

Collective Agreement

Between

Sherritt

Fort Saskatchewan, Alberta

and

CEP / SCEP- CLC / CTC

Begins:

04/01/2004

Terminates:

12334(03)

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COLLECTIVE BARGAINING AGREEMENT

Made this 1st day of April, 2004.

BETWEEN:

Sherritt International Corp., a corporation having office at Fort Saskatchewan, Alberta, and herein acting with respect only to its Fort Saskatchewan plant (hereinafter called the "Company").

AND

Communications, Energy and Paperworkers Union, Local 530A, Fort Saskatchewan, Alberta (hereinafter called the "Union").

WITNESS THAT:

Whereas the Company and the Union have met and have agreed to an extension of the existing Collective Bargaining Agreement between the Parties, and

Now therefore, in consideration of the mutual covenants herein entered into and for other good and valuable considerations.

It is hereby agreed that the Collective Bargaining Agreement between the parties made this day April 1, 2004, will extend the Agreement dated April 1, 2001 up to and including March 31, 2007 subject to the attached amendments and additions.

This agreement is based upon the mutual understanding that profitability is the best protection of our jobs, benefits and livelihoods. To this end, the Company and the Union agree to cooperate fully in ensuring greater productivity and competitiveness by improving, wherever possible, the flexibility and efficiency of the work process.

DEFINITIONS

In This Agreement

“**COMPANY**” means – Sherritt International: located at Fort Saskatchewan, Alberta.

“**UNION**” means – Communications, Energy and Paperworkers Union, Local 530A, located at Fort Saskatchewan, Alberta.

“**EMPLOYEE**” means – a person included within the scope of this agreement.

“**PLANT**” means – the buildings, fixtures, implements, machinery, equipment, apparatus and grounds of the “Company” used in carrying on industrial processes at Fort Saskatchewan.

“**DAY OF REST**” means – a calendar day in which an employee is not scheduled to work.

PROBATIONARY EMPLOYEE is an employee who has not established Company Seniority. Notwithstanding anything contained elsewhere in this Agreement, a probationary employee may be laid off or discharged by the Company and such lay-off or discharge shall not be subject to the Grievance Procedure.

REGULAR EMPLOYEE is an employee who has established Company Seniority.

TEMPORARY POSITION: Positions established for seasonal or project work for specific periods not expected to exceed twelve (12) months. Persons hired into such positions shall receive all benefits of regular employment except they shall not acquire any type of seniority. In the event that a person hired into a temporary position transfers into a job providing opportunity for regular employee status, Company seniority will be established as of the date hired into the temporary position. This period may be extended by mutual agreement of the Company and the Union. The Company will forward a list to the

Union quarterly, showing current temporary positions and the persons employed in these positions.

CASUAL EMPLOYEE: Persons hired for **part** time employment where the incumbent is not expected to work more than 25 hours per week. Such an employee shall not be considered a regular or temporary employee and shall not acquire any type of seniority. A casual employee shall not be required to pay Union dues and shall not be entitled to any benefits of the Union. Further, Casual Employees are not expected to total more than 6 persons at any one time.

STUDENT EMPLOYEE – Students may be hired for vacation relief for periods not to exceed six (6) months (April to September). Such employees shall not be considered as regular employees and shall not acquire any type of seniority. Should they be retained beyond this period, they will be established as a regular employee with seniority as of date last hired as a student. Students shall not receive extended health, long term disability, dental, life insurance, AD&D, and sickness and accident benefits.

Article No. 1

SCOPE

This Agreement covers all production and maintenance employees of the Company's operation at Fort Saskatchewan, excluding Inspectors, Office Staff, Sales Staff, Security Guards and those employees exercising managerial functions.

Article No. 2

RECOGNITION

Consistent with the terms and conditions of this Agreement:

2.1 The Company recognizes the Union during the life of this Agreement as the exclusive bargaining agent of the employees for purposes of Collective Bargaining in respect to wages, hours, benefits, seniority, grievance procedure, and such other working conditions as are included in this Agreement.

2.2 The Union recognizes the right of the Company to manage the plant in all respects, including, but not limited to:

(a) Directing the working forces including the right to hire, promote, transfer, demote, discipline, suspend, or terminate the employment of any employee for any just cause.

(b) Determining or changing the hours of work and work assignments.

(c) Selecting and scheduling the materials to be handled, processed or manufactured.

(d) Making and altering from time to time, the rules and regulations to be observed by the employees.

Article No. 3

COOPERATION

3.1 The Company agrees that it will not cause or sanction a lockout during the term of this Agreement.

3.2 The Union agrees that neither the Union nor any representative of the Union will in any way authorize, encourage, condone, or participate in any strike, walkout, suspension of work, or slow down on the part of any employee, or group of employees, during the life of this Agreement.

3.3 There shall be no discrimination, intimidation, interference, restraint, coercion, nor attempted coercion, by or on behalf of the Company, nor by or on behalf of the Union, its members or agents, with respect to any employee.

3.4 The Company agrees that the Union may post notices pertaining to local Union business in the plant on the notice boards supplied by the Company for such purposes.

3.5 The Company agrees to notify the Union, in writing, of the reason for discharge of any employee: any discharge may be discussed and dealt with under the Grievance Procedure if notification is received by the Company within thirty (30) calendar days from the date of the Union's receipt of the discharge notification. The Arbitration Board shall have the authority to decide the amount, if any, of lost wages to be reimbursed.

3.6 The Company will include the Union's Video orientation program as part of the Company orientation program and will provide each new Bargaining Unit employee with an information package prepared by the Union.

3.7 The Union agrees not to disclose to anyone, except an officer of Sherritt or a person authorized by Sherritt, confidential information relating to any operation or development of Sherritt not known to the public through publications or issued patents.

Article No. 4

UNION SECURITY

4.1 During the life of this Agreement, all members of the Union and all employees in the Bargaining Unit shall contribute as a condition of continued employment to the support of the Union. This contribution shall be a sum equal to the Union's constitutional dues per month. Contributions from new employees shall start in the month following commencement of employment. This contribution shall be deducted from each employee's pay twice each month and shall be remitted by the Company to the Secretary-Treasurer of the Union together with a list showing from whom such deductions were made, within 10 calendar days after the last pay period of each month. It is expressly understood that membership in the Union is not compulsory and this contribution by non-members does not make them members unless they so desire.

4.2 If the Union finds it necessary to take action which could result in the expulsion of a member it will advise and discuss the matter with the Company before such action is started.

Article No. 5

REPRESENTATION

5.1 The Company agrees to recognize twenty-eight (28) Area Stewards, one of which shall be the Chief Steward.

Stewards shall be elected from the area they normally represent.

The Union shall notify the Company of the names of the Stewards. It is understood that the Stewards shall, after obtaining permission from their supervisor, be permitted during working hours and without loss of time or pay, to leave their regular duties in order to investigate and process a grievance.

5.2 The Union agrees to notify the Company of the names of the Executive Board and the Grievance Committee of the Union as soon as they are elected.

5.3 The Company agrees to recognize a Negotiating/Union-Management Committee of twelve (12) employees, who shall have the right of meeting the representatives of the Company at least once every two months. Members who happen to be on duty shall be paid straight time for that part of their regularly scheduled working hours devoted to attendance at such meetings. It is understood that a representative of the Communications, Energy and Paperworkers Union and the Local 530A Union President may be in attendance at such meetings.

