

AGREEMENT

THIS AGREEMENT made as of the 1st day of January 1, 2003

BETWEEN

HUDSON BAY MINING AND SMELTING CO., LIMITED

or its successors

(hereinafter called the "Company")

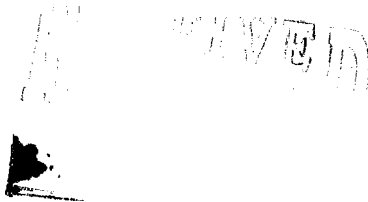
OF THE FIRST PART

and.

INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE WORKERS,
MACHINIST LOCAL NO, 1848

(hereinafter called the "Union")

OF THE SECOND PART



12578202)

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS - CBA

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working hours or during non-compensable lunch hours and does not interfere with the operation of the plant.

See Letter of Understanding
#2 - Union Jurisdiction

Article 3

MANAGEMENT RIGHTS

- 3.01 The Union recognizes that it is exclusively the function and right of the Company to direct the working forces, to make and alter from time to time reasonable rules to be observed by the employees, to hire, promote, demote, transfer, suspend or lay off employees, and also the right of the Company to discipline or discharge any employee for just cause,
- 3.02 The Union further recognizes the right of the Company to operate and manage its business in accordance with its commitments and responsibilities. Without limiting the generality of the foregoing, it shall be the sole and exclusive prerogative of the Company to decide on the location of its plants and mines, the products to be mined and/or processed, the schedules of production, the methods of mining and processing used, the number of employees needed by the Company at any time, operating techniques, methods, machinery, equipment and supplies and to exercise jurisdiction over all operations, buildings, machinery and tools.
- 3.03 The Company agrees that the exercise of management rights and powers under this article is subject to the terms of this Agreement, and any such exercise of rights in conflict with provisions of this Agreement shall be subject to the grievance procedure.

Article 4

UNION SECURITY

- 4.01 Every employee covered by this Agreement shall, as a condition of continuing employment, pay to the Union an amount equal to the Union's constitutional monthly dues. The Company will deduct such amount from the employee's pay on the second pay day of each month,
- 4.02 Deduction of monthly Union dues will cease when an employee is permanently transferred to an occupational classification not listed in Schedule "B".
- 4.03 The Company will transmit to the authorized representative of the Union the total monthly deductions of Union dues, listing the employees by name from whose pay such Union dues have been deducted. The Company will, at the time of making such payment to the Union, list the additions to and deletions from the previous month's listing, noting the reasons for such additions or deletions,

Article 1

PREAMBLE

1.01 In becoming parties to this Agreement, the signatories recognize a strong mutual interest in the safe and economic operation of the mines and plants with due care and attention for quality of output, protection of property and the maintenance of satisfactory wages, hours, and standards.

It is further recognized that this Agreement will be the principal instrument by which is achieved the above aims, the disposition of disputes and the preservation of traditionally good relationships.

Both the Labour and Management representatives charged with the task of its administration request the active co-operation and continuing good will of each and every Company employee.

Whenever the masculine gender appears in this Agreement it shall also mean the feminine gender, unless the context requires otherwise.

Article 2

RECOGNITION

2.01 In accordance with the "Certification" granted the Union by the Wartime Labour Relations Board (National) under date of March 2, 1945, the Company recognizes the Union therein named as the exclusive representative for the purpose of collective bargaining in respect of rates of pay, wages, hours of employment and other conditions of employment for the employees of the Company as designated in Schedule B, such bargaining rights to apply to all designated employees on the Company's properties at and in the vicinity of Flin Flon, Manitoba. The Company's mining properties near Snow Lake, Manitoba, are deemed to be in the vicinity of Flin Flon, Manitoba for the purposes of this Agreement.

2.02 If the parties cannot mutually agree as to whether a new occupational classification should or should not be within the scope of their Agreement, either party may apply to the Canada Industrial Relations Board to make that determination.

2.03 Salaried supervisors whose regular jobs are not in this Agreement shall not work on any jobs which are included in this Agreement except for the purpose of training, giving instruction, experimenting, protecting the safety of employees or equipment, periods of production difficulties or in emergencies when regular employees are not reasonably available.

2.04 There will be no Union activity on Company time except that necessary in connection with the handling of grievances and the enforcement of this Agreement; but nothing in this Agreement shall be construed to prohibit the officers of the Union, who are also employees of the Company, from looking after the matters of membership dues, initiation fees, assessments and solicitation of membership, provided it is done after

- 4.05 The Company will, on or before March 1st of each year, furnish to each employee a statement of the total monthly dues which have been deducted from such employee's pay cheques and remitted to the Union during the preceding calendar year.
- 4.06 It is agreed that Union bulletin boards may be used for Union notices only, but it is understood that no political or non-Union contentious materials will be posted. Union bulletin boards will be provided in designated lunch rooms and Company operated cafeterias.
- 4.07 The Company will give to all employees a copy of this Agreement.

See Letter of Understanding

#18 - Employment Security, Employee Empowerment and Job Flexibility
Article 5

UNION REPRESENTATION

- 5.01 The Union shall name and the Company shall recognize the following:
- (a) Shop Stewards -
- (i) Stewards shall be distributed throughout the departments in a reasonable manner,
- (ii) The Union may establish for each department a committee consisting of the stewards of such department for the purpose of meeting with the department superintendent and his immediate assistants. For purposes of this clause, the maximum number of stewards from the IAM that may attend such meeting will be as follows: for the Snow Lake operations - 1; Flin Flon Mines - 2; Flin Flon Mill - 1; Zinc Plant - 1; Smelter, Fuel and Precipitators Department - 2; Powerhouse - 1; and Mechanical Department - 2. The President of the Union may attend these meetings at the request of the Union or the Company. Each committee shall be entitled to meet monthly to discuss matters pertaining to its department. A maximum of two (2) additional stewards may attend the Smelter and the Mines meetings as required in order to deal with specific items on the meeting agenda.

In the event that new plants or mines are put into production during the life of the Collective Bargaining Agreement, the Union and the Company shall mutually agree on the number of additional stewards to be recognized for the purpose of meeting with the department superintendent and his immediate assistants.

The Company will attempt to schedule meetings in such a way that the fewest number of people are inconvenienced, in that they have to attend outside their normal working hours.

- (b) **Negotiating Committee** - Composed of **three (3)** employees who shall meet with Company representatives for the purpose of **negotiating amendments** or a renewal of this Agreement. Union representatives who are **not** employees may **attend** these meetings.
- (c) **Apprentice Committee** - There shall be an **Apprentice Committee** with equal representation **from the Unions and the Company**. Each **trade** for which the Company has an **employee(s)** under an **apprentice contract(s)** may be represented on this committee.
- (d) **Grievance Committee** - Composed of a number of employees as agreed upon by the parties, **except that no more than five (5)** employees (one (1) of whom shall be a shop steward) shall **meet at any one time with the Company representatives** to deal with **matters as outlined in the grievance procedure**.
- (e) **Combined Labour-Management Committee** -
- (i) Composed of a number of employees as agreed upon by the parties to deal with **matters as outlined in Article 5.01 (e)(ii)**.
- (ii) Either party may discuss with the other **matters** which are of **mutual interest to the harmonious relations between the Company and the employees**. Only the **committee** shall be present at such **meetings** with Company representatives **except that Union representatives who are not employees may attend these meetings**.
- (f) **Mine Production Committee** - Composed of a number of employees as agreed upon by the parties, who shall meet with **Re Mine Superintendent** as mutually agreed, to deal with **problems and complaints** arising out of the operation of the **current Mine Incentive Bonus System**.
- 5.02 The Union shall supply the **Industrial Relations Manager of the Company** with a list of all **Union stewards** and the **areas they represent** and all committee members of the **committees referred to in this Agreement** when **appointed** or replaced by the Union, and upon **receipt** of such **notification** they shall be recognized by the Company. The Company shall supply the Union with a corresponding list of Company representatives.
- 5.03 The members of the above **committees** shall be paid for any **time spent** during their regular working hours including **incentive** bonus while conferring with the Company at **all meetings** convened between the parties. **Notwithstanding the foregoing, committee members and shop stewards shall continue** to be paid for any time spent during their regular working hours in accordance with **present practices**.
- 5.04 **No committee, with the exception of the Negotiating Committee** referenced in 5.01(b), shall have the **right to alter, amend or change any of the provisions of this Agreement**

Article 6

SAFETY AND HEALTH

- 6.01 The Union and the Company shall co-operate in continuing and perfecting the safety measures now in effect or in introducing additional measures. The parties undertake to give full support to these objectives by promoting a safety consciousness and a personal sense of responsibility. The Company agrees to distribute the safety rules to its new employees and instruct all employees on safe working practices and further instruct its supervisors in regard to maintenance of such practices.
- 6.02 In recognition of the common concern of the Company and the Union in the area of safety and health, joint Safety and Health Committees shall be established.
- (i) The Company agrees to recognize departmental Safety and Health Committees established for each department. For the purposes of this clause, the Snow Lake Area operations shall be considered as one department and the committee shall consist of up to eight (8) members, one (1) to be appointed by the IAM from among the employees in the department and up to three (3) to be appointed by the Company. The Flin Flon Area mines shall be considered as two (2) departments and the committee shall consist of up to sixteen (16) members, up to three (3) to be appointed by the IAM (one (1) each from among the employees at South Main/Callinan/777, Trout Lake and Konulo Lake Mines) and up to six (6) to be appointed by the Company. The Flin Flon Mill committee shall consist of up to seven (7) members, one (1) to be appointed by the IAM from the employees in the department and up to three (3) to be appointed by the Company. The Zinc Plant committee shall consist of up to ten (10) members, one (1) to be appointed by the IAM from among the employees in the department and up to four (4) to be appointed by the Company. The Smelter, Fuel and Precipitators Departments shall be considered as one department and the committee shall consist of up to eight (8) members, one (1) to be appointed by the IAM from among the employees in the department and up to three (3) to be appointed by the Company. The Powerhouse department shall consist of up to six (6) members, up to one (1) member to be appointed by the IAM from among the employees in the department and up to three (3) to be appointed by the Company. The Mechanical (including Painters and Carpenters) Department committee shall consist of up to six (6) members, up to two (2) to be appointed by the IAM from among the employees in the department and up to two (2) to be appointed by the Company. The committees shall make a monthly inspection of the work areas in which employees from their departments are working. These committees, monthly or more frequently if mutually determined to be necessary, shall confer with the department superintendent concerned and a member of the Safety Department or a member of the Environmental Control Department. A report of such meeting shall be forwarded to the General Manager and the Union and all committee members.
- (ii) The Company shall recognize a Plant Safety and Health Committee comprised of four (4) members from the Unions (at least one each to be elected from the

Steelworkers, Trade Unions, IAM, and Electrical) and four (4) members from the Company, all to be elected from the department co-chairs. The Superintendent of Loss Control and also the Employee Safety and Health Coordinator shall also be part of the committee. The committee shall elect two (2) co-chairmen, one (1) from the Union and one (1) from the Company. The committee will develop a mandate and have it approved by the JRC Committee on a yearly basis. The initial mandate of the committee shall include giving direction on safety policies (e.g. personal protection equipment policy) and overall direction on the effectiveness and implementation of the safety program. The committee shall meet every two (2) months or as often as necessary and report to the Management Committee every three (3) months on their progress.

The parties hereby agree that all Safety and Health Committee Co-Chairs (Union and Company) shall meet on a monthly basis or as frequently as agreed. The Union representatives shall meet in the morning prior to the Company representatives joining the meeting in the afternoon. It is agreed that all lost time for such meetings shall be paid for by the Company. It is understood that within the first six (6) months of the Collective Agreement, the Plant Safety and Health Committee will turn over its role and responsibilities to the Safety and Health Committee Co-Chairs (Union and Company) and will cease to exist.

- (iii) The Personal Protective Equipment Policy referred to in (ii) above will remain in effect until changed by the Safety and Health Committee Co-Chairs. This is a jointly administered program that will ensure maximum personal protective equipment at reasonable costs.

- 6.03 The Company agrees to provide a minimum of two (2) normal working days of training each contract year for the departmental Safety and Health Committee members who are members at the time such training is given. Such training shall be provided in sessions from two (2) to eight (8) hours duration. Such training may be given at a regular monthly meeting. Such training shall be agreed upon by the Plant Safety and Health Committee. Where possible, such training will be delivered jointly.
- 6.04 The members of the above committees shall be paid at the applicable hourly rate, including incentive bonus for any time spent while conferring with the Company at all meetings convened between the parties as well as safety tours with Mines Inspectors for which leave has been granted by the Company.
- 6.05 The Company accepts the responsibility to make adequate and reasonable provisions for the safety and health of the employees during the hours of their employment provided that in all events employees shall obey all rules and regulations published by the Company in this regard.

A worker may refuse to perform work at a workplace where he has reasonable grounds to believe and does believe that the particular work is dangerous to his safety or health, or the safety and health of another worker or any other person.

- 6.06 In the event of a serious accident or incident which has or could have resulted in a critical or fatal injury to an employee, the Co-chairpersons or their designees of that department's Safety and Health Committee, as well as the Safety and Health Representative, as appointed under the United Steelworkers of America Local 7106 Collective Agreement, shall be notified as soon as possible. After the inspections required by law have been completed they will be accompanied to the scene of the accident which will not be disturbed prior to their inspection, if practicable.
- 6.07 Where an employee, after he has commenced work in any day or shift, suffers an industrial accident which, in the opinion of a duly qualified medical practitioner, prevents him from continuing at work, he will be paid at his regular rate of pay, plus any applicable shift premium and Sunday premium, for the balance of the time he would have worked in that day or shift, had that accident not occurred.
- 6.08 In any case where, subsequent to his last date of hiring, the Company requires that an employee undergo a medical examination or obtain a medical certificate as a condition of his employment with respect to a job, other than a medical examination or certificate required by law or the usual Doctor's Certificate of Fitness for Work for employees, the Company will, if any such examination takes place outside the employee's regular working hours, pay such employee at his basic rate for any time spent on such examination.
- 6.09 (a) In any case where an employee either provides or is required to provide the Company with information from his physician(s), the Company may, where it considers it appropriate to do so after consulting with the Union(s), require that the employee execute a consent authorizing his physician(s) to discuss his medical condition with and to provide all relevant documentation to a Company designated physician.
- (b) The Company designated physician's disclosure to the Employer shall thereafter be limited to a simple statement of verification as to whether the opinions of the employee's physician are sustainable.

See Letter of Understanding

#1 - Employee and Family Assistance Program

#27 - Modified Work

Inside cover - Right to Refuse

Article 7

SENIORITY

- 7.01 In all cases of upgrading, downgrading, increase or decrease in forces or work location moves, the following factors shall be considered:
- (a) Length of continuous service.
- (b) Ability, skill and physical fitness.

- (c) If, when the Company is considering the merits of persons involved in this article, the factors of ability, skill and physical fitness appear to be relatively equal, length of continuous service shall govern. Length of continuous service will be based on Company service rather than department service.

It is understood between the parties that work location moves within a classification will be administered in accordance with Letter #22 of the Collective Agreement.

- 7.02 All new or rehired employees shall be employed as probationary employees for a period of forty (40) straight time working shifts. Probationary employees shall have recourse to the grievance procedure in all matters and during the probationary period an employee shall be considered as being employed on a trial basis and may be discharged without notice at any time at the sole discretion of the Company and any such discharge shall be deemed to be for just cause. An employee terminated during his probationary period would be entitled to review under the grievance procedure up to and including Step 3.
- 7.03 Students hired temporarily for the period between semesters will continue to forego seniority rights if their period of employment should extend past the probationary forty (40) straight time working shifts. Students hired for the summer period (April 15 through September 15) will be terminated at the end of the summer period (September 15) and then considered eligible for rehire as a permanent employee. Students hired temporarily will be paid at job class one (1). However, if a student works overtime, they will be paid time and one-half (1 1/2) the normal rate for the job in question.
- 7.04
- (a) Plant progression lists now in operation may remain in operation, but shall be consistent with the provisions of this Agreement. Any changes to progression lists will be made in consultation with the Union. When plant progression lists are not in effect, permanent occupational vacancies above the beginner level in the department will be bulletined within the department. Within twenty-one (21) calendar days of the expiration date of the bulletin, the Company shall choose the successful applicant, if any, and place him in the vacancy. The name of the successful applicant for every such vacancy shall be posted on the bulletin board on which the notice of such vacancy was posted and a copy of such bulletin will be forwarded to the Union. With respect to vacancies so filled the seniority date of the successful applicant shall be noted. However, nothing in this article shall be read or construed as preventing the Company from hiring skilled employees to fill such vacancies where current employees do not possess adequate ability, skill and physical fitness.
 - (b) Preference shall be given to an employee according to his seniority, subject to the requirements and efficiency of operations and the ability and skill of the employee to fill the normal requirements of the job.
 - (c) Successful bidding on job bulletins under this clause shall be limited to three (3) per calendar year.
 - (d) In the event the Company is unable to place the successful applicant in a vacancy within twenty-one (21) calendar days of being awarded a bulletin, the

employee will be paid the higher of the regular hourly rate of the bulletin job or the rate of the job he is performing until he is placed in the vacancy.

