPORTATION**

### **24.01**

The following conditions are to apply to employees utilizing Company transportation if the bus is delayed or unavailable:

- a. If the employees affected will not be provided with work for the shift, they will be so notified at least one (1) hour before their respective scheduled departure time. It is understood that employees so notified will not receive any payment for the shift. It is the employees responsibility to keep the Company informed as to their current telephone number or other means of notification.
- b. Should a bus be delayed in its regular arrival at the mine those employees so affected will suffer no loss of earnings for this late arrival. It is understood that if the shift is canceled, Article 17.06 respecting call-outs will apply if the Company has not complied with Article 24.01 (a).
- c. In the event the regular transportation system is delayed or unavailable, back-up transportation will be utilized. When the contractor is unable to provide a driver at the scheduled departure time, designated qualified bargaining unit employees will be requested to drive, if available on that schedule. Should none be available, a qualified non-bargaining unit employee shall be designated as a driver. It is understood that the function of bus driving is not a bid position and the Company reserves the sole right to select drivers in accordance with the provisions of this Article. Those employees who possess a valid Alberta Class Two drivers license must register with the Transportation Department if he wishes to be eligible to drive.
- d. Bargaining unit personnel who act as drivers will be compensated for time spent driving times Job Group #6 calculated to the nearest quarter hour. This will be in

addition to the reporting allowance in Article 29.02(a). Should overtime be involved the appropriate overtime rate times Job Group #6 will apply.

Effective April 1, 1998, bargaining unit personnel acting as drivers will be compensated at their regular rate or Job Group #6, whichever is greater.

- e. Company vehicles utilized to transport employees from the mine site will be driven by staff employees should, however, a qualified bargaining unit employee be requested to drive, he will be compensated for time spent driving in accordance with Article 24.01(d).

#### **24.02**

It is agreed the primary function of transporting employees between Edson and the minesite by contractors is not work normally performed by Coal Valley Resources Inc., Coal Valley Mine and does not come under the scope of Article 1 in the Collective Agreement.

### **ARTICLE 25 'PIT DRIVERS' PREMIUM**

#### **25.01**

The Pit Drivers' Premium shall apply to employees designated to drive pit crummies or plant man haulers for the purpose of crew changes at shift change times where a minimum of three (3) passengers are carried. Designated employees shall be paid for time at the rate of one half (1/2) hour's pay at the rate of Job Group #6. The driver who so transports employees between the plant and the dry will receive fifteen (15) minute's pay at the rate of Job Group #6.

When functioning as Relief Foreman these employees shall not be utilized in the capacity of bus driver for the purpose of this clause.

### **ARTICLE 26 APPOINTMENTS**

#### **26.01**

- a. Relief Foremen:

It is understood and agreed between the Company and the Union that Relief Foremen may be appointed with the acceptance of the employee. Each appointment shall be for a minimum period of one (1) day and shall not exceed the cumulative total of forty-five (45) working days per contract year. Relief Foremen are not permitted to exact discipline during the appointment.

- b. Temporary Supervisory Staff:

Temporary Supervisory staff may be appointed under the terms of the Collective Agreement. Each appointment shall be for the purpose of training and testing employees for promotion outside the scope of this Agreement. During such appointment the employee will exercise all the duties and responsibilities of the position he is filling. This assignment will be available once in the life of the Collective Agreement and shall not exceed six (6) calendar months in duration.

c. Temporary Non-Supervisory Staff:

For non-supervisory staff positions the cumulative total time an employee may function in a temporary staff position must not exceed three (3) calendar months, in the life of the Collective Agreement.

- d. Employees outlined in Article 26.01 (a) (b) or (c) accepting any of the above positions shall continue to accrue seniority and pay regular monthly Union Dues for term of their appointment. The employee's regular job shall be filled temporarily and shall be resumed by the employee upon termination of his assignment. These employees shall work overtime only in their appointed capacity. Upon exceeding the time available in any of the above subclauses and/or accepting a permanent staff position the employee will immediately lose his Union seniority and cease payment of Union Dues.