Article No. 6

HOURS OF WORK

6.1 (a) This Article defines the normal hours of work and provides the basis for calculating overtime. It shall not be construed as a guarantee of hours per

day or per week, or of days of work per week, or as a restriction on the scheduling of a longer or shorter day or workweek whenever, in the opinion of the Company, it is necessary to meet business requirements.

(b) Notwithstanding the above, the basic hours of work for the purpose of calculating overtime shall be defined in Articles 6.3, 6.4 and Appendix II and Appendix III.

6.2 WORK PERIOD: Shall be considered as a 24-hour period commencing with the start of a normal shift or work day. Any employee requested by the Company to work more than the normal week period as specified for shift and non-shift employees, will be compensated on the basis of either overtime rates or call out pay.

6.3 NON-SHIFTWORKERS

(a) WORK DAY:

(i) Seven and one half (7 1/2) hours shall constitute a normal day's work to be performed within eight (8) consecutive hours, normally starting at 7:30 a.m.

(ii) Eight (8) hours shall constitute a normal day's work to be performed in eight (8) consecutive hours normally starting at 7:30 a.m. This will apply to non-shift workers only when they are working as a WHOLE WEEKEND MAINTENANCE CREW WORKER from Friday to Thursday following the weekend worked.

(b) WORK WEEK:

(i) DAY CREW WORKER: Five consecutive days Monday to Friday.

(ii) SPLIT WEEKEND MAINTENANCE CREW WORKER: Five consecutive days, one (1) of the off days to be either Saturday or Sunday.

(iii) **WHOLE WEEKEND MAINTENANCE CREW WORKER:** Seven (7) consecutive days including the Saturday and Sunday of one week. Days off consist of two (2) days in the week following the weekend worked. Employees may not bank their days off.

6.4 SHIFT WORKERS

(a) 8hr. Shifts

WORK DAY – Eight (8) consecutive hours shall constitute a normal work day.

SHIFTS – The normal shifts are:

A Night – 11:30 p.m. to 7:30 a.m.

B Day – 7:30 a.m. to 3:30 p.m.

C Afternoon – 3:30 p.m. to 11:30 p.m.

(b) 12 hr. Shifts

Twelve consecutive hours shall constitute a normal work day.

The normal shifts are:

Day – 7:00 a.m. to 7:00 p.m.

Night – 7:00 p.m. to 7:00 a.m.

Provisions for 12 hr. shifts are outlined in Appendix II.

WORK WEEK – The normal workweek shall be a 37.3 hour week. The 37.3 hour week shall be either the average based on a working schedule of 5 on, 2 off; 5 on, 3 off ; by which 560 hours are worked over a one hundred and five calendar day (15 week) period.

OR

The average based on a schedule of 5 on, 2 off by which 37^{1/2} hours are worked over a five (5) calendar day (1 week) period, with one (1) of the days off to be either Saturday or Sunday.

6.5 Except in isolated instances, which may arise from time to time, the Company agrees not to make changes to the normal scheduled hours, without prior consultation with the Union.

Article No. 7

OVERTIME AND OTHER ALLOWANCES

7.1 Two (2) times the regular hourly rate shall be paid in the following circumstances:

(a) for all hours worked in excess of the normal number of daily hours as provided in Article 6, Appendix II, and Appendix III.

(b) for all hours worked on day(s) of rest.

7.2 Three (3) times the regular rate will be paid for work on a paid holiday in the following situations:

(a) for non-shift workers over seven and one half (7.5) hours :

(b) for shift workers over eight (8) hours: or

(c) for persons on a twelve hour schedule, over twelve (12) hours.

7.3 Any applicable premium shall be added after calculating the overtime rate.

7.4 If two (2) or more overtime premiums are applicable to the same hours worked, an employee shall receive only the highest overtime premium applicable to such hours. There shall be no pyramiding of overtime pay. Employees shall not be paid at the applicable rate more than once, or for more than one reason, or under more than one provision of this Article, for the same hours worked.

7.5 (a) When an employee, (including a Maintenance employee) is assigned to work on a dif

ferent crew, the employee shall be paid twice the regular rate for the first shift.

No premium **will** be paid if the change:

- (1) is at the request of the employee;
- (2) is for the individual taking training, either on site or off site;
- (3) is due to relocation of an employee under Article 13.11;
- (4) occurs to a student employee;
- (5) if an employee's crew is changed and such change results in the employee continuing to work on a day shift with no change in the employee's "days of rest";
- (6) is to return a maintenance employee to his or her regular schedule;
- (7) occurs to a maintenance employee going on or off a WHOLE WEEKEND MAINTENANCE CREW WORKER schedule.

7.5 (b) When a change pursuant to 7.5 (a) occurs, the employee:

- (1) shall have at least 4 days off in a pay period;
- (2) shall have no more than 4 consecutive days off in a pay period;
- (3) whose first day on a different crew occurs on a statutory holiday, will be paid twice the regular rate on the second day.
- (4) a pay period is (14) fourteen consecutive days beginning and ending at 7:00 a.m. Sunday.

7.6 (a) Employees called into the plant for emergency or maintenance work outside of their regular scheduled hours, shall receive not less than four (4) hours pay at their base rate or the applicable overtime pay for all hours worked, whichever is greater; except if the call out is made between 8:00 p.m. and 8:00 a.m. when six (6) hours shall be paid instead of four (4); except where an employee has been called

into the plant within three (3) hours from the start of the regular shift, and continues into the regular shift, in which case the normal overtime provisions shall apply. In addition, the Company shall pay to an employee so summoned, if residing outside a sixteen km radius of the plant, an allowance of \$0.41 per km if driving a car, or, when necessary, provide transportation for the employee.

(b) An employee called out prior to the employee's regular shift, and continuing into the employee's regular shift shall be permitted to work out the employee's regular shift to a maximum of twelve (12) hours.

7.7 When an employee's regular scheduled working hours are changed by the Company; that is, both starting and finishing times changed, resulting in less than twenty-four (24) hours elapsing between the end of one regular shift and the beginning of another, the employee will be paid at the applicable premium or overtime rate for the first eight (8) hours worked for shift employees and seven and one-half (7 1/2) hours worked for the non-shift employees on the new schedule.

7.8 The Company will provide a meal for any employee who is required to perform continuous work of a duration greater than ten (10) hours. An additional meal shall be provided for each subsequent period of continuous work of four (4) hours.

7.9 An employee reporting for work on the employee's scheduled shift, who has not been notified in advance not to report, will be given work for at least one half (1/2) of the shift for which the employee reported. This obligation will not prevail when the employee is prevented from working due to causes beyond the control of the Company.

7.10 (a) Maintenance employees scheduled to work days who are required to work overtime and/or call out hours which results in less than six (6) hours between the end of the overtime and/or call out and the employee's normal starting time of the next shift, shall receive a minimum of seven and one half (7 1/2) hours stand off time. Any portion of such seven and one half (7 1/2) hours stand off time which falls within the regular hours of work on the next shift shall be paid at the employee's regular rate of pay.

(b) Notwithstanding 7.10 (a), stand off time will not apply for an employee called out within three (3) hours of the employee's regular shift.

(c) If the Company requires an employee to continue working through their stand off time to complete a job assignment, the employee shall be paid double time for those hours. When the task is completed the employee shall return home and be paid straight time for the rest of the regular work day up to 7 1/2 hours.