- 7.05 The Company shall maintain seniority lists for the department. A copy of such list shall be posted every three (3) months. Two (2) copies shall also be provided to the Union.
- 7.06 Where a Statute of Canada so provides, an employee shall maintain and accumulate seniority during service in the Armed Forces of Canada,
- 7.07 Before filling vacancies in a department or a plant with new employees, full consideration shall be given to any qualified employees who have requested a transfer to the department in which the vacancy exists.

An employee wishing such transfer shall file a written "Request for Transfer" application form with the Employment Office at Flin Flon or the General Office at Snow Lake. An employee's application shall lapse one (1) year after the date of filing but may be renewed from year to year at his request. However, in no event may an employee have more than three (3) such applications on file at any one time. The Company shall maintain a file of such "Request for Transfer" application forms. Quarterly, at the request of the Union, the Personnel Superintendent or designated representatives shall meet with a representative of the Union to review any outstanding requests for transfer.

If there are no "Requests for Transfer" on file from employees deemed acceptable for transfer to the Flin Flon Mill, Warehouse, Surface and Transportation Department or the Flin Flon Mine Department, and a vacancy arises in one of these departments, the Company will post a notice and give full consideration to those applying before filling the vacancy with a new employee.

The above procedure is not necessary when an employee is transferring from one section to another within the same department.

If an employee is transferred there shall be a probationary period of thirty (30) calendar days in which the employee or the Company may effect his retransfer to his former department and job. Any employee who may have been appointed by bulletin or otherwise to fill any vacancies created by such transfer shall thereupon revert to his former job.

- 7.08 If an employee is transferred from one section to another within the same department there shall be a probationary period of thirty (30) calendar days in which the employee or the Company may effect his retransfer to his former section and job. Any employee who may have been appointed by bulletin or otherwise to fill any vacancies created by such transfer shall thereupon revert to his former job. Past practice with respect to moves within plant progression lists shall remain in effect.

See teller of Understanding

#13 - Heavy Duty/Maintenance Mechanics

#22 - Preferred Work Location

REDUCTION AND RESTORATION OF FORCES

- 8.01 The Company and the Union are committed to exhausting all reasonable efforts to retain senior personnel. Whenever a reduction of force or a reduction of hours is necessary, the Company shall give fourteen (14) calendar days' notice, or fourteen (14) days' pay in lieu of such notice, except in the case of temporary reductions due to breakdown, accident, or other emergencies making such notice impossible. Notwithstanding the foregoing, the Company will advise employees as soon as possible after a decision is made to reduce hours or manpower.
- 8.02 In all cases of curtailment of operations, layoff procedures shall be determined in consultation with the Union. In all cases of reduction in the plant forces (other than temporary layoff not to exceed two (2) weeks resulting from accident, breakdown or other emergency) the Company shall lay off the employees affected in the inverse order of their Company seniority ranking except in those cases where certain specialized skills and capabilities are required to fill the normal requirements of the job.
- 8.03 Employees laid off shall keep the Company advised of their address or forfeit their right to consideration when the working force is again restored. Notice of restoration shall be given to the employee not less than ten (10) days prior to his recall date by one of the following methods: (i) to the employee personally, or (ii) by leaving a message at the home of the employee, or (iii) by mailing it to him at his last known address by registered mail. The Secretary of the Union will be advised of the method used to try to contact the employee and whether or not the method was successful. Employees who, because of their seniority, have been identified for layoff but at the time of layoff are entitled to or are in receipt of Workers' Compensation benefits or sick benefits under the Sick Benefit Plan will be laid off. Notwithstanding the foregoing, such employees will continue to receive life insurance benefits and Health Plan benefits as though they had not been laid off, but pension and vacation accrual will cease at time of layoff and all earned but unpaid vacation will be paid at that time. Life insurance and Health Plan benefits will cease at the time such employee recovers from disability or at such earlier date in accordance with the terms and policies of the Group Life Insurance Plan and the Health Plan. If such employee is in receipt of a recall notice but is unable to report for work because of a continuing disability, he shall begin accruing benefits as if he were recalled.
- 8.04 If any employee has followed the above procedure, he shall not lose his seniority status because of a layoff, but his continuous service record shall not be lengthened more than one hundred and twenty (120) calendar days during such layoff.
- 8.05 An employee who has been recalled after being laid off for any reason outlined in this article and who has previously completed the probationary period outlined in Article 7.02 shall not be considered a probationary employee.
- 8.06 An employee who, for the convenience and benefit of the employee, is temporarily assigned or transferred to another department at his request instead of being laid off due to lack of work, breakdown or machinery, or other like cause, shall be paid while so employed as follows:

- (a) ~~If the regular rate of pay for the job in the department to which he is transferred or assigned is higher than the employee's regular pay, he shall receive such higher rate provided he can perform the job to the standard normally required,~~
- (b) ~~If the rate of pay for the job in the department to which he is transferred is less than the employee's regular rate, he shall be paid a red circle rate.~~
- 8.07 An employee who has been temporarily assigned or transferred under Article 8.06 shall, if an additional employee is required in the department from which he was transferred, be given the opportunity to transfer back ahead of other employees who have not worked in that department. Should the employee refuse the opportunity to transfer back to his own occupation, he will no longer retain any right of preference in this matter.
- 8.08 (a) If an employee is temporarily assigned to a job by the Company he shall receive the rate for the job or his regular straight time hourly rate, whichever is the greater. This rate also applies to General Holidays if the General Holiday falls within the period of that temporary assignment. Should such temporary assignment exceed thirty (30) calendar days' duration the employment card rate of the employee will be changed to the rate of the assigned job for the duration of the temporary assignment.
- (b) Senior employees shall receive preference for temporary assignments, provided these employees are on the same shift and are capable of doing the work. In cases of temporary assignments extending beyond forty-two (42) calendar days in cases of vacation relief, or thirty (30) calendar days in all other cases, the preference will be given to the senior employee available regardless of the shift, provided this employee is capable of doing the work. This provision will not apply to any subsequent vacancies resulting from the above.
- 8.09 In this article,
- (a) (i) "Card rate" means the rate shown on the lime card for the job occupation into which an employee has been placed and as it appears on his lime card.
- (ii) "Red circled" means a special wage rate.
- (b) If an employee as a result of technological change or organizational change is downgraded by the Company into a classification of work paying a lesser wage rate than the regular wage rate of his permanent job, the employee shall maintain the rate of the permanent job which shall be red circled. If such employee is subsequently placed into a card rate which equals or exceeds his red circled rate, he will be removed from the red circled rate and paid that card rate.
- (c) Red circle differentials established after January 1, 1995 shall be reduced by one (1) job class fifteen (15) months after they are established and they shall be further reduced by one (1) job class every three (3) months thereafter until they are eliminated. Red circle differentials established prior to January 1, 1995

- shall be reduced or eliminated by any increase resulting from an increase in the increment between job classes.
- (d) It is a condition of Article 8 that any employee affected by it be required to accept any training the Company offers him and that he accept any other higher card rate job offered to him by the Company through assignment or promotion, and that he be an applicant for any higher card rate job in his department that is posted.
- (e) The Company shall give one hundred twenty (120) calendar days' notice prior to introducing technological change as described in Article 8.09 (b). In the event of a technological change, the Company will, as far in advance of the change as possible, consult with the Union for the purpose of providing:
- (i) A detailed description of the nature of the proposed technological change;
 - (ii) The names of the employees who will likely be affected by the proposed technological change;
 - (iii) The rationale for the change and the impact it will have on the Company's efficiency and economy of operations, and
 - (iv) The Company's plan to minimize the impact of the technological change on the employees affected.

As a result of discussions outlined above and where the scope of the technological change necessitates it, a committee will be established by the Union and the Company and will be comprised of representatives from the Company and the Union.

The Company shall provide the members of the committee with materials pertaining to technological change which may be required to ensure that the fullest discussion on such matters as retraining, change of work methods, reorganization of work, change to the method of organization, etc. will take place in an effort to implement change with the least possible disruption and with the maximum possible benefits to the Company and employees. It is understood that if new skills are required, the Company shall take steps to provide training for employees so that, by and large, new skill requirements are met from within the existing work force.

- (f) The provisions of this article are intended to assist employees affected by any change described in Article 8.09 (b) to adjust to the effects of the change.
- (g) The provisions of the Canada Labour Code, Division IV, Sections 52, 54 and 55 do not apply during the term of this Agreement to the Company and the Union.
- (h) If an employee notifies the Company that he wishes his employment to be terminated rather than be downgraded as a result of technological change as

now defined in the Canada Labour Code, or is required to transfer to another department in order to maintain his employment, and if such notification is given within fourteen (14) calendar days of that downgrading or transfer, the Company shall terminate his employment and pay him severance pay of one week's pay of forty (40) straight hours for each year of the employee's continued service, up to a maximum of ten (10) weeks.

- (i) An employee who
- (i) has at least one (1) year of continuous service with the Company, and
 - (ii) is laid off after exhausting all "bumping rights" as per Article 8.02 and who is advised by the Company that he will be laid off for at least ninety (90) calendar days or who is in fact laid off for at least ninety (90) calendar days,

shall be entitled to payment of severance pay, as defined in this Article, as follows:

- (a) Subject to clause (c) below, an employee who is entitled to severance under 8.09 (i) (ii) may, at any point in time between the effective date of the layoff and a period that ends 56 weeks after the date of the commencement of the layoff, elect to relinquish all rights to recall and terminate his employment, and upon doing so, shall be entitled to receive severance pay as defined herein.
- (b) For the purposes of this Article, the amount that shall be paid as severance pay shall be an amount equal to:
 - (i) one (1) week's pay of forty (40) straight time hours for each year of the employee's continual service with the Company, minus
 - (ii) any amount paid to him under Article 8.09 (h).

- This severance pay shall be considered to satisfy the minimum severance requirements that are set forth in the Canada Labour Code.
- (c) An employee who is on layoff for a period of twelve (12) months and who elects to receive severance in accordance with the minimum provisions of the Canada Labour Code shall be paid such severance at the end of the twelve (12) month layoff. Such employee will continue to retain any recall rights that he may have under the Collective Agreement, but will be disentitled from receiving any severance pay under the terms of this Collective Agreement.

This Article 8.09 (i) does not apply in the event of layoffs due to strikes, sit-downs, slow-downs or lockouts.

8.10

- (a) There will be no direct layoff or displacement from the bargaining unit resulting from a staff employee returning to the bargaining unit. Any hourly reduction resulting will be made through attrition.

- (b) A staff employee returning to the unit will return to an entry level position. If possible, this move will be to the department in which he most previously worked as an hourly employee. After thirty (30) days such employee may use his Company seniority to apply for bulletins, transfers or progression moves.
 - (c) If a staff employee has never worked in the bargaining unit, he will only be able to enter the bargaining unit if there is a vacancy. That is, he will not be able to displace a bargaining unit employee or be placed in a vacancy if there is notice of impending layoff. Such employee will not be able to utilize his Company seniority for the purpose of answering bulletins, progression moves or transfers for three (3) months from date of placement.
 - (d) All efforts will be made to return a staff employee to the hourly unit in which he most recently worked. Moves will be made in consultation with the Union.
 - (e) Staff employees returning to the unit will receive a red circle rate equal to the rate of the last position previously held in the unit.
 - (f) Notwithstanding the foregoing, if an hourly employee is transferred to a staff position, there shall be a period of thirty (30) calendar days in which the employee or the Company may effect his retransfer to his former job in the bargaining unit and the terms of Article 8, 10 (a) and (e) will not apply.
- 8.11
- (a) When it is necessary within a department to remove an employee covered by this Agreement from a bulletin job or progression for technological change as defined in the Canada Labour Code, he shall be assigned to the highest permanent occupation covered by this Agreement in which he has previously held the card rate or, at the employee's option, to an entry level job or, at the employee's option, bump down in his present progression. All employees so affected shall be red circled. All moves will be done in consultation with the Union.
 - (b) In all other cases other than technological change an affected employee, to retain a position, must first bump within his progression. If he is unable to retain a position by this means, an employee will then bump within his section. If he is unable to retain a position by this means, then the employee will bump to another section within his department. If unable to retain a position by this means, an employee will then bump to a position outside his department in the section or progression in which he previously held the highest card rate. It is understood that an employee, in bumping, cannot bump into a job paying a higher card rate than the one he presently holds, nor can he bump into a job he has not previously held.
 - (c) If an employee is unable to retain employment by the above method and he has the skill and ability to do a job at a higher rate, he will only then be allowed to bump up, if he so chooses.

- (a) Seniority will cease accumulating after one hundred and twenty (120) calendar days,
- (b) Entitlement to all benefits will cease at time of "voluntary layoff"
- (c) It is understood an employee on "voluntary layoff" may at a later date elect to receive severance under Article 8.09 (h) and terminate his employment.

The foregoing will not apply to a tradesman who is removed from his job at his own request or as a result of his inability to perform the normal requirements of his job.

See letter of Understanding

- #3 - Training and Job Security for Senior Employees
- #23 - Recall Rights
- #24 - Supervisors Returning to Bargaining Unit
- #25 - Staff to Hourly - No Hourly Layoffs
- #29 - Seasonal Employment Program
- #31 - Snow take Retransfer Rights

Article 9

HOURS OF DAILY, WEEKLY AND OVERTIME WORK

- 9.01 (a) This article provides the basis for the calculation of any payment for overtime, and shall not be read or construed as a guarantee of hours of work per day or a guarantee of days of work per week. A week means the period between midnight on Saturday and midnight on the immediately following Saturday. A day means a period of twenty-four (24) consecutive hours.
- (b) The Company agrees to post work schedules for jobs in each department.
- 9.02 (a) Standard rates shall be paid to all hourly paid employees on a basis of a forty (40) hour week as agreed between the Company and the Union. A standard work day is eight (8) hours with time and one-half (1%) being paid for all overtime, except that hours worked in excess of eight (8) per day or forty (40) per week to accomplish the regularly scheduled change of shifts or work schedules shall not be considered overtime. An employee is required to make a change of shift in a pay period other than those necessary for regularly scheduled change of shifts or work schedules, in which the interval is eight (8) consecutive hours or less, the hours worked during that change of shift shall be paid at overtime rates.
- (b) Any work performed in excess of eight (8) hours in a work day at overtime rates will not be considered as time worked in the forty (40) hour work week for the purposes of determining the payment of further overtime.
- 9.03 (a) Shift workers will be required to work any combination of four (4) shifts to be known as the day shift (starting times between 6:00 a.m. and 12:00 Noon), the afternoon shift (starting times between 12:00 Noon and 6:00 p.m.), the night

shift (starting times between 6:00 p.m. and 10:00 p.m.) and the graveyard shift (starting times between 10:00 p.m. and 6:00 a.m.). On continuous shift operations, each employee shall be allowed a reasonable lunch period, which period shall be considered as time worked.

- (b) Day workers will normally begin work at 8:00 a.m. Day workers will be given a lunch period of one-half (½) hour per day, but such lunch period shall not be considered as time worked. It is recognized that in order to maintain efficient operations, certain day workers must begin work earlier or later than 8:00 a.m.
- (c) Shift schedules now in effect will remain in effect and if it should become necessary to change these schedules or to establish new schedules, the Company shall, after consultation with the Union, give seven (7) calendar days' notice of the new or changed schedules.

9.04

- (a) Changes in Shift

An employee shall be given 24 hours' notice in the event of a change in his shift. Where 24 hours' notice is not given, employees shall be paid at the overtime rate for the first shift.

If an employee is assigned work part way through a shift that requires him to work on a different shift that day, the employee and his supervisor will consult to determine whether the employee should complete his regular shift or leave work early.

- (b) Notice Required on Change of Rest Days

In the event that an employee is assigned to a job which changes the employee's scheduled rest days from the job he presently occupies, overtime rates shall be paid for work performed on such rest days for the first week only of the work schedule of the new job, if sufficient notice is not given by instructing the employee to that effect (or by posting) prior to the scheduled rest days of the job he presently occupies. For the purpose of this article, sufficient notice shall mean the greater of two (2) calendar days or a number of days equal to the number of rest days of the work schedule for the job he presently occupies.

- (c) Pay for Work on Rest Days

Notwithstanding the provisions of Article 9.04 (b) overtime rates shall be paid to employees for work performed at the request of the Company on the first and subsequent rest day(s) designated for the job which he presently occupies. The provisions of this paragraph shall apply also to General Holidays of days observed in lieu.

9.05

- (a)

If an employee has completed the scheduled hours of work for his shift and is called in for overtime work, he shall receive pay for the full time so worked plus one (1) hour, except that he shall receive pay for a minimum of four (4) hours. However, this provision of "plus one hour" shall not apply in situations as described in Article 9.06.