The Company shall notify the Union as to which employees have been so appointed and to which category. Under special circumstances individuals who have accumulated the maximum time limits may, with mutual agreement, between the Company and the Union be permitted to be reassigned to the position for a designated period without loss of Union seniority.

e. Students:

The Company may employ students in bargaining unit positions from time to time provided that no employee shall be laid off, be on recall, discharged or displaced from his regular employment to make room for a student. It is understood that the period of employment for students shall not be in excess of four (4) consecutive months unless mutually agreeable to the Company, Union and the student. At the completion of the four (4) month period a student who is to be retained as a permanent employee shall be rehired on that date and his seniority will begin at that time. The expiry of the four (4) consecutive month student employment period shall constitute just and reasonable cause for the termination of the student. It is also understood that student employment is not to interfere with the training and progression of permanent employees, therefore students will not be eligible to utilize the bidding procedure during their four (4) month student employment period but will be required to remain in the positions as assigned by the Company. Students shall not be eligible for benefits under the Collective Agreement.

## **ARTICLE 27 LUNCHBREAKS**

### **27.01**

Lunch and rest breaks will be scheduled as outlined below and in such a manner that the continuity of operations is not affected:

- a. For eight (8) hour shift employees a break of twenty (20) minutes will be scheduled during the fourth or fifth hour of the shift.  
In addition such employees will receive a ten (10) minute rest break in the first half and last half of their shift.
- b. For ten (10) hour shift employees a break of thirty (30) minutes will be scheduled during the fifth or sixth hour of the shift.

- In addition such employees will receive a ten (10) minute rest break in the first half and last half of their shift.
- c. For twelve (12) hour shift employees, a lunch break of thirty (30) minutes will be scheduled during the sixth or seventh hour of the shift.  
In addition such employees will receive a fifteen (15) minute rest break in the first half and last half of their shift.
  - d. For (a) (b) and (c) above the rest breaks as far as practical will be taken at the mid point of the first and second half of the shifts.

## **ARTICLE 28 HOURS OF WORK**

### **28.01**

Based on the current mode of transportation the normal hours of work (inclusive of rest and lunch breaks) will be as follows:

- a. eight (8) hours work for eight (8) hour shift employees and
- b. ten (10) hours work for ten (10) hour shift employees and
- c. twelve (12) hours work for twelve (12) hour shift employees.

In addition to the above hours of work, employees shall have fifteen (15) minutes unpaid dry/departure time at shift end.

## **ARTICLE 29 HOURLY RETIREMENT FUND**

### **29.01**

#### **a) Company Retirement Fund Contribution**

The Employer shall make a monthly contribution on behalf of the member equal to two hundred sixteen dollars and sixty-seven cents (\$216.67) per month to a maximum of two thousand six hundred dollars (\$2,600.00) per contract year.

b) The Employer will contribute an additional five hundred dollars (\$500.00) per contract year (\$41.67 monthly). The Employee will match this contribution.

c) Effective June 1, 2004, active employees shall elect to join one of the Pension Plan options below. Employees may elect once per year to change their option, and must communicate this in writing to the Company prior to December 1<sup>st</sup> for the upcoming year. The Employer and Employee contributions will be made on a pay period basis.

#### **Option A**

The Employer shall make a contribution on behalf of the member equal to six percent (6%) of the employee's base rate (for base hours) with a minimum annual contribution of three thousand two hundred dollars (\$3,200.00). The Employee shall contribute two percent (2%) of the employee's base rate (for base hours).

Effective March 1, 2005, the Employee shall contribute three percent (3%) of the employee's base rate (for base hours).

Effective March 1, 2006, the Employee shall contribute four percent (**4%**) of the employee's base rate (for base hours).

Annual base hours, for Pension calculations, will be defined as 2,339.

**Option B**

The Employer shall make a monthly contribution on behalf of the member equal to two hundred sixty-six dollars and sixty-seven cents (\$266.67) per month to a maximum of three thousand two hundred dollars (\$3,200.00) per contract year.

The Employee shall contribute six hundred dollars (\$600.00) per contract year (\$50.00 monthly).

**Option C**

The Employer shall make a contribution on behalf of the member equal to seven percent (7%) of the employee's base rate (for base hours).

The Employee shall contribute seven percent (7%) of the employee's base rate (for base hours).

Annual base hours, for Pension calculations, will be defined as 2,339.