Article No. 8

PAID HOLIDAYS

8.1 The following days shall be considered holidays:

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

The parties to this Agreement also recognize a twelfth(12th) holiday on the first Friday in March. Should any new statutory holiday be legislated by either the Federal or Provincial Governments, this twelfth (12th) holiday shall be moved to observe the new statutory holiday declared by legislation.

8.2 An employee who works on any of the above holidays shall be paid at twice the regular rate. In addition, provided the employee works his/her scheduled working days immediately before and after such holiday, holiday pay shall be paid.

8.3 An employee who does not work on any of the above holidays shall be paid holiday pay provided the employee works his or her scheduled working days immediately before and after such holiday.

8.4 Provided the employee worked within the period of fourteen (14) calendar days prior to the holiday, holiday pay will be paid if absence in 8.2 and 8.3 of this Article was caused by:

(a) Injury covered by Worker's Compensation.

(b) Illness or accident; a medical certificate to be provided if requested.

(c) A Company approved shift change or Company approved shift changes.

(d) Bereavement leave (if one of the days of leave is on a paid holiday, the employee will not receive pay for the holiday).

(e) An approved leave of absence (up to fourteen (14) calendar days) providing the request was made in writing to the supervisor seven (7) calendar days prior to the holiday.

(f) While on leave and attending apprenticeship school.

8.5 An employee's annual vacation shall be extended by one work day with pay for each holiday that falls during his or her annual vacation.

8.6 Holiday pay is defined as pay equivalent to seven and one half (7 1/2) hours pay at straight time base rate for non-shift workers and eight (8) hours at straight time base rate for shift workers.

8.7 For the purpose of this Article, annual vacation shall be considered as days worked..

8.8 For non-shift employees scheduled to work Monday through Friday - should a paid holiday fall on a Saturday or Sunday the following Monday shall be observed as the paid holiday.

Article No. 9

GRIEVANCE PROCEDURE

9.1 Any dispute, grievance or misunderstanding (herein called a grievance) involving occupational classification, wages, seniority, hours of work, or other working conditions, which any employee or group of employees may desire to discuss and adjust with the Company, shall follow the Grievance Procedure.

9.2 Any action by the Company or by the Union which results in a grievance shall be discussed and dealt with under the Grievance Procedure starting with Step 3. Any employee or group of employees having a grievance shall follow the Grievance Procedure commencing with Step 1.

9.3 Grievances shall be handled as follows:

STEP 1. An attempt shall first be made by the employee, with or without the employee's Union Steward, and the employee's Supervisor to dispose verbally of any grievance. The Supervisor shall within six (6) calendar days advise the employee verbally of his or her decision. Should they be unable to satisfactorily settle the grievance, then the employee having the grievance shall present such, in writing, to the Union Steward, within six (6) calendar days of the alleged occurrence. The matter then proceeds to Step 2.

STEP 2. The Union Steward shall, within eight (8) calendar days, prepare and present to the Supervisor, a written "Notice of Grievance" setting forth so far as may be applicable:

(a) The nature of the grievance, the time and the circumstances out of which it arose.

(b) The remedy or correction the Company is requested to make.

(c) The section or sections of the Agreement, if any, relied upon or claimed to have been violated.

(In cases of grievance re-payment of wages, the day of the occurrence shall be considered as the day on which the employee received his or her pay cheque.)

The Supervisor shall give a written answer to a Union Steward within eight (8) calendar days. If the grievance is not settled in this step, it shall be referred to Step 3.

STEP 3. The Union Grievance Committee within ten (10) calendar days after receipt of the Supervisor's written answer, may request, in writing to the Human Resources Department, a meeting with Company Management representatives. Such a meeting shall be held at the earliest date which is convenient for both the Company representatives and the Union committee, but not later than twelve (12) calendar days after receipt of the Union request for such a meeting. Time limits may be extended by mutual agreement of the Union and the Company.

The grievance shall be considered at the meeting of the representatives of the Company and the Union. The Company shall give their answer to the Union within ten (10) calendar days after said meeting. This time limit may be extended by mutual agreement of the Union and the Company. The employee, or employees, grieving shall attend the meeting if so desired. They may be requested to

attend by either the Company or the Union. In the event that any grievance concerning classification, wages, seniority, hours of work, or other working conditions arising out of the interpretation, application, administration, or alleged violation of the terms of this Agreement is not settled, such grievance shall be submitted at the request of either party, to arbitration as provided under the terms of this Agreement.

9.4 All time limits in this procedure shall be directory except in Step 1, where they shall be mandatory. If the grievance is not advanced within the time limits specified in Step 1, the grievance is considered settled.

Article No. 10

ARBITRATION

10.1 Within a period of thirty (30) calendar days following the date of the communication of the Company's decision to the Union, any grievance between the Company and the Union involving the interpretation, application, administration, or alleged violation of the terms of this Agreement, may in the event of failure to reach agreement thereon, be referred to arbitration with the following procedure.

(a) The party desiring to submit a matter to arbitration shall deliver to the other party a notice of intention to arbitrate. This notice shall state the matter at issue in concise terms and shall state in what respect the Agreement has been violated or misinterpreted, by reference to the specific clause or clauses relied upon. The notice shall also stipulate the nature of the relief or remedy sought.

(b) Within seventeen (17) calendar days after the date of delivery of the foregoing notice, the party initiating arbitration shall notify the other party of the

name of its representative on the Arbitration Board and the other party shall appoint its representative within seventeen (17) calendar days of receipt of this notice.

(c) In the event that either party shall fail to appoint a representative to the Arbitration Board within the delay provided, the other party may request the Minister of Labour of the Province of Alberta to appoint a representative on behalf of the defaulting party.

(d) When the representatives have been appointed they shall meet forthwith to choose a Chairman, who with the two representatives, shall constitute the Arbitration Board.

(e) Should the representatives fail, within twelve (12) calendar days, to agree on a Chairman, the Minister of Labour may be requested by the representatives, or either of them, to appoint a person who shall be Chairman of the Arbitration Board.

(f) After the Arbitration Board has been formed by the foregoing procedure, it shall meet with all members of the Board present and hear evidence of both parties and render a decision promptly.

(g) The time limits specified herein may be extended by mutual consent of the parties or by the Arbitration Board.

10.2 The decision of the majority of the Arbitration Board shall be final and binding on both parties. The Arbitration Board may consider and decide only the particular issue or issues submitted by the Company and/or Union. It shall not have authority to alter or to direct an alteration to this Agreement.

10.3 Each party shall pay its own costs and expenses of witnesses called by it and of its representatives. The fees **and** expenses **of** the Chairman shall be shared equally between the parties.

Article No. 11

ANNUAL VACATIONS

The intention of this plan is to provide annual vacations with pay to employees and in so doing provide them with an annual period of rest and relaxation.

11.1 (a) Service shall be based on length of continuous service with Sherritt International Corp. or its subsidiaries.

(b) Annual vacation entitlement and vacation pay shall not be earned for that period of absence that exceeds:

(i) 90 calendar days for an employee on an unpaid leave of absence.

(ii) 180 calendar days for an employee absent due to injury or sickness.

Notwithstanding the preceding paragraph an employee on Maternity Leave will continue to earn vacation pay and entitlement during the Leave providing she returns to work.

11.2 For the purpose of this Article the prescribed vacation period will be the period April 1st to March 31st, inclusive.

11.3 Vacations shall be granted to eligible employees annually as follows:

(a) Newly hired employees will be eligible for one day's vacation for each month's service up to April 1st of the current year to a maximum of 11 working

days. The vacation shall be taken after April 1st of the current year.