- (b) (i) A steady day worker who is called out within ten (10) hours of his next regularly scheduled shift shall be paid for the call-out as per Article 9.05 (a). In this situation he shall have the option of not reporting for any portion of the first four (4) hours of his next regularly scheduled shift, with no pay for the hours not so worked. In addition, if the call-out occurs between 12 midnight and 4:00 a.m. an additional payment of \$25.00 shall be made to the employee.
- (b) (ii) A steady day worker, as a result of a call-out within ten (10) hours of his next regularly scheduled shift, is required to work six (6) hours or more on call-out, he will be deemed to have worked more than sixteen (16) consecutive hours at the request of the Company and Article 9.07 will apply. In any event, where the call-out occurs between 12:00 midnight and 4:00 a.m. an additional payment of \$25.00 shall be made to the employee.
- (c) The Company shall endeavour to provide transportation to outlying mines to all employees called out, pursuant to Article 9.05 (a). In the event that the employee is required to use his own vehicle when called out to work at outlying mines the Company agrees to pay its normal mileage allowance of 25¢ per kilometre.
- (d) In the event an employee is called out to perform overtime work under Article 9.05, and he completes the work for which he was called, he will not be assigned additional work unless the nature of that additional work is such that it would have otherwise warranted a call-out on its own account.

9.06 Overtime rates shall be paid to employees for all prearranged overtime worked before the regular starting time of any shift or are held after the end of a shift of eight (8) hours for the time worked in excess of eight (8) hours. It is understood that if an employee is required to report for work prior to the normal start of his regular shift, he will be allowed to work until the end of his regularly scheduled shift, unless he is notified by the day before that both his starting and stopping times have been changed.

9.07 Where an employee works more than sixteen (16) consecutive hours at the request of the Company, he shall be entitled to an eight (8) hour rest period. If his regular shift is scheduled to commence before the expiration of an eight (8) hour rest period he will be permitted to remain at rest for said period and will be paid his regular rate for the hours of his regular shift which fall within said rest period and for the remainder of his regular shift which he works he will also receive his regular rate of pay. Where an employee is directed by his supervisor to work on that part of his regular shift which falls within the said rest period he shall be paid at overtime rates on his base rate for those hours so worked. If not so directed the employee will remain at rest for an eight (8) hour period.

9.08 No employee shall be required to work more than six (6) hours, which includes two (2) hours overtime, without being allowed a reasonable lunch period on Company time. For each additional three (3) hours overtime such employee works, he shall be provided with an additional lunch period. For such overtime which is unscheduled, the Company shall supply to the employee a meal or at the Company's or employee's request, a meal allowance of \$10.00 shall be paid in lieu of a meal. The end of a three (3) hour Overtime period (outlined above) coincides with the end of the overtime

assignment the employee will receive a meal allowance of \$10.00 which shall be paid in lieu of a meal and lunch period.

For the purposes of Article 9.08, overtime shall be considered as unscheduled if an employee is not provided with at least twelve (12) hours' notice prior to the start of the overtime assignment. It is understood that the Company will provide meals for scheduled overtime for special projects which require employees to work extended shifts for periods longer than three (3) consecutive days. It is further understood that in such situations, meals will be provided from the first day.

- 9.09 Special arrangements in regard to hours worked and other conditions on isolated jobs may be made by mutual agreement between the Union and the Company.
- 9.10 After completing unscheduled overtime work, an employee has the right to request transportation home and the Company will supply such transportation.
- 9.11 When overtime work is scheduled by the Company it shall distribute such work as evenly as practicable among the employees in the working group and for this purpose it shall take into consideration the preferences of the employees and the availability of the employees in the same group who can do the work.
- 9.12 With respect to the payment of overtime rates, an employee shall not be entitled to more than two and one-half (2½) times his regular rate of pay for time worked on General Holidays (including General Holiday pay) or more than one and one-half (1½) times his regular rate of pay for time worked on other days, although such time may be overtime under more than one provision of this Agreement.

See Letter of Understanding

- #7 - Overtime on Rest Days
- #8 - Banked Overtime Pay
- #20 - 1 & 2 Day Shutdowns
- #32 - Compensation for First Aid Training

Article 10

REPORTING ALLOWANCE

- 10.01 When the Company fails to inform an employee before his departure for work, by notice or otherwise, that work will not be available and the employee, in good faith, reports for work on schedule and finds there is no work for him, he shall receive four (4) hours' reporting allowance at his regular rate. Such four (4) hours shall not be included in working hours which may entitle the employee to overtime pay. The provisions of this clause shall not apply when an employee has been absent from his regular work period and has failed to inform his foreman or such other supervisors designated by the Company for this purpose, at least seventeen (17) hours prior to reporting to work, of his intention to return to work.

When Article 10.01 applies, every reasonable effort will be made to provide alternative work. Should alternative work be unavailable, the employee will have the option to make up the lost time at a mutually agreeable date at straight time rates. This mutually

agreeable date will be agreed to by the employee and his supervisor as soon as possible or during his next scheduled shift. The employee will be given the option of a make-up shift whether he has been notified or not.

- 10.02 When an employee returns to work after an absence and, after having complied with all plant regulations concerning returning from such absence, is instructed to return home and report to work on another shift, he shall be paid four (4) hours' reporting allowance at his regular rate. However, such four (4) hours shall not be included in working hours which may have entitled the employee to overtime pay. However, should the Company have succeeded in notifying the man of his non-requirement before his departure for work, such employee shall not be entitled to reporting allowance,

See Letter of Understanding
#28 - 17-Hour Reporting Rule

Article 11

RATES OF PAY

- 11.01 The Company agrees to pay the wage rates as contained in Schedule 'A', which is part of this Agreement.

New Job Classification

- 11.02 The Company will consult with the Union regarding Union jurisdictions with respect to any new occupational classifications established by the Company,

- 11.03 A shift differential shall be paid for all hourly paid employees on the following basis:

Afternoon Shift.....	45 cents per hour
Night Shift.....	50 cents per hour
Graveyard Shift.....	50 cents per hour

Any shift starting between 6:00 a.m. and 12:00 Noon will be classed as day shift. Any shift starting between 12:00 Noon and 6:00 p.m. will be classed as afternoon shift, Any shift starting between 6:00 p.m. and 10:00 p.m., will be classed as night shift. Any shift starting between 10:00 p.m. and 6:00 a.m. will be classed as graveyard shift.

- 11.04 Sunday premium pay of one dollar (\$1.00) per hour shall be paid to all hourly rated employees for each hour worked on Sunday,
- 11.05 Saturday premium pay of fifty cents (50¢) per hour shall be paid to all hourly rated employees for each straight time hour worked on Saturday.
- 11.06 Employees required to serve on Jury Duty shall be paid the difference between the straight time day shift earnings they would have earned and the amount they received for Jury Duty subject to the following provisions:

- (a) Employees must notify their department supervision within forty-eight (48) hours after receipt of notice of selection for Jury Duty or on his next regularly scheduled shift;
- (b) Any employee called for Jury Duty who is temporarily excluded from attendance at Court must report to work as soon as possible; and
- (c) in order to be eligible for such payment the employee must furnish the industrial Relations Department with a written statement from the appropriate public official showing the date, time served and the amount of pay received,
- 11.07 (a) A Cost of Living Allowance will, if applicable, be paid to each employee as set out below. This allowance will be based on the Consumer Price Index (all items - base, 1971 = 100) published by Statistics Canada (hereinafter referred to as the "CPI") and will be calculated as follows:
- (b) Effective October 1, 1999 a Cost of Living Allowance (COLA) will become effective to be triggered only if the cost of living for the previous quarter exceeds one and one quarter percent (1.25%) and to be paid on that portion of the increase only which exceeds one and one quarter percent (1.25%) for that quarter.
- For each 0.35 point rise in the official Consumer Price Index for Canada (all items 1971 = 100) that is in excess of a one and one quarter percent (1.25%) rise in the quarter in question, a Cost of Living Allowance of one (1) cent rounded off to the nearest one (1) cent shall be paid. Such payment shall not form part of the employee's straight time hourly rate and will only be paid for straight time hours worked in the quarter and will not be included for the calculation of vacation pay. The first such allowance shall become the COLA float and be payable following the publication of the September, 1999 CPI and will be based on that portion of the increase in excess of one and one quarter percent (1.25%) rise in the CPI reported for June, 1999 and September, 1999 and subsequent Cost of Living Allowances shall be calculated quarterly thereafter, based on the increase over one and one quarter percent (1.25%) in the previous three-month period. Subsequent adjustments shall be added to the COLA float.
- (c) The amount of the Cost of Living Allowance in effect at any time shall not form part of the employee's straight time hourly rate and will only be paid for straight time hours worked and will not be included for the calculation of vacation pay.
- (d) No adjustment retroactive or otherwise shall be made due to any revision which may later be made in any CPI published by Statistics Canada,
- (e) The continuance of the Cost of Living Allowance shall depend upon the availability of the CPI calculated on its present basis and in its present form.
- 11.08 Each employee with at least one (1) year seniority will be paid a service premium of thirty cents (30¢) in addition to his basic rate for each straight time hour worked by him. This service premium shall not form part of the employee's straight time hourly rate and

will only be paid for straight time hours worked and will not be included for the calculation of vacation pay.

- 11.09 An employee working in Snow Lake will be paid a premium of thirty-five cents (35¢) in addition to his basic rate for each straight time hour worked. This premium shall not form part of the employee's straight time hourly rate and will only be paid for straight time hours worked.

See Letter of Understanding

#4 - Refrigeration/Air Conditioning Specialist

#9 - Profit Sharing Plan

#26 - B & A Gas Licence

Article 12

WAGE STUDY

- 12.01 The CWS (Co-operative Wage Study) as of November 30, 1990 will no longer apply to employees represented by the International Association of Machinists and Aerospace Workers.
- 12.02 The sole intent of the following is to establish a replacement vehicle for CWS and not to affect existing rights and privileges of both parties with regards to any other matter.
- (a) A joint committee with equal representation (2 from the Union and 2 from the Company) will be established for the purpose of determining appropriate compensation should an employee be required to learn new skills to perform duties not presently outlined in the employee's job description.
 - (b) This joint committee shall also assess the validity of any application for wage rate reviews, including wage parity, in or between any classification of employee covered by this Collective Agreement or any other collective agreement that is in effect between the Company and the various bargaining agents representing employees in the Flin Flon region.
 - (c) The committee shall operate by consensus. Applications for rate review may be forthcoming from the affected employee or the Union. If consensus is not reached, the matter is subject to the grievance procedure.

Article 13

BENEFIT PLANS

- 13.01 The Company agrees to continue to provide or to commence to provide the following benefits as set out and summarized in this article,

13.02 Pension Plan

The employees covered by this Agreement will receive the benefits of a non-contributory pension plan in accordance with the terms and conditions set out in a separate agreement between the Unions and the Company. The Pension Plan Agreement shall provide for:

- Basic pension, payable at 58 years of age and 30 years service, calculated as follows:
 - \$30.00 per month times years of service prior to January 1, 2000 plus the following monthly amount for years of service subsequent to December 31, 1999:
 - For service from January 1, 2000 to December 31, 2004 - \$36.00 per month times years of service during this period,
 - Effective January 1, 2005, the Pension Plan Agreement shall be revised to provide for a basic pension, payable at 58 years of age and 30 years service, calculated as follows:
 - \$34.00 per month times years of service to December 31, 1999 plus the following monthly amount for service subsequent to December 31, 1999:
 - For service from January 1, 2000 to December 31, 2005 - \$40.00 per month times year of service during this period.
- Effective December 31, 2005, the Pension Plan Agreement shall be revised to provide for a basic pension of \$40.00 per month times years of service, payable at 58 years of age and 30 years service.
- Supplementary pension, payable at 58 years of age and 30 years service, until age 65, calculated as follows:
 - \$18.00 per month times years of service prior to January 1, 2000 plus the following monthly amount for years of service subsequent to December 31, 1999:
 - For service from January 1, 2000 to December 31, 2005 - \$21.00 per month times year of service during this period.
 - Effective December 31, 2005, the Pension Plan Agreement shall be revised to provide for a supplementary pension of \$21.00 per month times years of service, payable at 58 years of age and 30 years service, until age 65.

13.03

The Group Life Insurance Program is to be continued, with the insurance coverage to provide for:

- \$35,000 life insurance for all employees.

- \$35,000 accidental death and dismemberment,
- \$2,000 life insurance for employees retiring on or after October 1, 1987.

13.04 Health Plan

The Company will provide Health Plan benefits in accordance with the terms and conditions set out in a separate agreement between the Unions and the Company (the "Health Plan Agreement"),

The Company shall be responsible for funding the Health Plan benefits in an amount sufficient to provide the agreed services to employees and their dependents, as well as to members of Special Participating Groups who qualify in accordance with the terms of the Health Plan Agreement.

The Health Plan will be overseen by a Health Plan Committee with five (5) representatives appointed by the Unions (one (1) from the United Steelworkers of America, Local 7106, two (2) from the United Steelworkers of America, Local 8338, one (1) from the Association of Film Flon Trade Unions and one (1) from the International Association of Machinists and Aerospace Workers) and two (2) from the Company.

It is understood that the role of the Health Plan Committee is limited to administering the terms of the Health Plan and that any changes to the Plan would require the approval of the Company and the Unions.

The following is merely intended to provide a general description of the benefits provided. The specific terms of the Plan, including eligibility and entitlement to benefits, shall be as set forth in the Health Plan Agreement. The benefits are generally as follows:

- (a) Private and semi-private accommodation outside the principal operation of the Health Benefit Plan, if authorized by the medical supervisor; and
- (b) Basic Dental Plan to be continued for employees and dependents and Special Participating Groups and dependents, to include routine examinations as frequently as every six (6) consecutive months, x-rays, fillings other than inlays or crowns, extractions, oral surgery, cleaning and scaling, fluoride treatment and periodontal care to include Restoration Service (Blue Cross Plan C) on a 50% coverage basis for services used, and Orthodontic Service (Blue Cross Plan D) on a 50% coverage basis for services used. The Orthodontic benefit coverage is limited to a \$1500 lifetime maximum per individual. This benefit applies to dependents where treatment begins prior to the 17th birthday. In addition, bus rate return fare will be paid to an employee and his registered dependent for out of town orthodontic services to a maximum of five (5) trips per family per year, when such services are not available in Flon Flon.
- (c) The non-recoverable portion of employee drug costs for drugs prescribed by the attending physician, excepting those outlined in the Health Plan Agreement dated January 1, 2003.

Drug benefit eligibility will be contingent on an employee or retiree providing proof to the Company that they have submitted an application for Pharmacare to Manitoba Health.

- (d) Ambulance service to the hospital will be provided if, in the judgment of the attending physician, it is necessary.
- (e) Vision Care. reimbursement for prescription lenses, frames and contact lenses to a maximum of \$150.00 per eligible member every twenty-four (24) months.
- (f) The cost of accommodation and transportation will be paid for referral as an outpatient of an employee or his dependent from Snow Lake to Flin Flon or from Snow Lake to The Pas, if the employee or his dependent is hospitalized, accommodation will be paid for one family member, Transportation cost will be paid at twenty-five (25¢) per kilometre,

In the event of an employee or his dependent being referred from Snow Lake to Thompson, transportation costs at bus rates will be paid,

Transportation costs at bus rates covering the second and subsequent trips on any one case of other referrals will be paid, as will necessary ambulance costs. The Plan may advance such expenses provided satisfactory arrangements are made regarding repayment,

- (g) Physiotherapy Services.
- (h) A member or his registered dependents, while on business or vacation beyond the vicinity of the principal operations of the Company, will continue to enjoy the benefits as provided by the Health Plan,

A general description of those who are covered under the Plan is as follows:

- 1) Regular Participating Status
Employees and eligible dependents of employees provided that they reside with the employee,
- 2) Special Participating Groups
 - (i) Surviving spouses of employees who died while employed by the Company, and their eligible dependent children, for so long as the surviving spouse and the dependent children continue to reside in Canada. Any such surviving spouse and dependent children who were special participating members and who were not resident within the area of the principal operations of the Company as at January 2, 2002 shall not however qualify for coverage under the Plan; and
 - (ii) Pensioned employees and their eligible dependents provided that both the pensioned employee and the eligible dependents reside and continue to reside in Canada. Any such employee (or the dependent of such employee) who has retired and is not resident within the area

of the principal operations of the Company as at January 2, 2002 shall not however qualify for coverage under the Plan,

13.05 Sick Benefit Plan

Effective January 2, 2002, the Hudson Bay Mining and Smelting Employees' Sick Benefit Plan will provide benefits as follows:

- (a) \$60.00 per day for each of the first ten (10) lost work days. A minimum claim shall be for three (3) lost work days. Claims extending beyond ten (10) lost work days will be paid as follows: *
- (b) The greater of \$82.80 or the amount required to maintain registration with the Employment Insurance Commission as a Wage Loss Insurance Plan per day for each lost work day in the next fifteen (15) weeks, followed by:
- (c) The greater of \$82.80 or the amount required to maintain registration with the Employment Insurance Commission as a Wage Loss Insurance Plan per day for each lost work day in the next fifteen (15) weeks for employees not eligible for EIC benefits. Those employees eligible for EIC benefits in this period must collect same in lieu of payments from the Sick Benefit Plan, followed by:
- (d) \$90.00 per day for each lost work day in the next twenty (20) weeks.
- (e) After fifty-two (52) weeks all employees will receive \$90.00 per day for each lost work day,
- (f) Benefits as described under this Article 13.05 may be extended to those employees making application who, as a result of industrial accident or illness, are expected to be absent from work in excess of two (2) weeks in duration. Such benefits are subject to repayment upon the employee being in receipt of WCB benefits.