**d. Pensionable Service:**

Effective October 1, 1989, Pensionable Service for future new claimants shall include time while receiving Workers' Compensation benefits and retaining employee status (for a maximum period of time equal to the Employee's seniority at the time he became eligible for benefits), and while receiving long term disability insurance (for a maximum period of time equal to the Employee's seniority at the time he became eligible for benefits). In no case will Pensionable Service continue to accrue after an employee's normal retirement date or while he is gainfully employed by an employer other than Coal Valley Resources Inc., Coal Valley Mine.

The hours worked for the determination of pensionable service shall include absence while receiving W.C.B. and maintaining employee status; or while receiving benefits under the Company sponsored Weekly Indemnity Plan, paid leave of absence, paid general holidays and while an employee is absent due to temporary shutdowns of less than one (1) months duration.

- e. Eligible employees who go on disability (WI/LTD/WCB) for greater than thirty (30) days will revert to Option B, unless directed, in writing, by the employee. If the employee does not contribute his/her portion of the pension, then the same amount will be deducted from the Employer's contribution.

**f. Death Benefit:**

Should an employee die while a member of the Retirement Fund, all amounts credited to him will be paid to his beneficiary. This will include a contribution for the balance of the calendar year in which the death occurs providing the employee is credited for continuous service, in accordance with Article 29.01 (a), in the year in which the death occurs.

**g. Administration:**

The Retirement Fund will be administered on a pooled basis. Employees will receive individual annual statements of the units held on their behalf and their value. Units in the fund will be valued quarterly and terminating employees will have their withdrawals calculated based on the number of units held and the most recent quarterly valuation. The Trustee for the fund will be selected by the Company and the investment strategy will be determined jointly with Union representatives. Investment Management fees will be charged to the fund by the Trustee. Administrative fees will be paid by the Company.

**h. Termination:**

Upon termination of employment, the employee's funds will be transferred to a RRSP to provide for retirement.

**ARTICLE 30  
SAVINGS CLAUSE**

**30.01**

If any provision of this Agreement is in conflict with the laws or regulations of Canada or Alberta, such provisions shall be superseded by such law or regulation. Unless prohibited from doing so by such law or regulation, or by a ruling of any Court or Board of competent jurisdiction which has declared any provision of this Agreement invalid or inoperable, the Company and the Union, within fifteen (15) days' notice of either upon the other, shall commence negotiations the sole and restricted purpose of which shall be to provide adequate legal replacement of such provision. In the event that such negotiations do not result in agreement upon a legal replacement for such provision within seven (7) days of commencement of negotiations, or such longer period as may be mutually agreed between the parties, the matter shall be resolved in accordance with Article 5.

**ARTICLE 31  
JOINT COMPANY UNION  
COMMITTEES MEETINGS**

**31.01**

The Company and Union agree to provide to each other at least two (2) days prior to the date of joint committee meetings a list of items to be placed on the agenda. With the exception of Article 31.04 (Negotiating Committee) those employees on duty attending joint Company Union committee meetings will suffer no loss of earnings by virtue of such attendance. Those off duty who attend the scheduled meetings will be compensated by the Company for five (5) hours at their regular wage rate.

**31.02 Union-Management Committee**

A joint meeting between the Company and the Union shall be held monthly. The delegation of the Union shall not exceed nine (9) persons, including a maximum of five (5) from the on-duty shift.

### **31.03 Joint Health and Safety Committee**

A joint Union-Management meeting consisting of the co-chairman from the committee, the Council Chairman, a Union staff representative, the General Manager, the Manager of Human Relations and the Loss Control Supervisor of Coal Valley Resources Inc., Coal Valley Mine shall meet at least once every three (3) months to discuss the performance of the joint Health and Safety Committees, also any recommendations from the joint Health and Safety Committee.

### **31.04 Negotiating Committee**

It is agreed that individual employee members of the Union Negotiating Committee (not to exceed seven (7) in number) will receive pay at their basic hourly rate from the Company for actual regular scheduled work time spent negotiating a new Collective Agreement with the Company up to a maximum of four (4) hours pay per meeting day for 8 hour shift employees; five (5) hours pay per meeting day for ten (10) hour shift employees and six (6) hours pay per meeting day for twelve (12) hour shift employees. If applicable, such employees shall also be compensated for one-half (1/2) of the twelve (12) hour shift schedule overtime premium they would have earned had they worked their regular scheduled shift. This policy will only apply to those negotiating meetings held prior to the expiry of the Collective Agreement.