(b) During the year in which employees complete two (2) years but less than nine (9) years of continuous service they shall be entitled to fifteen (15) working days vacation with pay.

(c) During the year in which employees complete nine (9) years but less than eighteen (18) years of service they shall be entitled to twenty (20) working days vacation with pay.

(d) During the year in which employees complete eighteen (18) years but less than twenty-five (25) years service they shall be entitled to twenty-five (25) working days vacation with pay.

(e) During the year in which employees complete twenty-five (25) years or more of service they shall be entitled to thirty (30) working days vacation with pay.

11.4 Each employee granted a vacation shall be paid a vacation allowance equivalent to the product of the employee's hourly rate and the number of normal working hours applicable to the period of vacation. Hourly rate for the purpose of this clause shall mean the hourly rate for the employee's classification according to the schedule of rates in effect at the time vacation commences, except that effect shall be given to any adjustment rates occurring during the vacation period. Overtime work and wages paid therefore and shift premium shall be excluded from the foregoing calculations. An employee's classification for the purpose of this Article shall mean permanent classification, or temporary classification of more than three (3) months.

11.5 Annual Vacations shall be considered as days worked. Premium pay will be paid upon returning to

work if the employee's crew was changed at the request of the Company, of which the employee was not advised in writing before starting his or her vacation. Such payment shall be made in accordance with Article 7 of this Agreement.

11.6 At the discretion of the Company, employees who have completed a minimum period of six (6) months continuous service since taking their last previous vacation period, may be permitted to take their second succeeding vacation period before it has become fully earned by the completion of the necessary year of service.

11.7 At the option of employees, vacation pay may be drawn either on the working day preceding the vacation or on the working day following the return from vacation, providing that they are eligible to receive such vacation. In the case of employees who are permitted to anticipate their vacation periods before they are fully eligible, one-half of the vacation pay may be drawn either before leaving or on returning from vacation. The remaining half of the pay may not be drawn until the completion of the full year's service for which the vacation was granted.

11.8 (a) Vacations will be scheduled by the Company each year and as far as is practicable will be arranged in advance for such time during the year as may be found suitable after consideration has been given to the wishes of the employees and to the efficient operation of the units concerned. The vacation period is intended to be a continuous period for the full length of the vacation earned. As a concession to employees, at the discretion of the Company, employees may be permitted to divide their vacation into two (2) parts. Only under exceptional circum

stances will any consideration be given to dividing the vacation into more than two (2) periods. However, employees entitled to fifteen (15) or more working days of vacation may divide their vacation into three (3) parts provided that none of these parts is shorter than five (5) working days. Vacation pay will not be divided into more than two (2) parts.

(b) Vacation requests will assume to have been granted if, within 30 calendar days of the proposed start of the vacation, the Company has neither approved nor denied the scheduled vacation. The parties agree that emergency situations may warrant special arrangements.

11.9 Normally a vacation may not be postponed from one year to another and made accumulative. However, requests to permit this will be considered. Any such request shall be made in writing, giving reasons, to the Department Superintendent.

11.10 Vacation pay will be paid to any employee laid off by the Company in any lay-off occurring subsequent to such employee becoming eligible to receive vacation or vacation pay.

11.11 Payment of wages, in lieu of vacation, will be paid to any employee leaving the Company's service, in the amount of vacation earned but not previously paid.

11.12 An employee's annual vacation shall be extended by one (1) working day for each paid holiday that falls during the **employee's** annual vacation or on scheduled days of rest continuous with his or her annual vacation.

Article No. 12

EMPLOYEE BENEFITS

12.1 GROUP RRSP: Effective January 1, 2001 permanent employees are eligible to participate in the Company Group RRSP on the first of the month following the successful completion of the probationary period.

The fees for custodial and management services will be borne out of the Group RRSP.

The Company contribution will be 8% of the employee's base pay.

Changes to the present Group RRSP may be made by mutual agreement of the Union and the Company, or by the Company in order to comply with government requirements.

12.2 GROUP LIFE INSURANCE:

(a) On the first of the month following three months of employment, an hourly rated employee will be covered by an \$100,000 Group Life Insurance Policy. The cost of this policy will be 100% paid by the Company.

(b) Provided seventy-five (75) percent of all eligible employees subscribe, they may have dependents' insurance. The cost of this insurance will be payable by the employee. An employee not taking this cover

age when first eligible may only participate at a later date subject to a medical examination of the spouse and children. Coverage will be \$10,000 for spouse and \$1,000 for each dependent child. Dependents are defined as:

(i) the employee's spouse, common law spouse, and

(ii) unmarried children of an employee, providing such children are over fourteen (14) calendar days and under twenty-one (21) years of age, and

(iii) unmarried children from twenty-one (21) to twenty-five (25) years of age providing such children are in full-time attendance at a recognized school, college or university, excluding any person insured as an employee or residing outside Canada and United States of America.

(c) On the first of the month following three months of employment an hourly rated employee may purchase additional life insurance coverage subject to the insurance carrier's approval. The employee may apply for an amount of \$30,000.00, \$60,000.00 or \$80,000.00. The cost of the insurance will be payable by the employee.

(d) On the first of the month following three months of employment an hourly rated employee will be covered by an Accidental Death & Dismemberment policy equal to \$60,000.

12.3 SICKNESS AND ACCIDENT: The Company agrees to provide a Sickness and Accident Plan one hundred percent (100%) paid for and administered by the Company. Employees will be eligible for coverage on the first of the month following three months of employment.

Benefits are paid in accordance with an employee's regular classification at the time of illness

(except as permitted by Article 14.3). The following scale applies for each sickness and disability.

	Weeks at Full Pay	Weeks at 70%	Total Weeks Benefit
Less than 5 years	2	24	26
5 years but under 10 years	8	18	26
10 years but under 15 years	14	12	26
15 years but under 20 years	20	6	26
20 years or more	26	0	26

Absences due to industrial accidents or illness are covered by Workers' Compensation and as such are excluded from receiving benefits under this plan.

False claims for Sickness and Accident benefits shall constitute just cause for termination.

12.4 EXTENDED HEALTH PLAN: The Company will contribute one hundred percent (100%) of the cost on behalf of any employee subscribing to a Company sponsored Medical/Surgical/Major Medical Group Insurance Plan.

12.5 DENTAL PLAN: The Company will contribute one hundred percent (100%) of the cost of a dental plan. Claims payable will be reimbursed at the current Alberta Blue Cross Usual and Customary Fee Schedule.

12.6 LONG-TERM DISABILITY: The Company agrees to institute and pay the premium of a Long Term Disability Plan.

The plan pays a benefit to employees who qualify and remain qualified equal to 70% of the employee's basic hourly wage to a maximum monthly benefit of \$3,100.00.

12.7 VISION CARE PLAN: The Company agrees to institute and to pay the premiums for a Vision Care Plan.

12.8 CONTINUANCE OF BENEFITS: Should an employee be absent from work due to illness, injury, or maternity leave for a continuous period of more than one (1) month, the Company will pay the full cost of the Company sponsored medical, hospital, Long Term Disability, Dental, Sickness and Accident and life insurance, for the further period of absence, to a maximum of two (2) years.

12.9 SEVERANCE PAY: An employee who is laid off shall be eligible for severance pay provided:

(a) The employee has three (3) or more years of continuous service, and

(b) The Company determines there is little likelihood the employee will be recalled (or the employee has been on layoff for more than three (3) months), and

(c) The employee elects to quit.