13.06 The payment to the Hudson Bay Mining and Smelting Employees' Sick Benefit Plan shall be an amount sufficient to provide the agreed services to the employees,

13.07 Death Benefit Plan

The Company agrees to continue to administer the Death Benefit Plan, but without Company participation. Members of the Plan will, on the death of a Plan member, have deducted from their pay an amount in accordance with the Death Benefit bylaws. The employees' contributions will form the basis of benefits under the Plan,

See letter of Understanding

#17 - Long Term Absenteeism

#35 - Geographic Requirement for Benefit Coverage

#36 - Past Service

- 14.01 Eight (8) hours straight time shall be paid to all hourly rated employees not required to work on New Year's Day, Good Friday, Victoria Day, Canada Day, August Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day and the second Monday in June in each year of this Agreement, provided they comply with the regulations of this Article 14.
- 14.02 All hourly rated employees other than those referred to in Article 14.04 required to work on the eleven (11) General Holidays listed in Article 14.01 shall be paid for the first eight (8) hours or less of such work at the rate of one and one-half (1½) times his regular rate of pay and in addition, he shall be paid holiday pay in an amount equal to his regular rate of pay for eight (8) hours and he shall be paid at the rate of two and one-half (2½) times his regular rate of pay for all hours in excess of eight (8) hours worked by him on that General Holiday.
- 14.03 No hourly rated employee is entitled to pay for any General Holiday as specified in Article 14.01 unless he has worked or was on paid vacation during the thirty (30) calendar days immediately preceding the General Holiday.
- 14.04 No hourly rated employee is entitled to pay for any General Holiday as specified in Article 14.01 if a General Holiday occurs in the first thirty (30) days of employment. Any such employee required to work on such General Holiday shall be paid at a rate of one and one-half (1½) times his regular rate of pay for the time worked, notwithstanding anything to the contrary stated herein, upon completion of the first thirty (30) consecutive days of continuous employment with the Company, the said employee shall receive all unpaid General Holiday pay for any General Holiday that occurred during the first thirty (30) days of employment.
- 14.05 No employee is entitled to pay for any General Holiday, as specified in Article 14.01, on which he was absent without leave after being scheduled to work on the General Holiday.
- 14.06 Where a General Holiday falls on an employee's regularly scheduled day off and he is not required to work that day, he shall, subject to the provisions of this Article 14, be granted a holiday without pay at a mutually agreeable time, Alternatively, where a General Holiday falls on a Monday that is an employee's regular day of rest, the Company agrees to consider making special arrangements for particular groups of such employees in order that they may enjoy an extra day off by an extension of one day to their regular day of rest. When that occurs, the Company is not required to pay overtime rates for any hours worked in excess of forty (40) hours in one (1) work week where the excess hours were as a result of such arrangements.
- 14.07 At the Department's discretion, an employee who is required to work on a General Holiday may be allowed to take a substitute day off without pay at a mutually acceptable time. Such substitute day must be taken within one year of the General Holiday for which it was granted.

Article 15

VACATIONS WITH PAY

15.01 Vacation anniversary dates for all employees will be the first day of January. A newly rehired employee will have his vacation with pay entitlement for his first vacation calculated according to the number of calendar days he was on the payroll from date of hire or rehire to December 31.

15.02 (a) Employees with less than one (1) year's continuous service will receive vacation pay based on 0.4% of their previous calendar year's earnings for each day of paid vacation.

(b) Employees with more than one (1) year of continuous service will receive a vacation allowance calculated using an eight (8) hour day and the employee's normal rate of pay at the time of his or her vacation, including any production bonuses. Rate of pay being received as a result of temporarily filling in on other than the employee's normal work will not be considered as his or her normal rate of pay.

(c) Pursuant to 15.02 (b) where employees are working on individual production bonus or contract work at the time of taking their vacation, the allowance per day will be calculated by dividing the total bonus of the previous twelve (12) pay periods by the total number of hours worked.

(d) In addition to the vacation pay as described in this Article 15.02 there shall be added to the vacation pay of any employee an amount of \$2.125 for each working hour of regular vacation granted and taken under Article 15.08.

15.03 When any of the eleven (11) General Holidays as listed in Article 14 fall during an employee's vacation with pay, such vacation with pay shall be extended by one (1) day, subject to the other provisions of Article 14.

15.04 Vacations, at the employee's request, may be split as outlined below:

- 1 yearno splits
- 2nd to 5th year..... 1 split
- Over 5th year.....2 splits

Additional splits may be granted at the discretion of the department.

15.05 Employees will arrange with their department supervision as to the dates they will be granted vacations. An endeavour will be made to meet the desire of the individual employee, but management reserves the right to so arrange vacations that the work will be as little affected as possible. Where necessary to give preference as to times for vacations, employees with the longest Company service record will be given such

preference. A senior employee may designate his entire vacation for one continuous unbroken period. In the event that he chooses to split his vacation, his second choice may only be designated after more junior employees have designated their first choice,

- 15.06 It is desired that vacation be taken each year but employees may, under special circumstances, accumulate their vacation periods. Any request to accumulate vacations must be in writing to the department superintendent stating reasons for the request. Decisions respecting such requests will be made by Company management.
- 15.07 If an employee leaves the service of the Company or his employment is terminated, he shall be paid a sum proportionate to the service he has completed in the qualifying period. Should his employment be terminated by his death, such sum shall be paid to his estate.

Regular Vacation

- 15.08 The following is the hourly rated employees' table for vacations based on forty (40) hours per week, eight (8) hours per day, five (5) work days per week:

Vacation Anniversary Date	Hourly Rated Employees' Vacations Due With Pay
1st	10 working days, as per calculation in 15.01
2nd	11 working days
3rd	12 working days
4th	13 working days
5th	15 working days
6th	15 working days
7th & 8th	16 working days
9th & 10th	17 working days
11th & 12th	18 working days
13th & 14th	19 working days
15th to 19th incl.	21 working days
20th	22 working days
21st	23 working days
22nd	24 working days
23rd & over	25 working days

- 15.09 Hourly rated employees will have the option of reducing the length of their vacation to the accumulated number of paid vacation days. Any such option should be stated at the time vacations are arranged in each department.

Special Vacation

- 15.10 During the life of this Agreement each employee who completes three (3) years of continuous service since the date of his most recent hiring or since the date he last became entitled to a special vacation with pay under the previous Collective Agreement between the Company and the Union, whichever is later, shall become entitled to three (3) weeks of special vacation with pay.

- 15.11 Vacation pay for special vacations will be paid as outlined in Article 15.02 on the basis of a five (5) day, forty (40) hour week
- 15.12 The Company reserves the right to grant special vacations only at such times and in such amounts as the Company in its sole discretion may determine. Consideration will be given to special requests from individual employees.
- The practice will continue to be that an employee will be allowed to split his special vacation entitlements as long as special vacation bookings will be for a minimum of five (5) working days. This minimum of five (5) working days may be waived at the discretion of the department.
- 15.13 Should an employee who is entitled to any special vacation with pay fail, for any reason, to take the same within three (3) years after becoming entitled thereto, or should he retire or otherwise cease to be employed by the Company or die before taking same, the Company will, in lieu of granting such special vacation, pay to such employee or to his estate should he have died, the special vacation pay to which he would have been entitled if he had taken such special vacation immediately prior to the third (3rd) anniversary of his becoming entitled thereto or immediately prior to the cessation of his employment with the Company or immediately prior to his death as the case may be.
- 15.14 In determining the length of a special vacation, a week shall mean five (5) working days.
- 15.15 The allocation of vacations with pay under the provisions of the regular vacation plan shall have priority over the allocation of special vacations hereunder.

See Letter of Understanding

#6 - Vacation and Shift Scheduling

#11 - Special Vacation Accrual

Article 16

LEAVE OF ABSENCE

- 16.01 When the requirements of the plant or plants will permit, employees, for satisfactory cause or circumstance, will be granted leave of absence for a limited period and under the following conditions:
- (a) Application for leave of absence shall be made by the employee in writing to the department superintendent stating full particulars, including length of intended leave of absence and reason, except in the case of leave of absence of less than seven (7) calendar days, in which case oral application may be made to the employee's supervisor. Such leave of absence without pay will not be unreasonably withheld.
 - (b) An employee granted leave of absence for a period not exceeding one hundred and fifty (150) calendar days shall retain his seniority status and seniority shall accrue to him during his absence.

16.02 When the requirements of the plant or plants will permit, the Company shall grant leave of absence without pay for work of an official nature for the Union as follows:

- (a) Notwithstanding the foregoing, upon written application, the Company shall grant extended leave for the duration of this Agreement to one (1) employee acting as a Union Representative for the Union. One (1) additional employee, as shall be mutually agreed upon, shall be granted extended leave for a minimum period of three (3) months to act as a Union Representative. Seniority shall accrue during such leave,
- (b) Upon written application, no less than one (1) week in advance, the Company will grant to employees leave of absence without pay, provided the numbers of employees absent at any one time shall be mutually agreed upon. Such leave of absence without pay will not be unreasonably withheld,
- (c) When leave is granted to an employee under Article 16.02 (a) he will not accrue vacation entitlement or vacation pay,

16.03 Where an employee wishes to further the possibility of his advancement with the Company by taking a full-time course of training, the Company may, subject to the requirements and efficiency of operations, grant him a leave of absence without pay provided that:

- (a) He has at least one (1) year seniority.
- (b) No such leave will be for a period exceeding ten (10) months unless extended by the Company.
- (c) The number of employees on such leave from any department at any one time shall not in the opinion of the Company interfere with the requirements of operations in that department

16.04 When leave is granted to an employee under Article 16.03 he shall be permitted, if he wishes, to continue his entitlement to benefits under all but not less than all of the following five (5) plans in accordance with the terms and conditions of the plans:

- (a) Revised Retirement Pension Plan
- (b) Group Life Insurance Plan
- (c) Health Plan
- (d) Sick Benefit Insurance Plan
- (e) Death Benefit Plan

provided he pays to the Company such amount as the Company considers reasonable towards the cost of these five (5) plans. For each month the employee remains on the payroll immediately following such leave the amount charged to him toward the cost of the five (5) plans will be forgiven on a pro-rata basis over a period in months equal to the period the employee was absent on such leave.

16.05 If an employee on leave granted under Article 16.03 fails to maintain regular attendance at the course of training for which that leave was granted, for reasons other than justifiable absence, his employment may be terminated by the Company.

- 16.06 Subject to Article 16.05 the period of leave granted under Article 16.03 shall be counted in determining the employee's seniority. It is agreed that an employee returning from education leave will be placed in an entry level position in the department from which he left. For a tradesman, this shall mean in the trade from which he left and not necessarily from the work location from which he left.
- 16.07 Notwithstanding anything else contained in this Agreement, an employee, while on education leave in accordance with the provisions of Article 16.03, shall be entitled to vacation leave commensurate with his years of service and vacation pay of 2% of his previous year's wages for each week of vacation entitlement or proportion thereof.
- 16.08 Upon written request by the individual concerned, the Company shall grant leave of absence without pay to any employee elected to or campaigning for his own election to the Manitoba or Saskatchewan Legislature or the House of Commons of Canada. Such leave shall be for a maximum period of two (2) months in the case of campaigning, or in the case of his election, for a period equal to the time that he continues as an elected member of either the Provincial Legislature or the Federal House of Commons.
- 16.09 If elected, an employee granted leave under Article 16.08 shall not participate in the Company's benefit programs while on such leave, and the leave granted shall not be counted in determining the employee's seniority.
- 16.10 Maternity leave
- (a) An employee may advise her immediate supervisor in writing, with confirmation from a qualified medical practitioner stating the expected date of delivery, that she is pregnant and wishes to have leave of absence. Provided the application for such leave is given to her immediate supervisor at least four (4) weeks prior to the day on which she intends to commence the leave, the Company shall grant her a maternity leave of absence without pay for the period of seventeen (17) weeks, six (6) weeks of which shall be taken immediately following the date of her delivery. If delivery takes place later than the expected delivery date shown on the application, the seventeen (17) weeks leave may be extended by a number of days equal to the days between the expected and actual dates of delivery.
 - (b) The Company may require a pregnant employee to commence a maternity leave of absence without pay if she cannot, in the opinion of a qualified medical practitioner, perform the normal duties of her job or such other job as has reasonably been provided to her in an effort to accommodate health issues arising due to her pregnancy. The Company may require a pregnant employee to provide a medical opinion regarding her fitness for work at any time during her pregnancy. In the event that such a requirement results in six (6) weeks of the leave not remaining after the delivery, she will be granted the full six (6) weeks after the delivery.
 - (c) In the event that such employee is unable to return to work at the conclusion of the six (6) week period immediately following the date of delivery, referred to in Clause 16.10 (a) because of medical complications arising out of her pregnancy

and/or delivery, she shall be granted an extension of up to six (6) months in her maternity leave of absence without pay, provided she makes application to her supervisor at least one (1) week prior to the expiration of her leave,

- (d) The Company may at any time require an employee on maternity leave or entitled to maternity leave pursuant to this article, to provide certification from a qualified medical practitioner of her condition including the expected and actual date of her delivery. In addition, prior to the employee returning to work from a maternity leave of absence such an employee may be required by the Company to present the Company with the written opinion of a qualified medical practitioner that she is able to perform the normal duties of her job.

16.11 Child Care Leave

Where an employee has or will have the actual care and custody of a new-born child or adopts a child, such employee shall be granted in accordance with the Canada Labour Code an unpaid leave of absence of up to thirty-seven (37) weeks,

See Letter of Understanding

- #10 - Short Term Personal Leaves of Absence
- #12 - Union Leave
- #35 - Geographic Requirement for Benefit Coverage

Article 17

APPRENTICES

17.01 The Company agrees to register apprentices under the Province of Manitoba Apprenticeship & Industrial Training Division of the Department of Labour or the Province of Saskatchewan Apprentices Standards Division of the Department of Labour. Present apprentices who qualify for registration will be registered by the Company in one of the two Provinces and the registration fee will be paid by the Company,

17.02 The length of apprenticeship shall be three (3), four (4) or five (5) years depending upon the trade. The Company, subject to approval by the Manitoba Apprenticeship & Industrial Training Division of the Department of Education or the Province of Saskatchewan Apprentices Standards Division of the Department of Labour, may reduce the regular period of apprenticeship training where it is satisfied that an apprentice has received equivalent training or experience in his trade outside the Company's apprenticeship program. Upon the successful completion of a period of apprenticeship training, an apprentice will, subject to the requirements of operations, be employed at the graduate tradesman's rate in the trade for which he is apprenticed and for this purpose the job bulletin provisions of this Agreement shall not be applicable. The Company agrees to advise an apprentice at least twelve (12) months prior to his expected graduation date whether or not he will be employed at the graduate tradesman's rate in the trade for which he is apprenticed.

17.03 Apprentices registered by the Company shall be paid as follows:

- Forty (40) hours per week for the first two (2) weeks of each training course;

- **Twenty-five (25) hours** per week for the balance of in-school training for each training course.

In order to become eligible for the foregoing payments the apprentice must successfully complete the training course in question.

The Company will accept a fax from the Apprenticeship Instructor on school letterhead as satisfactory proof of successful completion.

The Company shall also pay the tuition costs that are incurred for such apprenticeship training courses. Payment of tuition costs will not be dependent upon successful completion of the training course.

- 17.04 Subject to the terms of this Collective Agreement, apprentices removed from the apprenticeship program will be offered other employment.
- 17.05 No rules and regulations regarding apprenticeship training shall conflict with the provisions of this Agreement. In case of conflict, the provisions of this Agreement shall apply.
- 17.06 Overtime hours worked by an apprentice shall not be used to reduce the period of apprenticeship but may be used in arriving at the total number of hours required per year.
- 17.07 An apprentice, who has faithfully and satisfactorily completed his term of instruction will, in consideration thereof, receive from the Company a signed certificate setting forth that he has completed his term of apprenticeship. In addition, each such apprentice shall receive a bonus of \$100.00. This bonus is offered solely as an inducement to apprentices to fully and satisfactorily complete their contracts and it is understood that no part thereof shall be deemed earned until the contract has been fully and satisfactorily completed. Each employee who completes his apprenticeship with the Company on or after October 1, 1979 will receive \$1000 after one (1) year as a journeyman tradesman with the Company.
- 17.08 The starting wage rate for an employee who is accepted by the Company as an apprentice and is then receiving a wage rate higher than the starting rate for his apprenticeship shall not have his rate reduced below the "twelve (12) months" rate.
- 17.09 While an apprentice is assigned the responsibility of a maintenance or construction Job, or the direction of other apprentices by the Company, or is responsible for the maintenance function of an operating unit such as a mine for a minimum of one (1) full shift, he shall receive a rate of pay not less than the starter rate of pay for the trade in which he is an apprentice, for all such shifts worked. The minimum of one (1) full shift requirement will be waived in cases of call-outs.
- 17.10 The Company agrees to pay a two (2) job class additive for journeyman tradesmen with Provincial or Interprovincial Government Certification. It is understood that this certification may have been attained through successfully completing a Government approved apprenticeship program or through examination.