### **31.05 Special Meetings**

The Union shall have the right to call a meeting to deal with a major specific matter at any time with the General Manager of Coal Valley Resources Inc., Coal Valley Mine, provided the matter has first been dealt with through appropriate department channels.

### **31.06 Trades Committee**

A joint Union-Management committee consisting of a maximum of five (5) members of the Union and a maximum of five (5) Company representatives will meet on a regular basis (maximum once per month) to develop and recommend to Management programs related to trades areas.

### **31.07 Training Committee**

A joint Union-Management meeting consisting of three (3) members of the Union and three (3) Company representatives from the two (2) operating departments will meet on a regular basis (maximum once per month) to develop and recommend to Management programs in the area of operations training. One of the Company representatives will be a member of the training department.

## **ARTICLE 32 TERM OF AGREEMENT**


### **32.01**

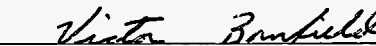
This Agreement shall be effective as of March 1, 2009 and shall remain for a period ending February 28, 2014 and from year to year thereafter, providing


that either party may, not less than sixty (60) days nor more than one hundred-twenty (120) days prior to the termination date hereof, give notice in writing to the other party of its intentions to terminate this Agreement or to negotiate a revision thereof.


Agreed this 26 day of March 2009.

FOR THE UNION;

  
\_\_\_\_\_  
**P. Bokowski**  
Business Manager

  
\_\_\_\_\_  
**V. Banfield**  
Treasurer

  
\_\_\_\_\_  
**F. Araneda**  
Business Agent

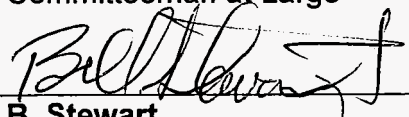
  
\_\_\_\_\_  
**C. Grant**  
Council Chairman

  
\_\_\_\_\_  
**R. Bailer**  
Pit Committeeman


  
\_\_\_\_\_  
**B. Mayes**  
Maintenance Committeeman

  
\_\_\_\_\_  
**B. Caouette**  
Plant Committeeman

  
\_\_\_\_\_  
**H. Hearn**  
Committeeman at Large


  
\_\_\_\_\_  
**B. Stewart**  
Business Agent

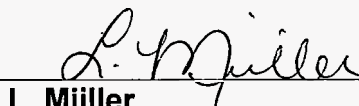
FOR THE COMPANY:

  
\_\_\_\_\_  
**D. Rutland**  
General Manager

  
\_\_\_\_\_  
**J. Zezel**  
Sr. Human Resources & Safety Supervisor

  
\_\_\_\_\_  
**S. Fancey**  
Maintenance Manager

  
\_\_\_\_\_  
**J. Gaudaur**  
Human Resources Assistant

  
\_\_\_\_\_  
**L. Miller**  
Director, Human Resources & Safety



Wage Class	'GROUP	WAGE RATES				
		Effective March 1, 2009	Effective March 1, 2010	Effective March 1, 2011	Effective March 1, 2012	Effective March 1, 2013
11	MaintenanceA	\$35.85	\$37.54	\$38.85	\$40.21	\$41.42
10	Dragline Operator	\$33.75	\$35.10	\$36.32	\$37.59	\$38.72
9	Backhoe Operator (over 5 yd) Shovel Operator	\$32.69	\$34.00	\$35.19	\$36.42	\$37.52
8	Crane Operator (over 20T) MaintenanceB	\$30.98	\$32.22	\$33.35	\$34.52	\$35.55
7	Drill Operator Front End Loader Operator (over 10 yd) Dragline Oiler/Relief Operator Blaster – Certified Class 1 Operator Crusher Operator	\$30.30	\$31.51	\$32.61	\$33.76	\$34.77
6	Grader Operator Dozer Operator Front End Loader Operator (10 yd or under) Scraper Operator Coal/Rock Hauler Dragline Oiler/Relief Operator I Crane Operator (20T and under) Field Serviceman Shop Serviceman Plant Serviceman Pumpman	\$29.51	\$30.69	\$31.77	\$32.88	\$33.86
5	Shovel/ Relief Operator I Dragline Oiler/Relief Operator II Backhoe Operator (5 yd and under) Mudcat Operator Steam Cleaner	\$28.68	\$29.83	\$30.87	\$31.95	\$32.91
4	Tool Crib Attendant/Repairman Shovel/ Relief Operator II Blaster's Helper I (6 months plus experience) Dragline Oiler (Potential Operator)	\$28.14	\$29.26	\$30.28	\$31.34	\$32.28
3	Shovel/Potential Operator	\$27.95	\$29.06	\$30.08	\$31.13	\$32.07
2	Tool Crib Attendant Blaster's Helper II	\$27.32	\$28.41	\$29.40	\$30.43	\$31.34
1	Labourer	\$25.91	\$26.94	\$27.89	\$28.86	\$29.73
<b>Plant Progression- Wage Scale</b>						
	Control Room Op	\$33.75	\$35.10	\$36.32	\$37.59	\$38.72
	Senior Op	\$32.69	\$34.00	\$35.19	\$36.42	\$37.52
	Plant Operator I	\$31.39	\$32.65	\$33.79	\$34.97	\$36.02
	Progression Level 6	\$30.87	\$32.10	\$33.22	\$34.39	\$35.42
	Progression Level 5	\$30.62	\$31.85	\$32.96	\$34.12	\$35.14
	Progression Level 4	\$30.35	\$31.57	\$32.67	\$33.81	\$34.83
	Progression Level 3	\$29.51	\$30.69	\$31.77	\$32.88	\$33.86
	Progression Level 2	\$29.51	\$30.69	\$31.77	\$32.88	\$33.86
	Progression Level 1	\$29.51	\$30.69	\$31.77	\$32.88	\$33.86

In year 4 and year 5 the rate of pay increases as per Exhibit A or the average wage increase for the year at other western Canadian unionized thermal coal mines.

- \* Maintenance A must possess Alberta and/or Interprovincial Tradesman Qualification Ticket for at least one (1) of the following trades: Electrician First Class, Heavy Duty Mechanic, Instrument Mechanic, Motor Mechanic, Millwright, Welder First Class, Carpenter, Painter, Machinist, Plumber, Pipefitter, Crane Operator.
- \*\* Maintenance B must possess tradesman Qualifications Ticket other than Alberta or Interprovincial for at least one of the following trades: Electrician Second Class, Heavy Duty Mechanic, Instrument Mechanic, Motor Mechanic, Millwright, Welder Second Class; Carpenter, Painter, Machinist, Plumber, Pipefitter.

**SCHEDULE OF MINIMUM HOURLY WAGE RATES APPLICABLE TO THE  
APPRENTICESHIP TRAINING PROGRAM**

FOUR YEAR PROGRAM (Percentage of Journeyman Rate)

Beginning	80%
Successful Completion Year #1	85%
Successful Completion Year #2	90%
Successful Completion Year #3	95%

THREE YEAR PROGRAM (Percentage of Journeyman Rate)

Beginning	80%
Successful Completion Year #1	90%
Successful Completion Year #2	95%

## **EXHIBIT B LETTERS OF UNDERSTANDING**

### **PRINTING OF COLLECTIVE AGREEMENTS**

The Company and Union agree to split the costs of printing the Collective Agreement.

### **PROFICIENCY CERTIFICATES**

Any employee who has obtained one (1) or more of the following listed E.R.C.B. Proficiency Certificates and who may utilize such proficiency in the course of his employment shall receive an additional fifty cents (\$0.50) per hour above his regular rate. These premiums shall also apply to Maintenance "A" or "B" tradesmen who have two (2) Journeyman certifications and who may utilize both in the course of their employment. An employee is only to be paid this additional premium once.

### **ELIGIBLE PROFICIENCY CERTIFICATES**

Provincial Blaster  
Electrician  
Mechanic  
Power Engineer

### **ELIGIBLE NON E.R.C.B. CERTIFICATES**

Pressure "B" Welder

The Company reserves the right to limit the number of such endorsements to two (2) for payment, and anyone else using their pressure "B" ticket will be paid for hours spent that required the pressure ticket.

Pressure "B" welding certification will be an addition to the trades upgrading allowance referred to in Article 8.07 for those Journeymen receiving the proficiency premium.