The amount of severance pay will be three week's pay at the employee's regular rate per completed year of service, up to a maximum of 52 weeks. A week is 37 1/2 hours.

12.10 CESSATION OF EMPLOYEE BENEFITS: During the period of an employee's absence, or layoff, and notwithstanding that seniority may accrue during such period, ~~the~~ Company shall not be obligated to pay for, or allow "Paid holidays (except as

permitted by Article 8.4) or annual vacations. Similarly, the Company shall not be obligated to maintain employee benefits, other than as specified in Article 12.8.

12.11 Upon request, the Company shall supply to the Union copies of the Master Agreements for all benefit plans contained within the Collective Agreement.

Article No. 13

SENIORITY

13.1 In order to secure Company seniority an employee must:

(a) be signed on as an employee, and

(b) serve a period of 120 consecutive calendar days. This period shall be in addition to any leave of absence. The employee's seniority will then be established and accumulate from the day the employee was last signed on as an employee. This 120 consecutive calendar day period may be extended by mutual agreement of the Company and the Union.

13.2 An employee shall lose seniority if the employee voluntarily terminates or is discharged, unless exonerated and reinstated, or is on lay off for a period of more than 12 months.

13.3 An employee who accepts a position within the Company which is outside the Bargaining Unit, shall retain and accumulate seniority for a period of up to 12 months from the effective date of the transfer. After 12 months should the employee return to the Bargaining Unit and former department only

accrued seniority within the Bargaining Unit shall be retained. This period may be extended by mutual agreement of the Company and Union.

No employee shall suffer a reduction of wage rate as a result of such reversion.

Such reversions will not exceed more than 4 employees within a 12 month period and no more than 2 employees from any one department during that period. The provisions of this paragraph shall not apply to those employees whose transfer out of the Bargaining Unit was for project work away from Fort Saskatchewan.

The Company shall consult with the Union in advance of the application of this Article.

13.4 The Company shall post seniority lists in January, May, and September of each year. An employee challenging the accuracy of his or her seniority must do so before the end of the month following the posting of the seniority list.

Where employees are hired on the same day, the lower employee number shall designate the more senior employee.

13.5 Prior to the posting of seniority lists, the Company and the Union shall review all temporary classifications and those personnel referred to in Article 13.9. At that time, the Company shall advise, in writing, all employees who have been in a temporary classification for a duration greater than three (3) months, of the reason they are being retained in a temporary classification.

13.6 The Company shall be the judge of ability and will not exercise this judgment in a discriminatory, arbitrary or capricious manner which are subject to the normal grievance procedure.

13.7 For the purpose of this Article the following are recognized as departments:

Metals Recovery, Leach/CMH, Ammonia, Utilities, Sulphuric Acid/Phosphate, Loadout, Maintenance, Stores.

PERMANENT JOB VACANCIES

13.8 (a) Job vacancies or new jobs created above Wage Rate 4 within a department shall be filled from the classification immediately below the vacancy by the most senior employee who has the ability to do the job.

(b) All job vacancies at Wage Rate 4 and below in a department shall be filled on the basis of the Company's judgment of ability, Article 13.6 notwithstanding.

(c) All job vacancies within a progression department shall be filled on the basis of the Company's judgment of ability, Article 13.6 notwithstanding.

(d) An employee wishing to transfer from one department to another shall indicate such desire by filing an application in duplicate with the Human Resources Department, one copy being kept by the employee, indicating to what department the person is wishing to transfer. Such employees will be considered for transfer prior to any new hiring. Notice of this procedure will be maintained on the Company's Bulletin Board. All employees submitting applications for transfer will be required to resubmit their request every six months to keep it current.

(e) An employee transferring from one department to another shall enter the new department in the lowest wage rate in the department unless such transfer is made under Article 13.10 or Article 13.3.

(f) An employee wishing to transfer between progression ladders within a department shall indicate

such desire by submitting a written request to the department manager and the Human Resources Department.

(g) Crew Leaders shall be selected on the basis of ability. However, if two or more employees have equal ability the senior employee will be chosen.

Apprentices shall be selected on Company's judgment of ability and shall not be subject to seniority in the selection.

(h) The Company agrees that it will remove an employee from a new job if within 120 calendar days of the permanent promotion or transfer the employee is unable to do the job by Company judgment or of the employee's own accord. The employee will revert to the classification or progression ladder and wage rate held prior to the move.

13.9 Notwithstanding anything contained in this Article, the Company retains the right to place salaried employees on special training or assignments into positions covered by the Bargaining Unit for periods not to exceed 12 months to a number not exceeding 2% of the employees at any time. No regular hourly employee will be laid off or suffer a reduction in wage rate or loss of promotion as a result of such special training or assignments.

TRANSFERS

13.10 (a) The Company may transfer employees interdepartmentally up to 90 calendar days on a temporary basis for the operational requirements of the Company. An employee of such temporary transfer shall, on completion of the assignment, be permitted to return to the former department and assume the position the employee would have occupied had the transfer not been made. The employee shall not suffer any reduction of wage rate as a result of such

transfer. Transfers under this Article shall not be made if any such positions required to be filled can be filled in accordance with Article 13.8(a).

(b) In special circumstances transfers of up to 12 months can be mutually agreed to between the Union and the Company. Such transfers shall not result in the reduction of wage rate or job promotion opportunities for the employees affected. Employees so transferred will have the right to return to their former department on the completion of the 12 month period. If employees choose to stay beyond the 12 month period the transfer will be considered permanent.

The duration of the transfer period may be extended by mutual agreement of the Company and the Union.

REDUCTION OF THE WORKFORCE

13.11 (a) In the event of a reduction of the workforce within a department, the employee with the least seniority shall be released from the department first, ability considered.

(b) An employee released from a department due to a reduction in the workforce may, provided the individual has sufficient capability to fulfill the requirements of the job satisfactorily, such as the necessary physical fitness and the minimum qualifications, exercise seniority to enter other departments at the lowest position where the individual with the least seniority will, in turn, exercise their seniority in the same manner as above or be laid off. The opportunity to bump other employees is subject to the express limitations of 13.11(c).

(c) It is understood that those 85% of employees with the most seniority in a department are not under any circumstance or combination of circumstances subject to the plant wide bumping provisions of

13.11(b). This Article does not prevent a department or departments from shutting down and releasing all its employees in accordance with Article 13.11(b).

(d) No regular employee shall be laid off from the Company until probationary, temporary, casual, and student employees have been laid off.

13.12 Any employee who is transferred in accordance with Article 13.11(a), (b), (c) shall have their wage rate protected as follows:

(a) Employees moving from a progression area to a progression area will have their wage rate reduced by one progression level (two wage rates) until such time as they meet the progression criteria in the new area.

(b) Employees moving from a progression area to a classification area will have their wage rate in the new area reduced by one progression level (two wage rates). The new wage rate will be “red circled” and maintained until such time as the rate for the classification to which the employee moved meets or exceeds the “red circle” rate or the employee promotes to a classification above the “red circle” rate.

(c) Employees moving from a classification area to a progression area will be protected as in (a) above.

(d) Employees moving from a classification area to a classification area will have their wages reduced to the classification they move into; however in no event will this reduction be greater than 2 wage rates lower than their classified rate or Wage Rate 6 whichever is higher. If the employee moving has a classification rate of Wage Rate 6 or below the employee's rate will not move below Wage Rate 4.