Article 18

CONSTRUCTION PROJECTS

- 18.01 When an employee is assigned to work on a construction project outside of his normal working area, Article 18.02 and 18.03 shall apply,
- 18.02 If in the opinion of the Company, it is necessary for an employee to reside in other than his normal place of residence, the Company will supply free board and room and free transportation from a Company designated place to and from the job. The employee will travel to and from the job on his own time, subject to Article 19.02, and work a full shift.
- Subject to the provisions of Article 9.02, employees working under this Article 18.02 may work on the basis of a 48 hour week,
- 18.03 If in the opinion of the Company, it is not necessary for an employee to reside in other than his normal place of residence, the Company will not supply free board and room, but the Company will supply transportation from a Company designated place to and from the job. The employee will travel to and from the job on his own time, subject to Article 19.02 and will work a full shift.
- 18.04 **Departmental service crews** who, after having reported to their normal place of work are assigned to work at an outlying mine and take their lunch period at the outlying mine, shall work a straight eight (8) hours including a paid lunch period. It is understood that return transportation to the normal place of work will be on Company time.
- The present practice affecting such employees being temporarily designated to a work place outside the main Flin Flon and Snow Lake plant areas and travelling on their own time will remain in effect when in the opinion of the Company management it is deemed necessary or advisable,
- 18.05 Flin Flon employees sent to Snow Lake for a temporary period would be paid an amount equal to two and one-half (2½) hours of straight time pay to cover the transportation for themselves and their personal tools to Snow Lake and an additional amount equal to two and one-half (2½) hours of straight time pay to cover the transportation for themselves and their personal tools from Snow Lake when they return from the completion of a temporary job. The employees would be expected to be at Snow Lake, ready for work at the start of the shift, with their personal tools, and would work a full shift on the day that they were returning to Flin Flon. The Company could reserve the right to use other means of transportation outside of the above when, in the sole opinion of Company management it was necessary or advisable. The Company further agrees to provide the equivalent of return bus fare, Flin Flon to Snow Lake, for each weekend during the said temporary period that does not coincide with the date of transportation at the commencement and completion of the said temporary period. The above terms and conditions will also apply to Snow Lake employees sent to Flin Flon for a temporary period,

MISCELLANEOUS PROVISIONS

- 19.01 (i) The Company agrees that the Union has an understandable concern over "contracting out" by the Company because of its effect upon such matters as Job opportunity for the employees,

The Company will continue to place its primary reliance on its own employees to perform all work that has historically been performed at their mines and surface plants.

The Union agrees that there are certain situations where contracting out is necessary but they will be dealt with under the following guidelines:

1. The Company agrees to continue with its practice to perform production and maintenance work at its mines and surface plants with its own employees. To this end, the Company will give full consideration to the availability of equipment, engineering, skills, manpower, supervision and services, efficiency of operations and to the time required to do the work prior to contracting out.
2. The Company will consult as far in advance as possible with the President or designate of the Union prior to awarding a contract which would result in an outside firm having its employees work on Company property or a contractor does a major repair or rebuild costing in excess of \$50,000 outside Company property. The Company will also consult with the Union President prior to going out for tender on a long term contract such as the Trout Lake ore haul or a diamond drill contract. All other considerations being equal, the Company will give preference to union contractors for such work. It is understood between the parties that contracting is the least preferred route to getting work done. Prior to going out for tender or deciding to contract out, the Union President or his designate will be contacted and all pertinent information made available to him so that a meaningful assessment of alternatives to contracting out the work can be made.

If, subsequently, the decision is made to contract out the work, the Union President will be so advised and provided with full information on the reasons for the decision. At this time, the Union will be provided with the name of contractor, nature of work, number of employees and number of estimated hours worked. When the work has been completed by the contractor, the Company will share with the Union President or his designate all pertinent information which would allow the parties to assess whether the work was, in fact, more effectively and efficiently done by the contractor.

The parties understand and agree that any information referred to in this Section (2) and the disclosure of such information by the Company to the Union is expressly subject to and contingent upon any confidential, sensitive, proprietary, trade secrets or contractual rights or restrictions

of any third party or the Company. Moreover, any such information shall be provided to the local Union Executive only, and shall be used only for the purposes contemplated by this Agreement and not for any other purposes whatsoever, and shall not be disclosed to any other persons or parties, including all Union members other than the local Union Executive,

3. A list of work that has historically been contracted out or may be contracted out will be established to determine whether such work could be as effectively and efficiently performed by Company employees, with the goal of reducing such work to as low a level as possible.
4. For the purposes of this Article, a joint committee will be set up with Company and Union representatives and will meet as often as necessary to deal with situations as they may arise. The committee may meet in conjunction with the Labour Management Committee.
5. It is also understood that once yearly, on the anniversary date of this Agreement, the Union and senior management will meet to review and discuss contracting out issues.
6. The Company agrees that no employee shall be demoted, laid off or discharged as a result of work being contracted out by the Company.

19.02 The Company will continue its present practice of supplying the transportation to and from a Company designated point to all outlying mines and other projects unless special arrangements are made under Article 9.08.

Where an employee is required by the Company to travel in excess of thirty (30) minutes each way to or from a Company designated point and the outlying job site, outside the time of his regularly scheduled shift, a travelling allowance will be paid. Such travelling allowance will be the number of hours in excess of thirty (30) minutes each way multiplied by his regular rate of pay.

However, for the first thirty (30) calendar days of a temporary assignment, the thirty (30) minute portion will be paid. Any applicable premiums would be paid from the start of the assignment.

See Letter of Understanding

#15 - Training and Conference Travel

#18 - Employment Security, Employee Empowerment & Job Flexibility

#21 - Electronic Monitoring

#30 - Consultation

Article 20

REPLACEMENT OF JOB TOOLS AND CLOTHING

20.01 Personal tools broken in service or lost in inaccessible places shall be replaced by tools of equal value by the Company, unless an investigation by the Company and the Union

proves that the wear or breakage or loss was due to the employee's carelessness or neglect.

- 20.02 The Company will continue with its present practice of partial or full reimbursement for damage to clothing in circumstances where the damage arises while an employee of a service department is assigned to a Plant for temporary duty. Such amount shall be as determined and approved by the department superintendent.

Article 21

BEREAVEMENT LEAVE

- 21.01 A maximum bereavement leave of ten (10) calendar days will be granted to an employee, commencing on the day of the death of his spouse, son or daughter in order to attend the funeral. For each day the employee was regularly scheduled to work during such leave he shall be paid his regular rate of pay for eight (8) hours.
- 21.02 A maximum bereavement leave of three (3) scheduled working days will be granted to an employee upon the death of his mother, father, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, spouse's grandmother and spouse's grandfather, grandchild, and any relative permanently residing in the employee's household or with whom the employee resides. In order to attend the funeral. In this situation the bereavement leave will be extended by two (2) scheduled working days if the employee attends the funeral outside Manitoba and Saskatchewan. For each scheduled working day of such leave of absence the employee shall be paid his regular rate of pay for eight (8) hours.
- 21.03 In the event that an employee's bereavement leave overlaps or occurs during his vacation period his vacation time will be extended by the number of days that his bereavement leave encroaches on it.
- 21.04 To qualify for bereavement leave pursuant to 21.01, 21.02 or 21.03 the employee shall notify his immediate supervisor as soon as possible following the bereavement.
- 21.05 Notwithstanding the terms of 21.01 and 21.02 under the Canada Labour Code an employee is entitled to three (3) calendar days bereavement leave immediately following the death of the employee's spouse, son, daughter, mother, father, sister, brother, mother-in-law or father-in-law. There is no requirement under the Code to attend the funeral to be eligible for such leave.

Article 22

NO DISCRIMINATION OR HARASSMENT

- 22.01 The parties mutually agree that there shall be no discrimination or harassment by either of them or by any of the members of the Union against any employee by reason of membership or non-membership in any labour organization or by reason of sex, race, national origin, colour, religion or physical disability. The Company policy entitled "Human Rights Policy" dated November 14, 1991 will remain in force for the duration of this Agreement.

Article 23

DISCIPLINE PROCEDURE

- 23.01 The following procedures shall govern in all cases of discipline:
- (a) The Company shall have the right to discipline any employee for sufficient and just cause,
 - (b) Employees will be advised of any discipline as soon as possible following the incident giving rise to the discipline.
 - (c) When an employee is formally disciplined while at work, a steward will attend. Every reasonable effort will be made to have the attending steward be from his own jurisdiction. An opportunity will be given to the steward to discuss (the circumstances surrounding the discipline with the superintendent or his representative during the discipline procedure. The employee and his Union will be made aware of any information which is being considered for use in the discipline and informed of any information which is being placed in the employee file that could be used for discipline; and
 - (d) When there is an incident which could lead to a suspension of an employee, there will be a joint investigation (by Union and Supervision) to determine the pertinent facts. It is understood that any discipline stemming from the investigation will be solely determined by management. Every reasonable effort will be made to have this investigation completed within seven (7) calendar days. Suspensions will be administered at the end of an employee's shift whenever appropriate and possible. It being understood there are circumstances where it is appropriate to remove the employee from the workplace immediately following the incident. Except in those circumstances where it is appropriate to remove the employee from the property immediately, when a suspension is imposed the suspension will not be served. If the employee decides to file a grievance on the matter, until Step 2 of the grievance procedure has been completed.
 - (e) The employee and the steward in attendance will receive a written copy of the suspension slip or discharge letter. Also, the Union shall be advised promptly in writing by the Company of the reason or reasons for such suspension or discharge.
- 23.02 There may be situations outside of the formal discipline procedures in which an employee may feel that he would be more comfortable with a Union Steward present when he is called into a meeting with management. Such request for a Union Steward will not be unreasonably denied. If either party feels the intent of this clause is not being followed, the parties will meet to resolve the matter.
- 23.03 If any employee feels that he has been unjustly disciplined, he shall have the right of appeal through the grievance procedure at Step 2. Such appeal must be filed in writing

by the Union with the Company within fourteen (14) calendar days after the date of notification of discipline and, unless so filed, the right of appeal shall be lost,

- 23.04 Should it be found upon investigation that an employee has been unjustly suspended or discharged, such employee shall be immediately reinstated in his former position without loss of seniority rating, and shall be compensated for all time lost in an amount equal to his average earnings during the pay period next preceding such discharge or suspension, less any money earned by the employee during the period of discharge or suspension.
- 23.05 All new employees shall be engaged for a probationary period of forty (40) straight line working shifts. During this probationary period an employee shall be considered as being employed on a trial basis and may be discharged without notice at any time at the sole discretion of the Company and any such discharge shall be deemed for just cause. An employee terminated during his probationary period would be entitled to review under the grievance procedure up to and including Step 3.
- 23.06 Any employee with more than one (1) year's seniority may once annually request a formal evaluation from his supervisor. In addition, once yearly an employee may request to review his departmental employee file. The Mitten evaluation will include items such as attendance, disciplinary action, promotability and attitude to work and safety,

Article 24

GRIEVANCE PROCEDURE

- 24.01 Every effort will be made to resolve differences before grievances are filed. Failing that, the parties agree that grievances and grievance meetings should be treated as opportunities for mutual problem solving. Should any difference arise between the Company and any of the employees from the interpretation, application, administration or alleged violation of the provisions of this Agreement, an earnest effort will be made to settle such grievance without undue delay. All grievances, in order to settle them as quickly as possible, will have to be submitted to the Company representative within fourteen (14) calendar days of the occurrence of the incident which gave rise to the grievance and shall be dealt with as hereinafter provided. Every reasonable effort will be made to schedule Step 1 and 2 grievance meetings during the grievor's working hours. Failing that, every reasonable effort will be made to hold the meeting immediately before or after the grievor's working hours. Also, every effort will be made to include all involved parties (original steward, supervisors, etc.) in all steps of the grievance procedure.
- 24.02 Step 1 -- Any employee with a personal grievance must take the matter up with his front line supervisor accompanied by a Union steward of his choice from his own department. Consistent with the parties' intent to empower stewards and supervisors, Step 1 resolutions will be made without prejudice of precedent.
- 24.03 Step 2 -- Failing satisfactory settlement within seven (7) calendar days after presentation at Step 1, the chief steward and/or steward shall meet with the department superintendent and present the case to him with the grievor, if desired, such meeting

with the department superintendent shall take place within seven (7) calendar days of completion of Step 1.

- 24.04 Step 3 -- Failing satisfactory settlement within seven (7) calendar days after Step 2, the Grievance Committee shall present the matter to the appropriate manager or his designated representative within seven (7) calendar days thereafter. This designated representative is not to be the same individual who replied at Step 2. The Union representative or Business Agent may be present at this step. The *griever* and/or a department representative may also be in attendance. Such meeting with the manager or his designated representative shall take place within seven (7) calendar days of notification or at a time mutually agreed upon.
- 24.05 Step 4 -- If settlement is not made within seven (7) calendar days under Step 3, the Grievance Committee may refer the grievance to an Arbitration Board within thirty (30) calendar days after the answer in writing in Step 3 has been given, but not later. The Grievance Committee shall notify the Company as soon as possible within the aforesaid thirty (30) calendar days of its intention to refer the matter to an Arbitration Board.
- 24.06 Grievances other than a personal grievance that concern the interpretation, application, administration or alleged violation of the provisions of this Agreement may be initiated by the Union and shall be resolved in accordance with the provisions of this article beginning at Step 3.
- 24.07 (a) Personal grievances shall be presented in writing to the department superintendent in Step 2 in Article 24.03.
- (b) The department superintendent's reply to the Step 2 grievance shall be in writing.
- (c) Grievances other than personal grievances shall be presented in writing by the Grievance Committee to the appropriate manager in Article 24.06.
- 24.08 If it should be found inexpedient to carry out promptly the clauses of this article, due to absence of a Company official from the vicinity, a substitute may be appointed by the Company with full power to effect settlement of grievances, or the step of grievance procedure in which said official is concerned may be eliminated from the procedure.

See Letter of Understanding
#19 - Grievance Procedure

Article 25

ARBITRATION

- 25.01 If the Company and the Union are unable to settle any grievance in the manner provided in Article 24, that grievance may be referred to an Arbitrator selected in rotation from the panel of individuals set forth below:

Jack M. Chapman, Q.C.

Martin H. Freedman, Q.C.
David Bowman, Q.C.

If any Individual of the above panel, who having been requested in his turn to act as an Arbitrator, shall be unable or unwilling to act within a reasonable time, he shall not again be requested to act as an Arbitrator until his name comes up again on the regular rotation of the panel.

Notwithstanding the foregoing, the Company and the Union may agree to the election of appointees and put the grievance before an Arbitration Board consisting of one (1) appointee of the Company, one (1) appointee of the Union and a third member to be selected from the above panel and that member shall be chairman of the Arbitration Board.

- 25.02 Unless otherwise agreed between the Company and the Union, arbitration hearings will be scheduled to be held in Flin Flon.
- 25.03 The Arbitrator shall render his decision as to the matter in dispute within thirty (30) calendar days of the arbitration hearing and shall remain seized as to the matter for a period of ninety (90) calendar days from the receipt of the award by the parties for questions of Interpretation and clarification,
- 25.04 The Arbitrator or the Arbitration Board shall proceed with all dispatch to hear and determine the grievance.
- 25.05 The decision of the Arbitrator or the decision of the Arbitration Board shall be in writing and delivered to the parties hereto. The decision shall be final and binding upon the parties, subject to the condition that the decision shall not, without the consent and approval of the parties, rescind or amend any of the terms or conditions of this Agreement, but shall be in accord with the scope and terms hereof.
- 25.06 The Arbitrators, in giving their decision, shall state whether it is to have retroactive effect and from what date it shall take effect,
- 25.07 The Union and the Company agree that each party is responsible for the cost of its own appointee, if applicable, to the Arbitration Board, and further agree that the cost of the Arbitrator shall be shared equally by both parties.