### **LIGHT MOBILE EQUIPMENT**

The Company and the Union agree that for the purposes of safety, employees operating light mobile equipment (which includes packer, gravel truck, wheeled backhoe, forklift, picker truck, hiab, lawn tractor, bobcat, vacuum truck, polecat) must be deemed qualified by the training department. Such employees will be paid for time spent operating at the rate of Job Group #5 in accordance with Article 14.03.

## **CLARIFICATION CRANE OPERATOR, EXHIBIT A**

This letter will serve as clarification to an issue arising out of 2002 Collective Bargaining on the classification of an Alberta or Interprovincial Certified (Trades qualified) Crane Operator.

Should an employee at the Coal Valley Mine hold the classification of Crane Operator and be qualified as an Alberta or Interprovincial Certified (Trades qualified) Crane Operator, the employee will be classified in wage Group 11 (Maintenance A) pursuant to Exhibit A, 1<sup>st</sup> notation. Accordingly, the Crane Operator, with the required certification, under wage Group 11 will receive the applicable negotiated changes for that wage group for the duration of the 2009 to 2014 Collective Agreement.

### **MINE OPERATIONS: MULTI-SKILLING GUIDELINES**

1. This document provides the framework for encouraging, developing and recognizing multi-skilled mine operations employees. Multi-skilling refers to the development and application of skills needed to operate multiple pieces of equipment or perform multiple tasks. Mine Operations supervisors are expected to commit time and resources to facilitate training. Experienced workers are expected to provide their expertise to guide trainees. Trainees are expected to participate in the training process by reading manuals and diligently learning the required operating procedures and practices.
2. Mine Operations employees will select either the traditional Job Classification/Job Group wage rate schedule (Exhibit A) or the Multi-Skilling Job Classification/Job Group wage rate schedule. Employees who “opt” out of the multi-skilling will not have access to Article 9.05 a) except temporary bid of longer than thirty (30) days.
3. The bidding process under either schedule remains as documented in the Collective Agreement.
4. Employees choosing the Multi-Skilling route:
  - a.) Will accept job assignments for any task they are qualified. Refusal to accept such assignments will revert the employee to the traditional wage rate schedule.
  - b.) Employees bid jobs will be the employees regular job
5. Delivery of training will be based on the guidelines set out by the Pit Training Committee as well as:
  - a.) The Company determining what requirements and qualifications are needed at the mine.
  - b.) Qualifications and needs of the crew.
  - c.) Availability and scheduling of employees to take training.
  - d.) Date of training request
  - e.) Seniority
6. The following wage premiums will apply to employees on the Multi-Skilling wage rate schedule:

<u>Additional Area of Qualifications</u>	<u>Additional Wage Premium</u>	<u>Effective Mar 1/10</u>
From Job Group 10	\$0.15 each	\$0.20 each
From Job Group 9	\$0.10 each	\$0.15 each
From Job Group 7	\$0.10 each	\$0.15 each
From Job Group 6	\$0.10 each	\$0.15 each
From Job Group 5	\$0.10 each	\$0.15 each

1. Includes Shovel Progression only when there is a bid position.
2. Pumpman includes training on the small backhoe and lowbed.
3. Lines of progression will be paid as one premium. The premium will be for the highest level achieved. Example: any of: Dragline Oiler, Relief Operator, Dragline Operator will be paid as one premium. Similarly, only one premium will be paid for Front End Loader if one or both levels of Front End Loader are achieved and only one premium will be paid for Backhoe if one or both levels of Backhoe are achieved.
4. The premium will not be paid for the qualification that is the employee's bid job.
5. Class 1 Operator must be a licensed Class 1 Driver with Winch experience and the ability and knowledge to safely load and unload a dozer and backhoe.
6. Each Pit Operations classification listed below shall be eligible for a premium:

- Group 10
  - Dragline Operator
- Group 9
  - Backhoe Operator (over 5 yd)
- Group 7
  - Drill Operator
  - Front End Loader Operator (over 10 yd)
  - Blaster – Certified
  - Class 1 Operator
  - Crusher Operator
  - Dragline Oiler/Relief Operator
- Group 6
  - Grader
  - Dozer
  - Front End Loader Operator (10 yd or under)
  - Scraper Operator
  - Coal/Rock Hauler
  - Dragline Oiler/Relief Operator I
  - Pumpman
- Group 5
  - Dragline Oiler/Relief Operator II
  - Backhoe Operator (5yd and under)
  - Mudcat Operator