(e) Employees moving between progression ladders within a department shall have their wage protected as per 13.8(f).

13.13 When it is necessary to increase Bargaining Unit workforces, the Company agrees to rehire employees laid off as closely as possible in the order of their previous seniority, ability considered. Employees are responsible for maintaining up to date address information with the Company. Employees who have complied with this requirement shall be notified by personal contact or registered letter. Should an employee fail to respond within 14 calendar days of being notified, that the employee intends to return to work on the date specified, or fails to report on the day agreed, the employee shall lose the right of recall, unless extenuating circumstances can be demonstrated.

Article No. 14

WAGES AND CLASSIFICATIONS

14.1 The classifications of all occupations and wage rates appear in Schedule "A" attached hereto, which is made part of this Agreement and is signed for identification by the parties thereto.

14.2 The Company agrees to pay a shift premium for all hours worked on the 7:30 a.m. to 3:30 p.m. day shift, an afternoon premium for all hours worked on the 3:30 p.m. to 11:30 p.m. afternoon shift and a night shift premium for all hours worked on the 11:30 p.m. to 7:30 a.m. night shift.

Effective Dates	Apr. 1/04	Apr. 1/05	Apr 1/06
Days	0.56	0.58	0.60
Afternoons	1.11	1.16	1.20
Nights	1.98	2.06	2.13
Maintenance Shift	1.57	1.63	1.69

1.51 Shift refers to maintenance employees working a work period over 8 hours starting after 3:30 p. m. No shift premium shall be paid for callouts in Maintenance under any circumstances.

The day shift premium shall be paid only to employees who work either a two or three eight hour shift schedule on a continuous seven day shift rotation. This Article applies only to employees considered shift workers, whole weekend Maintenance crew workers, and split weekend Maintenance crew workers.

Shift premiums for employees working the twelve hour shift schedule are contained in Appendix II-12 hour shift provisions.

14.3 Any employee required to assume the duties of an occupational classification, for which a higher wage rate has been established, shall be paid such higher wage rate during the period of the employee's performance of such duties. During the period exceeding 3 months duration that an employee remains at the higher classification, vacation pay, pension contribution, sickness and accident benefits, paid holidays and Union dues will be calculated on the higher rate.

Any employee required to temporarily assume the duties of a classification, for which a lower wage rate has been established shall continue to be paid at the employee's established classification rate.

An employee who assumes a higher classification for more than ninety (90) calendar days and is moved to a lower classification shall be paid at the higher wage rate for the first ninety (90) days worked at the lower classification, except where an employee is reclassified to a lower position at the employee's own request or due to disciplinary reasons, in which case the employee shall be reclassified and

paid at the rate established for such classification immediately.

14.4 Any employee interested in apprenticing to a trade may secure a copy of the apprenticeship program from the Human Resources Department. While an apprentice is attending school required by the apprenticeship program which necessitates absence from work, the Company will pay to the apprentice the difference between the total of any government allowance paid to the apprentice while at school and the wage listed in Schedule A. Should an apprentice fail to pass the same, the Company shall not be obligated to pay as herein provided while the apprentice is repeating the school term.

The rates of pay for apprentices are as in Schedule "A Wages-Apprentices.

14.5 An employee shall only be placed on a "red circle" rate by mutual agreement in writing and shall continue to receive that rate until the classification being worked in goes over that rate. The employee shall then receive the negotiated rate for that classification.

14.6 In job classifications approved by the Alberta Department of Labour or Sherritt International Corp., a premium will be paid to all operators who possess a valid 4th or 3rd Class Steam Engineer's Certificate. Employees in wage grades 12 and 13 will have the premium included in their base rate except for the 2nd Class premium which will be paid at \$1.82 per hour effective April 1, 2004, \$1.89 per hour effective April 1, 2005, and \$1.97 per hour effective April 1, 2006 in addition to the classified rate. Other employees will have the premium added to their base rate.

Rates are as follows:

Effective	Apr.	Apr.	Apr.
	1/04	1/05	1/06
4th Class	0.92	0.95	0.99
3rd Class	1.82	1.89	1.97
2nd Class	3.65	3.80	3.93

14.7 Operator wage progression is based on the employee's qualifications and experience. Therefore, regardless of what may be found elsewhere in this Agreement, seniority has no application filling any job vacancy in a progression system. **As** well, Articles 13.8(e), 14.3, 13.5, 14.6 except for persons with 2nd Class Certificates, do not apply to operating personnel.

Article No. 15

TRANSPORTATION

The Company agrees to provide adequate parking facilities for employees.

Article No. 16

LEAVE OF ABSENCE

16.1 (a) Bereavement leave with pay will be granted in the event of a death in the employee's immediate family to a maximum leave of 5 working days. Immediate family is understood to be employee's parents, brothers and sisters, and employee's spouse or common-law spouse, children, mother-in-law, father-in-law and grandchildren.

(b) **An** employee will be granted 1 working day leave of absence with pay for the funeral of a grandparent.

16.2 Extended leave without pay up to ninety (90) calendar days may be granted after special consideration. All seniority rights shall be retained and shall accumulate during such absence.

16.3 Leave of absence, without pay, may be granted to a maximum of two (2) years, to fill positions in the local Union or Communications, Energy and Papetworkers Union (as detailed in Article 13.1)

Subject to operational requirements of the plant, and upon eleven (11) calendar days notice in writing, leave of absence without loss of seniority or other benefits, will be granted to not more than five (5) employees for the purpose of attending Union functions, such as conventions, schools and seminars. Additional leaves of absence may be granted with Company approval.

16.4 (a) The Company will, upon successful completion of each separate section of the Government of Alberta Power Engineering Certification Examinations, grant four (4) hours pay at the employee's regular hourly wage for the time spent writing each section. The following schedule will apply:

4th Class Examination – Two (2) Sections

3rd Class Examination – Four (4) Sections

2nd Class Examination – Six (6) Sections

1st Class Examination – Eight (8) Sections

(b) The Company will grant four (4) hours pay to Maintenance employees who successfully complete Alberta Government Journeyman Examinations and who are required to take time off from their regular duties.

16.5 MATERNITY LEAVE:

(a) A pregnant employee is entitled to a total of fifty-two continuous weeks of unpaid leave. This leave includes 15 weeks of maternity plus up to 37 weeks of parental leave (combined with the other parent). An employee must have completed 52 continuous weeks of continuous service prior to commencing the leave. Maternity leave and parental leave must be taken consecutively.

(b) The division of the time taken before and after the delivery shall be determined by the employee. Where a pregnant employee is on sick leave, Maternity Leave will commence not later than six weeks immediately preceding the estimated date of delivery.

(c) Notwithstanding paragraph (b) above, where the pregnancy of an employee interferes with the performance of an employee's duties, the employee must provide a medical certificate to commence Maternity Leave.

(d) To obtain the Maternity Leave, the employee must give the employer written notice at least two weeks prior to the date of departure. This notice must be accompanied by a medical certificate attesting to the pregnancy and the expected date of delivery. In the case of an unforeseen event, the employee is exempted from the formality of notice subject to medical evidence attesting that she must leave her employment without delay.

(e) Reinstatement requires four weeks notice in writing and medical evidence stating the employee is able to resume employment. The employee shall return to her former position or a similar position in accordance with Article 13.1. The employee shall

return at not less than her regular hourly rate at the time her leave began.