Article 26

NO STRIKES, NO LOCKOUTS

- 26.01 in view of the orderly procedures established by this Agreement for the settlement of disputes and the handling of grievances, the Union agrees that, during the duration of this Agreement and during the time period that Article 27 (Collective Bargaining and Resolution of Collective Bargaining Disputes) is in effect, they shall not declare, authorize or engage in any strike, sit-down, slow-down or any suspension of work, nor shall the Company engage in any lockout in the Flin Flon and Snow Lake areas,

**COLLECTIVE BARGAINING AND RESOLUTION OF
COLLECTIVE BARGAINING DISPUTES**

27.01 The parties acknowledge that the Company and the Union(s) are each entitled to bargain a separate collective agreement in accordance with the "Recognition" provision of this Agreement. Although both the Company and the Union(s) retain that right, it is agreed that the Company and the Union(s) will give active consideration to bargaining at one of three separate bargaining tables, with such tables being as follows:

Table 1: The United Steelworkers of America, Local Union No. 7106 and Local Union No. 8262; the Association of Film and Trade Unions (which is made up of the International Brotherhood of Electrical Workers, Local Union No. 1405; the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, Local Union No. 451; the United Brotherhood of Carpenters and Joiners of America, Local Union No. 1614; and the International Union of Operating Engineers, Local Union No. 828); and the International Association of Machinists and Aerospace Workers, Film and Trade Union Lodge No. 1848.

Table 2: United Steelworkers of America, Local Union No. 9338.

Table 3: United Steelworkers of America, Local Union No. 8144 (provided that such union executes a 2012 Amending Agreement with the Company).

Each Union herein identified as being at Table 1 will advise the Company, no less than one hundred and twenty (120) days prior to the stated expiry date of the Collective Agreement, of its intent to participate in such joint bargaining. The Company shall then advise the Union of its position with respect to such negotiation within five (5) days of having received the expression of intention from all of the Table 1 Unions. Where a Table 1 Union elects to bargain separate and apart from the other Table 1 Unions, the Union, and any other Union that is bargaining collectively with it, shall be considered to constitute a separate bargaining table.

Unless otherwise agreed, the parties will negotiate a collective agreement having a three (3) year term.

Where two or more Unions that are bargaining at one bargaining table conclude a settlement, and the settlement is rejected by the membership of one or more of the Unions, then the Union(s) who were unsuccessful in having the settlement ratified by their membership shall be entitled to proceed to arbitration in accordance with the provisions of this Agreement.

27.02 Upon receipt of written notice in accordance with Article 28.01, Duration of Agreement, the parties shall meet within fourteen (14) days to exchange collective bargaining proposals. Those proposals will serve to define the issues that the parties will seek to address during collective bargaining.

- 27.03 The parties will bargain collectively in good faith and make every reasonable effort to enter into a new collective agreement through the normal collective bargaining process. The arbitration provisions set forth herein are intended to be a last resort and are not meant to be a substitute for the collective bargaining process.
- 27.04 The parties will, at the outset of collective bargaining meet to develop agreed time lines. The time lines shall provide that any arbitration hearing that is required shall be scheduled approximately thirty (30) days after the stated expiry date of the Collective Agreement.
- 27.05 If it does not appear to either the affected Union(s) or the Company that a revised collective agreement will be concluded by the expiry date, then either may apply, pursuant to the relevant labour legislation, for the appointment of a Conciliation Officer to assist the parties in concluding a collective agreement. Meetings with the Conciliation Officer will begin no earlier than thirty (30) days prior to the stated expiry date of the Collective Agreement, and will continue as necessary until the earlier of the conclusion of a new collective agreement, or, the stated expiry date of this Agreement, whichever occurs first.
- 27.06 The parties agree that neither party will apply for the appointment of a Conciliation Commissioner or a Conciliation Board pursuant to any legislative provision that may be in effect.
- 27.07 Should the parties fail to conclude a revised collective agreement prior to the stated expiry date of this Agreement, and provided that notice to negotiate has been given pursuant to Article 28.01 of the Collective Agreement, then, for the sole purpose of governing the relationship between the parties, the terms of this Agreement shall continue in effect until a new collective agreement has been concluded, and the following shall apply:
- (a) The resolution of the provisions of this Agreement shall be immediately referred to arbitration, with the arbitration being scheduled, where possible, in accordance with the time lines referred to in clause .04;
 - (b) All negotiation shall be suspended as at midnight of the stated expiry date of this Agreement, and the parties shall not be obligated to meet to negotiate beyond that date. This provision is intended to facilitate the conclusion of a jointly negotiated collective agreement prior to the expiry date, and the failure of either party to negotiate following the stated expiry date will not be taken to constitute a violation of any provision of the applicable labour legislation;
 - (c) One arbitration board shall be appointed to hear all collective bargaining referrals that arise pursuant to any of the Collective Agreements that expire within twelve (12) months of each other. The arbitration board shall be established in the following manner:
 - (i) At any time after the commencement of negotiations, the Company or the Unions which are party to a 2012 Amending Agreement shall name a single person who will act as their nominee to the arbitration board. The party receiving such notice shall likewise name its nominee within

seven (7) days of receipt of notice of the appointment of the other party's nominee.

- (ii) The Chairperson of the arbitration board shall be chosen in rotation from the panel of individuals set forth below:

Hugh Jamieson
Marlin Freedman
Marlin Tepitsky

In the event that any of the aforementioned individuals become permanently incapacitated or otherwise unable to act, then the parties will meet to select a replacement for such individual,

Where the parties are unable to agree on such a replacement, then they may request that the arbitration board that has been convened pursuant to this Article name a replacement, and the arbitration board may do so notwithstanding the provisions of paragraph 22 of this Article.

27.08 The Company and the aforementioned Unions shall each designate a contact person and those two individuals shall serve to facilitate the fixing of hearing dates and the resolution of all procedural matters relating to the arbitration hearing(s).

27.09 Unless the parties otherwise agree, the referral from each of the collective bargaining tables shall be treated as a separate referral. The parties may however, either by agreement or direction of the arbitration board, stipulate that certain evidence (as for example, the Company's main economic submission) be heard only once and considered as though it had been heard in each of the collective bargaining table referrals that are being considered by the arbitration board. For the purpose of greater certainty, the term "collective bargaining table" shall be defined as those collective bargaining tables that are established pursuant to clause .01 of this Article.

27.10 The arbitration board shall convene a hearing (the "initial hearing"), either in person or by conference call, to determine the following:

- (a) the order in which the arbitrations will proceed;
- (b) the terms and conditions of the proposed collective agreements which are in dispute between the parties;
- (c) the date for submission of written briefs; and
- (d) the date(s) for the arbitration hearings,

In determining the order in which the hearings are to proceed, the arbitration board will have regard to factors such as the date on which negotiations commenced, the date on which an application for conciliation was made, the number of employees represented at each particular bargaining table, and any other relevant matters,

- 27.11 In preparation for the initial hearing, each party shall provide, in writing, to the other and to each member of the arbitration board, no less than three (3) working days prior to the initial hearing, a document setting forth the following:
- (a) the terms and conditions of the proposed collective agreements that have been agreed;
 - (b) the terms and conditions of the proposed collective agreements that remain outstanding;
- 27.12 The Chairpersons to direct the nominee(s) at the initial hearing that, with the exception of other members of the arbitration board, they are to have no communication with anyone with regard to any aspect of the process or the hearing from that point onward until the arbitration board has issued all award(s) for any referral that has or may be made to the arbitration board with respect to Collective Agreements covering employees in the Flin Flon mineral area.
- 27.13 On the date fixed by the arbitration board at the initial hearing, each party shall submit to each member of the arbitration board, in writing a copy of:
- (a) Its position on all terms and conditions of the proposed collective agreement which are in dispute between the parties;
 - (b) Its brief in support of its submission; and
 - (c) a list of all the terms and conditions agreed upon by the parties as at that date.
- 27.14 The arbitration board shall on the date fixed by the arbitration board at the initial hearing, hold a hearing in order to provide each party or its representatives with the opportunity to submit evidence and arguments in support of their position. The arbitration board may establish its own procedures for the conduct of the hearing, and may reschedule matters to dates other than those established at the initial hearing.
- 27.15 Unless the parties otherwise agree, the arbitration board shall render its decision no later than fourteen (14) days after the conclusion of the hearing.
- The failure of the arbitration board to render its decision within the time specified under the previous paragraph does not affect the jurisdiction of the arbitration board to continue and complete the issuance of its award.
- 27.16 In arriving at its decision, the arbitration board may take into account:
- (a) the terms and conditions of the existing or any previous Collective Agreement between the parties;
 - (b) wage settlements in general in the geographic area, in the industry and with the Company or a related company;
 - (c) the economic circumstances of the Company;

- (d) changes in the cost of living as reflected in the Consumer Price Index for the City of Winnipeg as published from time to time by Statistics Canada;
 - (e) the desirability of maintaining comparable settlements between the Company and its various bargaining units;
 - (f) such other matters as in the discretion of the arbitration board will assist it in arriving at a fair and reasonable decision.
- In arriving at its decision, the arbitration board shall have regard to all of the foregoing factors, giving due weight to those that it considers to be relevant for the resolution of the specific dispute. Except in cases of "survival", where there is threat of closure of the operation or a significant portion of the operation, the total wage and benefit package as detailed in the Collective Bargaining Agreement(s) effective December 31, 1999 shall not be reduced without the consent of the Union(s).
- 27.17 Neither party will rely on the funding status of the pension plan in opposition to or in support of any proposal for increased pension benefits. The foregoing sentence does not otherwise preclude or restrict the arbitrator from considering the Company's pension plan funding obligations in addressing the stipulated criteria.
- 27.18 Except where otherwise agreed to by the parties, the arbitration board shall impose a collective agreement that expires three (3) years after the stated expiry date set forth in the Collective Agreement that was being arbitrated. The newly imposed collective agreement is to be retroactive to the stated expiry date of the Collective Agreement that was being arbitrated except that the effective date of any particular change need not coincide with the effective date of the imposed collective agreement.
- 27.19 The decision of the arbitration board is final and binding and the decision is not open to appeal or review in any court of law except on a question involving the jurisdiction of the arbitration board.
- 27.20 The parties shall bear the fees and expenses of their own nominee and shall equally bear the fees and expenses of the Chairperson.
- 27.21 A mutually agreed alternative process for dispute resolution may be substituted for the three-person panel process set out above. Possible alternatives include but are not restricted to mediation, arbitration, single person arbitration and final offer selection.
- 27.22 All terms and conditions of this Agreement shall be interpreted as being subject to the provisions of this Article. This Article, the revised Article No. 'Strikes No Lockouts', and any other provisions that the parties in a separate letter of Understanding have identified as being non-arbitrable, shall remain unchanged for the duration of Project 2012 and the arbitration board shall not have any jurisdiction to amend or delete those provisions,
- 27.23 Unless the parties otherwise agree in writing, this Article shall expire and be of no force and effect as of July 1, 2012. This Article shall also cease to be of any force and effect if Project 2012 does not proceed or is cancelled as those terms are defined in the 2012

Amending Agreement that was executed between the Company and those Unions who are signatory to that agreement.

See Letter of Understanding
#34 - Project 2012

Article 28

DURATION OF AGREEMENT

- 28.01 This Agreement shall become effective as of January 1, 2003 and shall remain in effect until and including December 31, 2005 and shall be automatically renewed thereafter for successive periods of twelve (12) months unless either party requests the negotiation of a new agreement by giving written notice to the other party not less than thirty (30) calendar days and not more than ninety (90) calendar days prior to December 31, 2005 or not less than thirty (30) calendar days and not more than ninety (90) calendar days prior to the anniversary date of any automatic renewal of this Agreement.

SCHEDULE "A"

MINE

Occupation	Job Class
Heavy Duty Mechanic (Certified)	21
Heavy Duty Mechanic (Standard)	19
Heavy Duty Mechanic (Intermediate)	17
Heavy Duty Mechanic (Start)	15
Heavy Duty Mechanic Apprentice (8th period)	17
Heavy Duty Mechanic Apprentice (7th period)	15
Heavy Duty Mechanic Apprentice (6th period)	13
Heavy Duty Mechanic Apprentice (5th period)	11
Heavy Duty Mechanic Apprentice (4th period)	9
Heavy Duty Mechanic Apprentice (3rd period)	7
Heavy Duty Mechanic Apprentice (2nd period)	5
Heavy Duty Mechanic Apprentice (1st period)	3
Industrial Mechanic (Certified)	21
Industrial Mechanic (Standard)	19
Industrial Mechanic (Intermediate)	17
Industrial Mechanic (Start)	15
Industrial Mechanic Apprentice (8th period)	17
Industrial Mechanic Apprentice (7th period)	15
Industrial Mechanic Apprentice (6th period)	13
Industrial Mechanic Apprentice (5th period)	11
Industrial Mechanic Apprentice (4th period)	9
Industrial Mechanic Apprentice (3rd period)	7
Industrial Mechanic Apprentice (2nd period)	5
Industrial Mechanic Apprentice (1st period)	3
Machinist (Certified)	21
Machinist (Standard)	19
Machinist (Intermediate)	17
Machinist (Start)	15
Mechanical Trades Helper	7
Pipelitter (Certified)	20
Pipefitter (Standard)	18
Pipefitter (Intermediate)	16
Pipelitter (Start)	14
Utilities Serviceman (Certified)	21
Utilities Serviceman	19

MILL (SNOW LAKE)

Occupation	Job Class
Industrial Mechanic (Certified)	21
Industrial Mechanic (Standard)	19
Industrial Mechanic (Intermediate)	17
Industrial Mechanic (Start)	15
Industrial Mechanic Apprentice (8th period)	17

	49
IndustrialMechanic Apprentice (7th period)	15
Industrial Mechanic Apprentice (6th period)	13
IndustrialMechanic Apprentice (5th period)	11
Industrial MechanicApprentice (4th period)	9
IndustrialMechanic Apprentice (3rd period)	7
IndustrialMechanicApprentice (2nd period)	5
IndustrialMechanicApprentice (1st period)	3

ZINC PLANT

Occupation	Job Class
Oiler	11

SMELTER

Occupation	Job Class
Oiler	11

MACHINE SHOP

Occupation	Job Class
Floorman Boss	10
Floorman	8
Heavy Duty Mechanic (Certified)	21
Heavy Duty Mechanic (Standard)	19
Heavy Duty Mechanic (Intermediate)	17
Heavy Duty Mechanic (Start)	15
Heavy Duty Mechanic Apprentice (8th period)	17
Heavy Duty Mechanic Apprentice (7th period)	15
Heavy Duty Mechanic Apprentice (6th period)	13
Heavy Duty Mechanic Apprentice (5th period)	11
Heavy Duty Mechanic Apprentice (4th period)	9
Heavy Duty Mechanic Apprentice (3rd period)	7
Heavy Duty Mechanic Apprentice (2nd period)	5
Heavy Duty Mechanic Apprentice (1st period)	3
IndustrialMechanic Foreman Hourly (Certified)	25
IndustrialMechanic Foreman Hourly	23
IndustrialMechanic (Certified)	21
Industrial Mechanic (Standard)	19
IndustrialMechanic (Intermediate)	17
IndustrialMechanic (Start)	15
IndustrialMechanicApprentice (8th period)	17
Industrial MechanicApprentice (7th period)	15
IndustrialMechanicApprentice (6th period)	13
IndustrialMechanicApprentice (5th period)	11
IndustrialMechanicApprentice (4th period)	9
Industrial Mechanic Apprentice (3rd period)	7
IndustrialMechanic Apprentice (2nd period)	5

	50
Industrial Mechanic Apprentice (1st period)	3
Machinist Foreman Hourly (Certified)	25
Machinist Foreman Hourly	23
Machinist (Certified)	21
Machinist (Standard)	19
Machinist (Intermediate)	17
Machinist (Start)	15
Machinist Apprentice (8th period)	17
Machinist Apprentice (7th period)	15
Machinist Apprentice (6th period)	13
Machinist Apprentice (5th period)	11
Machinist Apprentice (4th period)	9
Machinist Apprentice (3rd period)	7
Machinist Apprentice (2nd period)	5
Machinist Apprentice (1st period)	3
Mechanical Trades Helper	7
Oiler	7
Pipefitter Foreman Hourly (Certified)	24
Pipefitter Foreman Hourly	22
Pipefitter (Certified)	20
Pipefitter (Standard)	18
Pipefitter (Intermediate)	16
Pipefitter (Start)	14
Pipefitter Apprentice (10th period)	18
Pipefitter Apprentice (9th period)	18
Pipefitter Apprentice (8th period)	16
Pipefitter Apprentice (7th period)	12
Pipefitter Apprentice (6th period)	
Pipefitter Apprentice (5th period)	10
Pipefitter Apprentice (4th period)	8
Pipefitter Apprentice (3rd period)	7
Pipefitter Apprentice (2nd period)	5
Pipefitter Apprentice (1st period)	3
Radial Drill Press Operator	12
Stock Tender	

CARPENTERS & CONSTRUCTION

Occupation

	Job Class
Bricklayer Foreman Hourly (Certified)	24
Bricklayer Foreman Hourly	22
Bricklayer (Certified)	20
Bricklayer (Standard)	18
Bricklayer (Intermediate)	16
Bricklayer (Start)	14
Bricklayer Special Trainee (6th period)	16
Bricklayer Special Trainee (5th period)	14
Bricklayer Special Trainee (4th period)	12
Bricklayer Special Trainee (3rd period)	9
Bricklayer Special Trainee (2nd period)	6