7. The Company and the Union will continue to meet and review the system and may decide to amend if required.

## RECLAMATION EQUIPMENT OPERATOR

1. This document provides the framework for a new Job Classification: Reclamation Equipment Operator (Mine Operations).
2. Reclamation Equipment Operators will be utilized in all the required areas of the reclamation operations.
3. Vacancies for Reclamation Equipment Operator will be filled by most senior qualified. The minimum qualifications for the Reclamation Operator will be having at least two (2) qualifications from the list.
4. Employees bidding into this position will be expected to become multi-skilled in a minimum of four (4) of the following classifications:

Reclamation Equipment Operator – areas of qualification:

- Backhoe Operator (over 5 yd)
- Front End Loader Operator (over 10 yd)
- Grader Operator
- Dozer Operator
- Front End Loader Operator (10 yd or under)
- Scraper Operator
- Coal/Rock Hauler
- Pumpman
- Backhoe Operator (5yard or under)
- Mudcat Operator

Employee's with two (2) or three (3) qualifications will be trained for the additional one (1) or two (2) required qualifications as determined by the Company.

If all employees on the crew have four (4) or more qualifications from the above list, but the complement of qualifications on the crew do not meet operational requirements, the Company will offer additional training (as per 5 below) in order of most senior to least senior, and if they decline, require the most junior on the crew to take the training.

5. Delivery of training will be based on the guidelines set out by the Pit Training Committee (subject to 4. above) as well as:
  - a.) The Company determining what requirements and qualifications are needed at the mine.
  - b.) Qualifications and needs of the crew.
  - c.) Availability and scheduling of employees to take training.
  - d.) Seniority.
6. The wage rate for this classification will be highest rate for which they are qualified in the above listed classifications. The multi-skilling wage premium guidelines will apply.
7. The Company and the Union will continue to meet and review the system and may decide to amend if required.

## PLANT OPERATIONS PROGRESSION

1. This document provides the framework within which an employee progresses through the required areas of the plant operations. The cooperation and commitment of all plant operations employees is essential to the success of the program. Plant supervisory personnel are expected to commit time and resources to facilitate training. Plant operators are expected to accept disruptions in their operating area rotation schedule and to provide their expertise to guide the trainee in his progress. Trainees are expected to participate in the training process by reading manuals and diligently learning the operating procedures and practices.
2. Plant progression as follows; pay scale as per Exhibit A:

<u>Years</u>	<u>Time</u>	<u>Level</u>	<u>Training</u> (see below*)		<u>#Skills</u>
1	0-4 mth	1	1 Of 4	Breaker	1
	4-8 mth	2	2 of 4	Thickener/Fines	2
2	8-12 mth	3	3 of 4	Dryer	3
	12-18 mth	4	4 of 4	Heavy-Media	4
3	Max 18 mth for 5,6	5	1 of 2	Loadout Firewatch/ Control Room	5
		Plant Operator I			6
	Bid	Senior Op			6
	Bid	Control Room Op			6
<u>Level 1,2,3, 4 Training</u>			<u>Level 5,6 Training</u>		
Breaker/ Thickener/Fines Heavy Media Dryer			Loadout Firewatch/Control Room		
*In most cases the training will progress in the order listed. Under some circumstances it may be necessary, after consultation with the Union, to alter the order of training.					

3. Bidding for vacancies in the plant is confined to the positions of Plant Trainee, Senior Plant Operator and Plant Control Room Operator.
4. An employee advances to the next level in the progression system by meeting time requirements and becoming qualified in an operating area. The qualification process requires that a trainee:
  - a) Meet the minimum time requirement for training or operating in the particular area.
  - b) Complete the Qualification examination with a minimum ninety (90%) percent grade (oral or written).
  - c) Successfully complete the practical examination demonstrating to the Plant Manager or his designate that the required standard of skill and knowledge relevant to the safe and efficient operation of that Plant area have been met.