(f) Employees on maternity leave will continue to maintain benefits (life, dependent life, AD&D, LTD, AHC, Extended Health, Dental) coverage to a maximum of fifty-two weeks. Vacation will continue to accrue for a 24 week period. Employees will not receive employer RRSP contributions.

16.6 PARENTAL LEAVE: Provided an employee has fifty-two continuous weeks of employment, fathers and/or adoptive parents are eligible for up to thirty-seven weeks of unpaid leave. Parental leave may be taken by one parent or shared between parents, but the combined total cannot exceed thirty-seven weeks and must commence within fifty-two weeks after the birth, or after the child first comes into the custody, care and control of a parent. A parent is a man or woman who:

- Is the natural parent of a child;
- Adopts a child;
- Becomes a step-parent.

The employee must give at least six weeks prior written notice before commencing parental leave. Employees on parental leave do not receive benefits coverage, employer RRSP contributions or vacation accrual.

An employee may pay in advance of commencing leave.

The employee must give four weeks written notice of the intended return or change of date of return to work. The employee will be reinstated in the same position or given alternative work of a comparable nature with earnings and benefits at least equal to those received prior to the leave.

Article No. 17

SAFETY AND HEALTH

17.1 GENERAL: It is agreed by both parties that emphasis shall be placed upon the need of safe and healthy working conditions and habits. The Company shall continue to make provisions for the safety and health of its employees during the hours of employment. The Company further agrees to comply with government law regarding employee safety and health, including the Alberta Occupational Health and Safety Act and its Regulations.

17.2 HEALTH AND SAFETY COMMITTEE: The Company and Union shall establish and maintain a Health and Safety Committee (herein after known as the Committee), recognizing that free and open communications between employees and management is an effective means of providing a safe and healthy work environment. The Company agrees that this Committee made up of equal representation from Union and Management shall make recommendations regarding health and safety programs, safety regulations and codes of practice, and any such other things as the Committee may deem necessary.

17.3 COOPERATION: The Union shall cooperate with the Company in maintaining rules and regulations for safety and health in **the** plant.

All relevant information, known to the Company concerning the identity of chemicals manufactured or used in any process at the facility will be provided to the employees. Employees will also be advised of health and safety hazards known to be associated with such chemicals and of the precautions to be taken in their handling and use.

The Health and Safety Committee along with all employees are encouraged to identify and report to the Company any health and safety concerns in the work place.

The Company agrees to forward to the Union in a timely manner, copies of Production and Department Safety Meeting minutes, supervisors' Accident reports, and the results of surveys pertaining to the health and safety of employees.

17.4 ENVIRONMENT: Both parties also agree on the importance of environmental control and the Company shall continue to make provisions for this. Any suggestions on this from the Union or any employee will be welcomed by the Company. The Union shall cooperate with the Company in maintaining rules made in this regard.

17.5 CLOTHING: The Company agrees to supply and launder for each regular employee three (3) pairs of coveralls.

Article No. 18

TERMINATION

18.1 This Agreement shall become effective on April 1, 2004 and shall remain in full force and effect up to and including April 1, 2007.

18.2 Either party may, within the period of 60 to 120 days prior to the termination date, give notice in writing to the other party, requiring them to enter into negotiations for renewal of the agreement.

18.3 The parties shall meet within ten (10) calendar days from receipt of notice by one party from the other. At the first meeting the parties will exchange, in writing, any proposed modification or revision of this Agreement. Both Parties shall thereupon enter into negotiations in good faith and make every reasonable effort to secure such renewal.

18.4 If a renewal Agreement is not secured prior to the termination date of this agreement, an extension Agreement will be entered into at the request of either party to provide for the continuation of the terms of this Agreement for such period as the parties consider will afford them a reasonable opportunity to comply with any of the procedures required by the Alberta Labour Act.

SCHEDULE "A"

WAGE RATE	EFFECTIVE DATES		
Operational Classifications	Apr. 1/04	Apr. 1/05	Apr. 1/06
1	20.55	21.37	22.12
2	21.46	22.32	23.10
3	22.41	23.31	24.13
4	23.32	24.25	25.10
5	24.26	25.23	26.11
6	25.20	26.21	27.13
7	26.12	27.16	28.11
8	26.95	28.03	29.01
9	28.14	29.27	30.29
10	28.94	30.10	31.15
11	29.88	31.08	32.17
12	30.84	32.07	33.19
13	31.72	32.99	34.14
Maintenance			
Labourer			
Probationary	20.55	21.37	22.12
Labourer			
Regular	21.46	22.31	23.10
Helper II	22.41	23.31	24.13
Helper I	24.26	25.23	26.11
Mechanic II	26.95	28.03	29.01
Mechanic I	31.72	32.99	34.14
Mechanic			
Specialist	32.69	34.00	35.19
Crew Leader	33.63	34.98	36.20
Student Rate	14.81	15.40	15.94

Relief Maintenance Foreman: Five percent (5%) per hour above the Crew Leader rate (applied to Maintenance Department only).

Relief Supervisor: Ten percent (10%) per hour above Wage Rate eleven (11). Employees paid at rates 12 and 13 shall receive ten percent (10%) above the rate for 12 and 13 (applies to operating departments only).

APPRENTICES RATES

	April 1, 2004		April 1, 2005		April 1, 2006	
	4 Year Apprentice % of Mech.1 Rate	3 Year Apprentice % of Mech.1 Rate	4 Year Apprentice % of Mech.1 Rate	3 Year Apprentice % of Mech.1 Rate	4 Year Apprentice % of Mech.1 Rate	3 Year Apprentice % of Mech.1 Rate
During First year of apprenticeship and until successful completion of examinations	70% (22.20)	70% (22.20)	70% (23.09)	70% (23.09)	70% (23.90)	70% (23.90)
After first year of apprenticeship and after successful completion of 1 st year exams	75% (23.79)	75% (23.79)	75% (24.74)	75% (24.74)	75% (25.61)	75% (25.61)
After Second year of apprenticeship and after successful completion of 2 nd year exams	80% (25.38)	90% (28.55)	80% (26.39)	90% (29.69)	80% (27.31)	90% (30.73)
After Third year of apprenticeship and after successful completion of 3 rd year exams	90% (28.55)		90% (29.69)		90% (30.73)	

APPENDIX I

The classification shown in schedule "A" under Maintenance embraces the following trades:

Mechanic Specialist

- Mechanic I - "B" Pressure Welder; Pipefitter; Millwright; Carpenter; Electrician; Instrument Mechanic; Machinist; Boilermaker; Insulator; Heavy Duty Mechanic; Rigger
- Mechanic II - Painter; Oiler/Lubricator; Rigger

APPENDIX II

12 HOUR SHIFT PROVISIONS

1. CONDITIONS

1.1 Twelve hour shift schedules will only be implemented where in the opinion of the Company it is practical to do so. If an operation ceases to be a continuous seven day shift operation either temporarily or permanently for any reason the Company reserves the right to schedule the work day or work week in accordance with Article 6 of the Collective Agreement.

2. HOURS OF WORK

2.1 Compressed work week schedules that may be implemented for shift workers include the following:

(a) A 42 hours per week work schedule allowing for thirty-six hours of overtime beyond three-hundred hours in an eight week period. Each complete shift actually worked is allocated 10.7 hours at straight time rates and 1.3 hours at overtime rates. The overtime hours paid shall not be construed as part of the average daily wage.

(b) The Earned Day Off schedule allowing for overtime from thirty-seven and one-half hours per week to forty hours per week with the time worked from forty to forty-two hours per week paid at regular rates and taken as scheduled earned days off in place of overtime pay.