BricklayerSpecial Trainee(1st period)
BricklayerHelper

51

3

7

WAGE SCALE

Job Class	Jan 1/02	Jan 1/04	Jan 1/05
1	\$17,084	17,426	17,775
2	17,399	17,747	18,102
3	17,717	18,071	18,432
4	18,032	18,393	18,761
5	18,348	18,715	19,089
6	18,664	19,037	19,418
7	18,980	19,360	19,747
8	19,295	19,681	20,075
9	19,614	20,006	20,406
10	19,930	20,329	20,736
11	20,244	20,649	21,062
12	20,563	20,974	21,393
13	20,877	21,295	21,721
14	21,192	21,616	22,048
15	21,511	21,941	22,380
16	21,825	22,262	22,707
17	22,141	22,584	23,036
18	22,458	22,907	23,365
19	22,775	23,231	23,696
20	23,090	23,552	24,023
21	23,408	23,876	24,354
22	23,723	24,197	24,681
23	24,037	24,518	25,008
24	24,356	24,843	25,340
25	24,671	25,164	25,667
26	24,986	25,486	25,996
27	25,303	25,809	26,325
28	25,619	26,131	26,654
29	25,935	26,454	26,983
30	26,254	26,779	27,315
31	26,568	27,099	27,641

The foregoing includes a \$1.00 per hour Northern Travel Benefit

SCHEDULE "B"

Classifications of employees of Hudson Bay Mining and Smelting Co., Limited for whom **representatives of the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, MACHINIST LOCAL NO. 1848** are certified as **collective bargaining** agents:

MINING:

Industrial Mechanic (Certified)
 Industrial Mechanic (Standard)
 Industrial Mechanic (Intermediate)
 Industrial Mechanic (Start)
 Industrial Mechanic Apprentices
 Machinist (Certified)
 Machinist (Standard)
 Machinist (Intermediate)
 Machinist (Start)
 Utilities Serviceman (Certified)
 Utilities Serviceman
 Pipefitter (Certified)
 Pipefitter (Standard)
 Pipefitter (Intermediate)
 Pipefitter (Start)
 Heavy Duty Mechanic (Certified)
 Heavy Duty Mechanic (Standard)
 Heavy Duty Mechanic (Intermediate)
 Heavy Duty Mechanic (Start)
 Heavy Duty Mechanic Apprentices

MILLING (SNOW LAKE):

Industrial Mechanic (Certified)
 Industrial Mechanic (Standard)
 Industrial Mechanic (Intermediate)
 Industrial Mechanic (Start)
 Industrial Mechanic Apprentices

ZINC PLANT:

Oiler

SMELTER

Oiler

MECHANICAL PLANT:

Machine Shop

Heavy Duty Mechanic (Certified)
 Heavy Duty Mechanic (Standard)

Heavy Duty Mechanic (Intermediate)
 Heavy Duty Mechanic (Start)
 Heavy Duty Mechanic Apprentices
 Machinist Foreman Hourly (Certified)
 Machinist Foreman Hourly
 Machinist (Certified)
 Machinist (Standard)
 Machinist (Intermediate)
 Machinist (Start)
 Machinist Apprentices
Radial Drill Press Operator
 Pump Operator and Pipeline Patrolman • Cliff Lake
Floorman Boss
 Floorman
 Industrial Mechanic Foreman Hourly (Certified)
 Industrial Mechanic Foreman Hourly
 Industrial Mechanic (Certified)
 Industrial Mechanic (Standard)
 Industrial Mechanic (Intermediate)
 Industrial Mechanic (Start)
 Industrial Mechanic Apprentices
 Stock Tender
 Mechanical Trades Helper
Pipe Shop
 Pipelitter Foreman Hourly (Certified)
 Pipefitter Foreman Hourly
 Pipefitter (Certified)
Pipefitter (Standard)
Pipefitter (Intermediate)
 Pipefitter (Start)
Pipefitter Apprentices

CARPENTERS AND CONSTRUCTION

Bricklayer Foreman Hourly (Certified)
Bricklayer Foreman Hourly
 Bricklayer (Certified)
 Bricklayer (Standard)
 Bricklayer (Intermediate)
Bricklayer (Start)
 Bricklayer Special Trainee
 Bricklayer Helper

Powerhouse

Pipefitter Foreman Hourly (Certified)
 Pipelitter Foreman Hourly
Pipefitter (Certified)
Pipefitter (Standard)

Pipefitter (Intermediate)
Pipefitter (Start)
Pipefitter Apprentices

January 1, 2003

LETTER OF UNDERSTANDING- #1

To the Union:

EMPLOYEE AND FAMILY ASSISTANCE PROGRAM

The Company agrees to continue with the Employee and Family Assistance Program for the duration of this Agreement. It is understood that each local union that contributes to the EFAP Program will have the option of appointing a member to the Board of Trustees.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING- #2

To the Union:

R E UNION JURISDICTION

The parties will meet, no later than September 30, 2005 in order to review the practice that has existed with respect to layoff, recall and movement of employees without regard to union Jurisdiction.

The purpose of such meeting(s) shall be to draft either a clause, for insertion in the Collective Agreement, or a Letter of Understanding, reflecting the practice that has existed with respect to this Issue,

The practice that has existed up to this date will continue until such time as the parties have concluded an agreement with respect to this matter.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

LETTER OF UNDERSTANDING #3

To the Union:

R E TRAINING AND JOB SECURITY FOR SENIOR EMPLOYEES

This will confirm discussions held at 1993 bargaining with regard to training and job security for senior employees within a trade. As agreed, in the event layoffs become necessary during the term of the Collective Bargaining Agreement, junior employees in a trade will be laid off unless such employees have received specialized training as a result of being the successful applicant for a plant wide training posting. Such training postings will be awarded to senior qualified applicants within a trade. It was agreed that the only posting that is deemed to be a training posting under the terms of this letter, that was filled prior to the signing of the October 1, 1993 Collective Agreement, is a posting for Specialist Welder. This agreement was made with the understanding that senior Boilermaker/Welders who wish to obtain a pressure ticket will be given the opportunity to do so.

Notwithstanding the foregoing, applicants for training postings, with fifteen (15) or more years of service, may be bypassed for training with the understanding employees with fifteen (15) or more years of service will be retained over junior employees within a trade with such training, in the event of a layoff. Prior to bypassing a senior employee for such training, the President of the Union in question will be consulted.

As discussed at 1993 bargaining, the need for training that would call for plant wide training postings has not yet been determined, but the need is anticipated to be infrequent. That being the case, prior to such training being posted, the Company will consult with the President of the Union in question,

It is further understood that if a tradesman is awarded a training posting he may be restricted from work location moves or other training postings for a period of time equivalent to two (2) times the training period,

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #4

To the Union:

R E REFRIGERATION/AIR CONDITIONING SPECIALIST

Selected tradesmen, who successfully complete an I.C.S. correspondence course designated by the Company for the attainment of refrigeration and air conditioning mechanics skills, will receive a one (1) job class additive while employed as a refrigeration/air conditioning specialist by the Company,

Further to Letter #15, it is agreed between the parties that upon successful completion of the correspondence course, such tradesmen will be paid a lump sum of \$1000.00.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #5

To the Union:

R E GENERAL HOLIDAY - NOTICE OF WORKING

When scheduling work on a General Holiday, the Company agrees that fourteen (14) days' notice will be given to an employee who:

- 1) is required to work on a holiday in an area which is normally shut down during a General Holiday

or

- 2) is not required to work on a holiday in an area which normally operates during a General Holiday,

It is understood that emergencies or production difficulties may reverse or shorten this period.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #8

To the Union:

RE VACATION AND SHIFT SCHEDULING

The intent of this letter is to give employees direct involvement in, and to make both Management and employees directly accountable for, vacation and shift scheduling decisions.

Guidelines for vacation booking will be developed in direct consultation with the appropriate representatives from individual working groups with each party recognizing the individual requirements of the other,

The Company will consult with the Union prior to January 31 of each vacation year prior to making any changes to existing vacation booking guidelines. If the Union wishes to discuss changes to the existing vacation booking guidelines, they will make that request known by January 1 of the vacation year to allow consultation by January 31 of that year,

All affected work groups can, through a union representative, enter into interest-based discussions to address and resolve shift and work scheduling issues.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #7

To the Union:

RE OVERTIME ON REST DAYS

The following clarifies the understanding of the parties with respect to Article 9.04 (b):

The intent of Article 9.04 (b) is to provide overtime rates of pay (in cases where sufficient notice is not given) for the first block of rest days only that the employee would have received had he remained on his previous job.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
 International Association of Machinists
 and Aerospace Workers, Machinist Local #1848
 January 1, 2003

LETTER OF UNDERSTANDING- #8

To the Union:

R E BANKED OVERTIME PAY

This will confirm the agreement reached between the parties (that during the term of the Collective Agreement, Individual Unions and departments may enter into agreements to "bank" overtime pay, Any agreement reached will contain the following provisions:

- 1) At an employee's request, he will not be paid for overtime worked and payment for this work will be banked (banking of pay, not banking of hours),
- 2) It is understood that this banked overtime pay may be paid out any time at the discretion of the employee (e.g. short term personal leaves of absence outlined in Letter #10).

(signed) K. J. Entwistle
 Industrial Relations Manager

(signed) J. Glynn, President
 International Association of Machinists
 and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING- #9

To the Union:

R E PROFIT SHARING PLAN

1. The Company agrees to establish a Profit Sharing Plan with effect as of January 1, 1994. The Plan, which shall not be amended without agreement of the Unions, includes all employees in the Flin Flon/Snow Lake operations, with the exception of executive officers of the Company and all others who participate in any management incentive plans other than this Profit Sharing Plan,
2. At the end of each calendar year, ten percent (10%) of the Company's "After Tax Earnings (Loss)" if positive, as defined in point 3 of this letter, shall be distributed on the first payday following the issue of the Profit Sharing Plan Statement to the hourly and salaried employees on the following basis:

- a) Hourly and salaried employees who are employed for the full year shall receive a full and equal share.
- b) Employees who retire or are laid off during the year shall receive a partial share on a quarterly **pro rata basis**.
- c) Employees who are hired or are recalled **during** the year and are on the payroll at year end shall receive a **partial** share on a quarterly **pro rata basis**.

It is understood ~~between~~ the parties that employees who **quit** or are **terminated** during the year will not be afforded profit sharing. It is **further understood** that quarterly **pro rata basis** shall mean an eligible employee who was on the **payroll during** any portion of a quarter will be afforded **profit sharing** as if he worked that full quarter.

By way of example, **if** an employee **retires in** August, he would receive **three (3)** quarters of the profit sharing payment afforded an employee who was on the payroll for a full year,

Any **negative "After Tax Earnings (Loss)"** for the calendar year shall be eliminated and not **carried forward** to future years,

- 3. For the purposes of this Profit Sharing Plan "After Tax Earnings (Loss)" shall comprise "Net Income (Loss)" calculated in accordance with Anglo American plc's accounting policies and U.K. GAAP Accounting Standards with the following exclusions:

- (i) Profit Sharing Plan costs
- (ii) Provisions for deferred Income tax
- (iii) The Company's **portion** of any gains which result in **payments under** a Gainsharing Plan during the year including the **annual global reserve payout**.

- 4. There is no cap on the size of the Profit Sharing Plan.

5. Verification

- (i) Upon release of Anglo American plc's annual results, the Company shall provide the Unions with an **audited Profit Sharing Plan Statement** for that fiscal period. Such **statement shall** include verification of the **exclusions** per point 3 (i)(i) and (iii).

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING #10

To the Union:

R E SHORT TERM PERSONAL LEAVES OF ABSENCE

At the 1993 Interest Based Negotiations, the issue of granting short term personal leaves of absence was discussed in detail.

After an extensive exploration of the different interests and concerns, and after having considered a number of different options, the following general guidelines were agreed to through consensus:

- 1) Subject to the requirements of operations, every effort will be made to grant employees leaves of absence of a personal nature.
- 2) Recognizing differences in operations in each department, individual departments will establish their own practices based on their own unique circumstances.
- 3) In the granting of compassionate and medical leave every effort, including the use of overtime, will be considered.

In the granting of compassionate and medical leave, employees will not be required to use vacation days.

If an employee is designated as an executor for an estate, and the employee requests leave to carry out their function, such request will be considered as a request for compassionate leave.

- 4) It is important that the front line supervisor have input to administer the leave provisions.
- 5) When granting personal leaves of absence, other than for compassionate and medical reasons, the following options may be considered (depending on departmental circumstances):
 - a) leave without pay (for greater clarity, it is understood that banked overtime pay may be paid out in these instances at the employee's request),
 - b) Employee would only be required to take an unbooked "regular" vacation day after July 1st (vacation days taken in this regard would not be considered a spill).
 - c) Employee would take a "special" vacation day at his request only (vacation days taken in this regard would not be considered a spill).
- 6) in the determination of granting of personal leave requests, individual circumstances should be taken into account (e.g. commuting) and each leave should be dealt with on its individual merit.

It was the general consensus of the group that addressed this issue that personal leave requests need to be handled in a reasonable manner by all concerned (management and employees).

Thank you for your co-operation in this matter.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #11

To the Union:

RE SPECIAL VACATION ACCRUAL

The parties agreed at 1993 bargaining that, notwithstanding the terms of Article 15.10, effective October 1, 1994 employees who have three (3) or more years of service who are laid off for ninety (90) calendar days or more, or who retire, will be afforded special vacation pay on an annual pro rata basis at time of layoff or retirement. That is, after three (3) years of service, employees who are laid off or who retire will be afforded one-third (1/3) of the three (3) week special vacation allotment for each full year of employment.

By way of example, special vacation pay on an annual pro rata basis shall mean an employee who has been on the payroll for five (5) years and three (3) months at time of layoff will be entitled to two weeks' special vacation pay in addition to that earned but not taken on obtaining three (3) years of service. An employee with three (3) years and six (6) months of service at time of layoff will be entitled to no additional special vacation.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #12

To the Union:

RE UNION LEAVE

Further to Article 16.02 (a) it is understood that such leave may be for the purpose of International Union business and in these cases such employee will be required to pay the Company's cost of

carrying him on the payroll in addition to the employee's regular contributions and he will not accrue vacation entitlement and vacation pay.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING #13

To (he Union):

RE: HEAVY DUTY/MAINTENANCE MECHANICS

This will confirm the agreement reached at 1993 bargaining with regard to separating the Heavy Duty trade from the Maintenance Mechanic classification. Heavy Duty Mechanics and Maintenance Mechanics were deemed to be separate and distinct classifications with the signing of the 1993 Collective Agreement.

Employees in either classification on October 1, 1993 were "grandfathered" and have the right to use their seniority to bump junior employees in the other classification to retain a job in the event of a layoff. An employee will lose "grandfathering" rights on being laid off. Mechanics who bump from one mechanical classification to another to retain a job in the event of a layoff will maintain the rate of their original job. It is understood that such Mechanics may be transferred back to their original classification by the Company when there is an opening.

It is understood that if a layoff results in a deficiency of heavy duty skills, Mechanics with heavy duty skills who are working in the surface plants can be reassigned underground on a temporary basis for up to twelve (12) months.

Following 1993 bargaining, the parties reviewed the list of Heavy Duty Mechanics and Industrial Mechanics and agreed on which Mechanics were dual qualified. A Mechanic was considered dual qualified if he was certified in the other trade or had worked in the other trade for three (3) years or more.

Industrial Mechanics who enter into a Heavy Duty Mechanic apprenticeship will be level tested and subsequently placed in the appropriate level. If the Mechanic is successful in passing level #1 or higher, he will be compensated as follows:

Level #2	Job Class 15
Level #3	Job Class 17
Level #4	Job Class 19

If the Mechanic is not successful in passing Level #1 he will enter the apprenticeship in accordance with Article 17.08 of the Collective Agreement.

Heavy Duty Mechanics who are qualified as Industrial Mechanics will be able to transfer (if they can be released) to an Industrial Mechanic opening before that opening is filled by hiring from the outside. Also, Industrial Mechanics who are qualified as Heavy Duty Mechanics will be able to transfer to a Heavy Duty opening (if they can be released) on the same basis. Employees wishing to transfer will have advised the Industrial Relations Office of their desire to do so prior to the opening. Such transfer requests will be valid for one (1) year from date of filing.

The foregoing only applies to Heavy Duty and Industrial Mechanics who were in these classifications prior to October 1, 1993.