5. Plant Trainees and Plant Operators are paid according to the qualification level achieved regardless of the area in which they are working. While training in other areas, Trainees and Operators are only paid for the qualification level achieved.
6. When a Plant Operator I or Senior Operator relieve the Control Room Operator they shall be paid Control Room Operator rate and the premium (in 13 below), in accordance with Article 14.03.
7. Only those qualified as Plant Operator I are eligible to bid on Senior Plant Operator and Plant Control Room Operator positions. In the event that no bids are received on a posting for either of these classifications, the least senior, qualified operator is required to fill the position.
8. Those holding the qualification of Plant Operator I, Senior Plant Operator or Plant Control Room Operator are eligible to work temporary shutdowns and vacation shutdowns. In the event that no bids are received on a posting for temporary shutdowns and vacation shutdowns, the least senior, qualified operator is required to fill the position.
9. **All** time spent training or operating in a particular area is credited toward qualification in that area. It is the responsibility of the Trainee and his Supervisor to maintain a record of such time.
10. It is expected that all plant employees will progress through the training program and advance to the next qualification. If it becomes evident that an employee is unable or unwilling to continue in the Plant training progression system, he will, in consultation with the Union, be withdrawn from the training program. The employee is required to bid on the next available position for which he is qualified until he is successful in moving out of the Plant.
11. Training in progress will not be interrupted by shift transfers from another crew.
12. The Plant Operations Training Committee will meet as required, but at least every three (3) months to review the progress of training.
13. It is recognized that the Plant Operations area shall be designated as a self-directed work group. The pay rates listed in 2. above shall be in recognition of this structure. In addition, a premium of twenty-five cents (\$0.25) per hour shall be paid to the Control Room Operator in recognition of their role as a facilitator of communication.
14. Employees shall be considered as self-directing in each area that they have attained the qualification.
15. Employees who engage in formal training shall receive the applicable training premium, as per Article 14.05.



## **CONTINUOUS IMPROVEMENT**

The Company and the Union agree to continue to work together to improve the overall effectiveness, efficiency and viability of the Coal Valley Mine. Safety, productivity and cost control are within the direct area of influence of all employees. Improvements that have been made to date in those areas have been the result of innovation, open communications and joint cooperation.

The Company and Union agree that the continued viability of the mine requires a continuous reassessment of current practices including, but not limited to, shift schedules, efficiency improvements and recruitment and retention issues, and the parties agree they will engage in meaningful discussions with the intent to implement changes that could better position the Company and mutually benefit both parties.

The Company and Union are committed to continuous improvement through maintaining and fostering a safe, productive and congenial workplace.

## **TRAINING**

The Company and the Union agree that training serves the interests of employees, the Company and the Union.

The Company will endeavor to schedule training on an employee's regular scheduled day of work. It is agreed and understood that this may not always be possible or practicable. When the Company determines and authorizes training for certain employees, and all or part of such training is scheduled on the employee's regular scheduled day of rest, then the employee will be compensated at the applicable overtime rates for time in attendance at such training. The Company agrees to meet and consult with the Union in advance of scheduling such training.

Scheduling of such training is not subject to Article 17.07 b, but is subject to Article 17.10.

It is the intent of the Parties that this Letter of Understanding is not applicable to training that is offered as optional.

The Company and the Union will meet and review this Letter of Understanding, if required, and may decide to delete, amend or renew, as may be required.

## **REFERENCE DOCUMENT FOR LAYOFF AND BUMPING**

The Company and the Union agree that the document titled "Reference Document for Layoff and Bumping" and dated January 21, 2004 shall constitute the detailed procedures for layoff, bumping, and recall.

The Company and the Union agree that communication and consultation with each other is critical to ensure that layoff, bumping and recall processes are as fair, humane and productive as possible.

The Reference Document for Layoff and Bumping shall be a procedure that may be amended from time to time by mutual agreement of the Company and the Union to reflect changing needs and special circumstances.

The letters of understanding in Exhibit B were reviewed during negotiations and were agreed to.

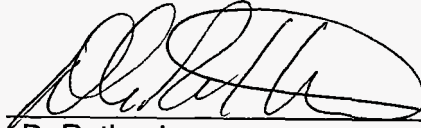
FOR THE UNION



---

F. Araneda  
Business Agent  
I.U.O.E., Local Union No. 955

FOR THE COMPANY



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D. Rutland  
General Manager  
Coal Valley Resources Inc.,  
Coal Valley Mine

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