(c) A twelve hour schedule that averages 37.3 hours per week over a nine week period.

If any of the above schedules do not meet operational requirements, the Union and the Company

may develop and implement schedules different than the ones above.

Operational requirements in any particular department may require the implementation of different shift schedules in different sections of the department.

2.2 The pay period is fourteen calendar days commencing at 7:00 a.m. Sunday morning.

2.3 Any paid leave will be paid to a maximum of twelve (12) straight time hours for each day absent from work.

3. OVERTIME

3.1 Overtime will be paid under the following conditions:

(a) All hours worked in excess of twelve (12) in one work day.

(b) Work on a scheduled day of rest.

(c) Over twelve hours worked on a paid holiday (Article 8).

(d) It is understood and agreed that hours compensated at overtime rates in the schedule shall not be counted further in determining overtime liability.

(e) All hours in excess of the normal hours of work contained in this Agreement and forming part of and built into a compressed work week schedule (i.e. 12 hour shifts) shall be paid at 1- 1/2 times the regular rate.

3.2 The Company will provide a meal for any employee performing continuous work for a duration greater than fourteen (14) hours.

3.3 An employee called out prior to his or her regular shift, and continuing into the regular shift shall be permitted to work out his or her regular shift to a maximum of sixteen (16) hours.

3.4 When an employee's regular scheduled working hours are changed by the company; that is, both starting and finishing times changed, resulting in less than twelve (12) hours elapsing between the end of one regular shift and the beginning of another, or less than twelve (12) hours notice is given of the change, the employee will be paid the applicable premium or overtime rate for the first twelve hours worked.

4. PAID HOLIDAYS

4.1 Holiday pay is defined as pay equivalent to eight (8) hours at straight time base rate for shift workers.

4.2 The statutory holiday period is defined as a twenty-four (24) hour period beginning at 7:00 a.m. on the day of the holiday.

5. ANNUAL VACATION

5.1 An employee's annual vacation shall be extended by one working day with pay for each holiday that falls during the employee's annual vacation. Pay for the paid holiday shall be eight (8) hours at the employee's straight time base rate.

5.2 Vacations shall be granted to eligible employees annually as follows:

(a) A newly hired employee will be eligible for eight (8) hours vacation time for each month's service up to April 1st of the current year to a maximum of seven

(7) working days. The vacation shall be taken after April 1st of the current year.

(b) During the year in which an employee completes two (2) years but less than nine (9) years of continuous service the employee shall be entitled to ten (10) working days vacation with pay.

(c) During the year in which an employee completes nine (9) years but less than eighteen (18) years of service the employee shall be entitled to fourteen (14) working days vacation with pay.

(d) During the years in which an employee completes eighteen (**18**) years but less than twenty-five (25) years of service the employee shall be entitled to seventeen (17) working days vacation with pay.

(e) During the years in which an employee completes twenty-five (25) years or more of service the employee shall be entitled to twenty (20) working days vacation with pay.

5.3 (a) Vacations will be scheduled by the company each year and as far as is practicable will be arranged in advance for such time during the year as may be found suitable after consideration has been given to the wishes of the employees and to the efficient operation of the units concerned. The vacation period is intended to be a continuous period for the full length of the vacation earned. **As** a concession to the employees, at the discretion of the Company, employees may be permitted to divide their vacation into two (2) parts. Only under exceptional circumstances will any consideration be given to dividing the vacation into more than two (2) periods. However, employees entitled to ten (10) or more working days of vacation may divide their vacation into three (3) parts provided that none of these parts is shorter than two (2) working days.

(b) Vacation requests will be assumed be granted if, within thirty (30) calendar days of the proposed start of the vacation, the Company has neither approved nor denied the scheduled vacation. The parties agree that emergency situations may warrant special arrangements.

6. SHIFT DIFFERENTIAL

6.1 Shift premiums will be paid to shift workers for all hours worked in a continuous seven day shift rotation.

(a) Effective:	April 1, 2004	\$1.22
	April 1, 2005	\$1.27
	April 1, 2006	\$1.31

(b) Shift workers not working a continuous seven day shift rotation will be paid shift premiums as follows:

Effective:	April 1, 2004	\$1.04
	April 1, 2005	\$1.08
	April 1, 2006	\$1.12

(c) Shift workers working a continuous seven day shift rotation on straight days will be paid shift premiums as follows:

Effective:	April 1, 2004	\$0.78
	April 1, 2005	\$0.81
	April 1, 2006	\$0.84

7. LEAVE OF ABSENCE

7.1 Time off with, or without pay for such events as academic examinations and medical examinations shall be for that period necessary to conduct the business.

7.2 Bereavement leave for shift workers on twelve (12) hour shifts shall be paid at twelve (12) hours per day straight time rates in accordance with Article 16.1.

8. MUTUAL SHIFT EXCHANGES

8.1 Employees working the twelve hour shift schedule will continue to be able to exchange shifts with prior approval. However, no twelve hour shift employee will be permitted to work a double shift (that is, twenty-four consecutive hours).

9. SICKNESS & ACCIDENT

Payment will be based on twelve straight time hours per normal shift missed to a maximum of thirty seven and one-half hours per week (the week beginning Sunday at 7:00 a.m.). For the purpose of the twelve hour shift the number of hours that benefits will be paid at full pay will be determined by multiplying the number of weeks eligible for full pay times thirty seven and one-half hours. The payment schedule is outlined in Article 12.3 of the Collective Agreement.

10. OVERTIME COVERAGE

10.1 Coverage for absentees shall be provided by a voluntary overtime spare board. If voluntary overtime coverage does not provide sufficient qualified persons, it is agreed that a compulsory spare board (on call) system will be implemented.

11. REVERSION

The parties to this addendum recognize the possibility of modification being required subsequent to implementation. They also recognize the desirability of the parties meeting to resolve any problems that may arise.

If either party to the Agreement desires to terminate this addendum and revert back to the eight hour schedule a 90 calendar day notice in writing of termination must first be given.

APPENDIX III

COMPRESSED WORK WEEK MAINTENANCE

Consists of 8 earned days off per year scheduled throughout the year and taken without pay.

In exchange, employees will work 120 - 8 hour days, scheduled throughout the year and paid at straight time.

The 8 earned days off will be determined jointly with the Union, evenly balanced throughout the year, and scheduled to avoid 4 day weekends and shutdowns. Crash shutdowns or emergencies may require the employee to accept a rescheduled day off.

There will be no afternoon coffee break on the 8 hour days.

The Company will retain the flexibility to determine the crew size on the EDO's. As an example the Company may want to schedule EDO's such that only 1/3 of the crew are absent on any particular Friday.

**FOR: SHERRITT INTERNATIONAL CORP.,
FORT SASKATCHEWAN, ALBERTA**

M.E. Chalkley, Senior Vice President, Metals
Operations

B. McClelland, Vice President, Human Resources

M. Femandell M. Hassen

J. Hennig K. Kryski

C. Lambert J. Wong

**FOR: COMMUNICATIONS, ENERGY AND
PAPERWORKERS UNION, LOCAL 530A
FORT SASKATCHEWAN, ALBERTA**

A. Hostyn, President, Sherritt Bargaining Unit,
Local 530A

D. Boucher, National Office Representative

J. Aylard K. Chandrasekaran

E. Lauritsen J. Munch

P. Shields J. Woodland

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