It is understood that the Company may decide to hire or accept the transfer of a Certified Mechanic (Industrial or Automotive) into the Heavy Duty Mechanic classification who is not certified as a Heavy Duty Mechanic and not require that employee to enter a Heavy Duty Mechanic apprenticeship. In that event, such employee will be classified and compensated as a Heavy Duty Mechanic Standard. A Certified Automotive Mechanic or Industrial Mechanic, on attainment of three (3) or more years proven experience as a Heavy Duty Mechanic, will be considered dual qualified and paid at the certified rate.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

Letter of Understanding #14

To the Union:

RE MATERIAL PICK-UP

Should an employee be specifically instructed to pick up equipment or material prior to the shift of his normal shift or return same at the end of his shift, he will be paid for such work. The words "equipment and material" shall include personal tools.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

LETTER OF UNDERSTANDING #15

To the Union:

R E TRAINING AND CONFERENCE TRAVEL

1. Training

- (a) Training will generally be afforded employees on Company time, it being understood that *homework* assignments **and** studying will be done by employees on their own time,
- (b) In the event an employee is directed to take a correspondence course, the Company will pay the tuition for the course and for any books required. In addition, on successful completion of the course, an employee will be paid a lump sum as agreed to between the Company and the Union(s).
- (c) It is understood this Letter **will not** apply to such training as apprenticeship (training, training taken by Powerhouse Engineers, etc.

2. Out of Town Travel for Training and Conferences

Payment for travel outside an employee's normal working hours for hourly employees will be as follows:

- (a) There will be no compensation in the event the travel is voluntary and not specifically at the request of the Company. All pay is to be at straight time.
- (b) Travel time shall be defined as the time in transit from *File Flon* to the city of destination (return trip to be handled in the same fashion). The city of destination shall be defined as the city in which the training takes place or if there is a requirement to overnight in a hotel on route to the city in which that hotel is located. If the mode of transportation is airplane, travel time will be the time spent in the air plus any time spent in the airport waiting for a connecting flight. Such times will not be the actual times but the times outlined on the airline ticket. The maximum time to be compensated for waiting for a connecting flight shall be two (2) hours.
- (c) There will be a per diem paid which does not cover hotel, transportation to and from the airport or to and from training.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

Letter of Understanding • #16

To the Union:

R E SERVICE CREWS

Subject to Article 19.02 and Article 18, departmental service crews who have places of work designated outside the main Flin Flon and Snow Lake plant areas, respectively, shall work a straight eight (8) hours, including a paid lunch period,

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING • #17

To the Union:

LONG TERM ABSENTEEISM

Employees off work on Sick Benefit and/or Workers' Compensation will cease accruing regular and special vacations on being off work for twelve (12) months. Accrual of regular and special vacations will restart once an employee has returned to work on a full time basis for a minimum of three (3) months (accrual from date of return to work). It is understood that an employee will not be considered to have returned to work for the three (3) month period outlined above if, during the period in question, they are absent from work for any period of more than forty-eight (48) consecutive working hours related to the original injury or illness.

Regular Vacation - entitlements will be prorated in the year the accrual ceases (after being off work for twelve (12) months), and also in the year the accrual restarts.

Special Vacation - the employee's special anniversary date will be delayed by the number of days lost due to sickness or injury in excess of 365.

Employees who are expected to be off work for extended periods and be affected by these provisions will be allowed to carry over regular and special vacation from year to year.

Effective April 8, 1994 an employee who has been off work for twelve (12) months or more will be required to retire provided he/she qualifies for an unreduced pension unless his/her physician, in consultation with a Company designated physician, determines that the employee should be able to return to work within a twelve (12) month period.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING #18

To the Union:

**RE EMPLOYMENT SECURITY, EMPLOYEE EMPOWERMENT
AND JOB FLEXIBILITY**

Notwithstanding that the IAM has withdrawn from and is no longer a member of the Restructuring Committee, the IAM agrees to renew the commitments made in Letter #26 #18 (with the appropriate amendments) to support and work co-operatively with management to encourage further safe flexible work practices. The IAM will not allow disputes to get in the way of these objectives.

This will confirm our understanding and recognition that there is a direct connection between employment security, employee empowerment and the flexible use of employee skills. The parties agree that in order to meet production targets and cost cutting goals that will ensure our survival, the parties will encourage employees to perform any work provided that they have the necessary knowledge and skills to perform the work safely. It is understood that this workplace flexibility will not result in the removal of the primary responsibilities of operation of the plant from operators to tradespersons, nor of the primary responsibility of maintaining the plant from tradespersons to operators.

The parties recognize that some employees may require additional training in order to fulfil these targets and goals and that the additional skills acquired may justify, in some instances, increases in pay.

To give greater clarity to the above:

- a) **Safety** - All work will be performed in the manner consistent with Article 6 of the Collective Agreement as well as the Company's Safety Rules, the regulations issued by the Workers Compensation Board and other applicable legislation. It is recognized that some tasks can only be performed by employees who possess certain government certification and, in that instance, the work will only be performed by employees who possess the required government certificate.
- b) **Trades** - In order to maintain flexibility, tradespersons will assist other tradespersons for the efficient operation of the plant as long as the tradesperson is capable of doing the work in a safe manner and has the necessary qualifications to do the work in accordance with paragraph a) above. Tradespersons will assist operating crews to improve the efficiency of the plants or mines.

- c) **Operators** - In order to maintain flexibility, operators will assist tradespersons and other operators in the efficient operation of the plant as long as the operator is capable of doing the work in accordance with paragraph(s) above,

The parties agree that a Flexibility Committee will be established consisting of one (1) representative of the United Steelworkers, one (1) representative of the Association of Film Flon Trade Unions, one (1) representative of the International Association of Machinists and Aerospace Workers and two (2) representatives from the Company. The committee will be responsible for:

- a) Reviewing training programs which are designed to provide employees with the necessary knowledge and skills required to perform the additional duties safely. This committee will also review the selection criteria for such training in instances where the additional skills acquired will result in increases in pay.
- b) Providing input and guidance on the implementation of flexible work practices and seeking to anticipate and/or resolve any disputes which may arise. It is understood that an affected employee, a Union, or the Company may forward matters to the committee for resolution.
- c) Taking all necessary steps to ensure flexible work practices are utilized broadly in order to reduce costs and increase productivity.
- d) Fostering and promoting the principles of employee empowerment which is defined as having the authority and training to make decisions in workplace matters involving continuing improvements in productivity, unit cost reduction and quality and providing timely and pertinent information and the resources, authority, responsibility and accountability to enable employees to manage their work environment.

It is further agreed that no employee will be laid off as a direct result of the flexible use of employee skills.

Effective October 1, 1996 It is agreed that no employees will be laid off unless such layoffs are the

- a) Layoffs because of temporary shutdowns, vacation shutdowns, market conditions, interruption or cessation of feed supply, compliance with government orders or force majeure.
- b) Layoffs resulting from decreased manning levels required because of the shutting down or substantially reduced output levels of an existing mine, operating plant or a significant portion thereof, not including work reorganization or process modifications.
- c) Layoffs of any employee hired after the effective date of the Collective Agreement then in force.
- d) Discharge for cause.
- e) Layoffs due to closure, sale or merger, or significant reduction in the operating or manning level which precedes final closure, sale or merger.

It is understood that any layoff resulting from the foregoing shall not be characterized as being the direct result of the flexible use of employee skills.

It is further understood that employees may be laid off if they are hired, retained or recalled for temporary periods.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #19

To the Union:

RE: GRIEVANCE PROCEDURE

During 1993 bargaining, the Company and the Unions committed themselves to the following with regard to problem resolution and the grievance procedure:

- a) Joint training of Union stewards and supervision on all aspects of the CBA, Letters of Understanding, etc.
- b) Joint training of Union stewards and supervision on issue resolution,
- c) To share all information and, wherever practicable, use joint fact finding.
- d) That the time limits outlined in Article 24 are a guideline to provide timely resolve to all grievances. It is not the intent of either party to gain advantage by either exceeding time limits or denying grievances because of a reasonable non-compliance with time limits,
- e) Time limits begin when an answer is received at any step,

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING-#20

To the Union:

RE 1 & 2 DAY SHUTDOWNS

Employees affected by plant shutdowns of 48 consecutive hours or less will have the option of taking outstanding holidays or being granted leave without pay,

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING-#21

To the Union:

RE ELECTRONIC MONITORING

The primary function of electronic monitoring equipment is to observe, measure and monitor production difficulties, problem areas, processes, troubleshooting, etc.'

Electronic monitoring equipment is not intended for invading the privacy of employees or to administer undue disciplinary action; however, employees should be aware that performance could be monitored as a by-product of electronic monitoring.

It is agreed that in the event of a criminal investigation (i.e. RCMP), employees may not be notified of the installation of electronic monitoring equipment.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #22

To the Union:

R E PREFERRED WORK LOCATION

Notices of permanent vacancies will be posted for all Trades occupations with more than one permanent work location in Departments 11 and 60 in order to allow tradesmen to express their preferred work location,

When filling permanent vacancies the Company will endeavour to meet the preferences of the employees concerned according to their grade and seniority, subject to the following:

- 1) The work requirements in each work location.
- 2) The relative skill; ability and physical fitness of the employees to fulfil such requirements.
- 3) It is understood between the parties that if specialized skills are required, those requirements will be outlined on the notice of permanent vacancy and that the Union will be consulted prior to that notice being posted.
- 4) If an employee is moved from one work location there shall be a probationary period of thirty (30) calendar days in which the employee or the Company may effect his reassignment to his former work location.
- 5) The Company also reserves the right to temporarily move employees from time to time from their permanent work location in order to:
 - (a) Maintain familiarity of the various work locations among as many tradesmen as the Company deems necessary.
 - (b) Carry out installations or repairs where extra manpower is required to complete the work on a timely basis.
 - (c) Provide for absences due to vacations, sickness, sudden terminations or any other like cause.

It is understood that if a senior applicant is bypassed, he can approach his supervisor who will advise him of the reasons why he was not afforded the work location move.

It is understood that temporary assignments within the permanent work location known as the Outside floor Mechanics shall be handled as they have been historically and shall not be subject to the terms of this letter. It is further understood that in the event the Company decides to transfer tradesmen presently in Department 60 into operating departments, they will be considered as remaining in Department 60 for the purposes of this letter.

If a tradesman is reassigned from one work location to another as a result of a force adjustment, such tradesman will be given the opportunity for permanent reassignment back ahead of other

employees. It is understood force adjustments will be carried out using Company, not Trades seniority.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #23

To the Union:

RE RECALL RIGHTS

This will confirm the agreement reached at 1993 bargaining that an employee will not lose recall rights if he turns down seasonal work, nor if he declines recall to a department other than that in which he worked at time of layoff.

It is further understood between the parties that a tradesman will be removed from the recall list for positions certified to the United Steelworkers of America if he declines recall to any such position once laid off.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #24

To the Union:

RE: SUPERVISORS RETURNING TO BARGAINING UNIT

This will confirm the agreement reached at 1993 bargaining that with the signing of the Collective Agreement, supervisors returning to the bargaining units represented by the International Association of Machinists and Aerospace Workers will be placed in a permanent work location in the same manner as a graduating electrical apprentice.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING-#25

To the Union:

R E STAFF TO HOURLY • NO HOURLY LAYOFFS

It was agreed at 1993 bargaining that in the future, if staff employees are returned to the bargaining unit under Article 8.10, no hourly employee will be laid off until there has been attrition equal to the number of staff employees returned to the unit.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING-#26

To the Union:

R E E & A GAS LICENCE.

A Pipelitter who is in possession of the following current licences will receive a one job class additive per licence:

- 1) "B" gas licence
- 2) "A" gas licence

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING- #27

To the Union:

RE: MODIFIED WORK

The Company and the Unions have agreed to establish a Modified Work Program which is designed to help employees return to meaningful work with minimal risk to their rehabilitation. To this end, the parties agree to the following:

1. A committee of eight (8) representatives to oversee the program will be formed consisting of: three (3) from the Company, one (1) from the Trades Association, one (1) from the International Association of Machinists and Aerospace Workers, two (2) from the United Steelworkers, local 7106 and one (1) from the United Steelworkers, Local 9338.
2. The committee will operate by consensus.
3. The committee will use a medical professional for consultation purposes as required.
4. The employee must qualify for Sick Benefit or Workers Compensation before being eligible for the formal Modified Work Program. However, employees who fall outside the formal Modified Work Program may make arrangements with department supervision for modified work.
5. The employee will be involved in placement decisions. All reasonable efforts will be made to meet the employee's needs both medically and personally. Any disputes will be dealt with by the Joint Committee. Every effort will be made to place the employee on modified work in his original department and classification.
6. Wage structure:
 - a) Workers' Compensation
The employee will receive the rate of pay for the modified work performed until a decision on make-up of wages is made by WCB. If there is no make-up of wages, then the Company will retroactively pay the red circled rate of the employee's former job.
 - b) Sick Benefit
The employee will receive a red circled rate for 520 hours of modified work for each unrelated occurrence of modified work. If a dispute arises over whether an occurrence is a reoccurrence, it will be referred to the Committee. Anything in excess of 520 hours will be paid at the rate of the modified work performed.
7. The employee's originating department will assume the costs for the first 520 hours if the employee is assigned to another department.
8. The Modified Work Program will be coordinated by the Superintendent of Loss Control who will also serve as the Company representative on the committee.

9. Union jurisdiction:

If an employee is assigned to a job outside of his current Union jurisdiction, he will continue to pay dues to his Union for a one (1) year period. At that time it will be reviewed by the committee and the affected Unions,

10. Transfers:

An employee on temporary modified work can only apply for job bulletins in his original department.

11. A meeting will take place between the department, the co-ordinator, the employee and his Union steward to outline the restrictions and responsibilities of all involved in the modified work assignment.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #28

To the Union:

RE 17-HOUR REPORTING RULE

This will confirm our discussions during 1990 bargaining that the intent of the "17-hour reporting rule" is to protect the Company from having to pay two employees to do one job.

An employee who has not provided the required notice will not be disallowed from working unless arrangements have been made for his replacement.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING #29

To the Union:

RE: SEASONAL EMPLOYMENT PROGRAM

The parties to this Agreement recognize that the Company will ensure that permanent employees on layoff will be given, by seniority, first option of what historically has been considered student employment opportunities, without losing recall rights if the employee turns down seasonal work. Employees will indicate at time of layoff their interest in seasonal employment. The appropriate Union will be notified of any seasonal employee whose employment is being extended beyond the normal seasonal vacation period,

Laid off employees will be advised of the terms and conditions of the Collective Bargaining Agreement and the Seasonal Employment Program.

Seasonal employees will be informed of the following:

- a) No accrual of seniority while on seasonal work except for pension accrual
- b) Pay at applicable hourly job rate
- c) Normal employee benefits will apply

(signed) K. J. Entwistle
Industrial Relations Manager -

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING #30

To the Union:

RE: CONSULTATION

For the purpose of this Agreement, consultation will mean the early involvement of the Union with the view to having meaningful discussions regarding proposed changes and suggested alternatives.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

January 1, 2003

LETTER OF UNDERSTANDING- #31

To the Union:

R E SNOW LAKE RETRANSFERRIGHTS

Notwithstanding the terms of Article 8.07 of the Collective Agreement, underground employees displaced from Snow Lake on an Involuntary basis will be afforded "retransfer rights" to the Flin Flon Mine on the same basis as a Flin Flon Mine employee, regardless of whether they worked in the Flin Flon Mine Department or not. Employees who voluntarily transferred from the Snow take Mine will be placed on the bottom of the retransfer list,

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinists Local #1848

January 1, 2003

LETTER OF UNDERSTANDING- #32

To the Union:

RE: COMPENSATION FOR FIRST AID TRAINING

The current policy with respect to compensating employees who undergo first aid training on their days off is as follows:

1. If the training is determined to be mandatory, or at the request or direction of the Company, the employee shall be paid at overtime rates for the hours spent in training.
2. If the training is for two days or less and not mandatory, but is extended to the employee, practice is to pay the employee at straight time for the hours spent in training.
3. If the training is for three days or more and the training is not mandatory, but is extended to the employee at his request, payment or partial payment for days attended is at the discretion of the department head.

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinists Local #1848

January 1, 2003

LETTER OF UNDERSTANDING - #33

To the Union:

This will confirm the agreement reached at 1993 bargaining with regard to the present Incumbent of the Radial Drill Press classification. Effective April 8, 1994, the Incumbent (Ron Dallas) will be reclassified as a Machinist at the start level.

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848

July 15, 1998

LETTER OF UNDERSTANDING - #34

To the Union:

R E PROJECT 2012

1. Project 2012 provides an opportunity for enhanced employment security beyond 2004. To ensure that HBMS employees gain the optimum benefit from this opportunity, the parties agree that involuntary layoffs are the least desirable method of reducing manpower and will therefore continue to work together in attempting to make any future manpower reductions take place voluntarily when practical.
2. For greater clarity, the second paragraph of Article 19.01 of the Collective Agreement shall be interpreted to apply to both existing and new mines and surface plants covered under the terms of the Collective Agreement.
3. If the Company establishes a new mine that is not covered under the terms of the Collective Agreement, it is committed to place its primary reliance on its own employees to perform all work that has been historically performed at its mines that are covered under the terms of the Collective Agreement. For the purpose of this commitment, the term "new mine" shall be defined to mean a mine that feeds and is located within 150 kilometres of the metallurgical plants In Filin Fion.

4. Unless the parties otherwise agree, the following provisions of the Collective Agreement (except as otherwise noted) will remain unchanged for the duration of Project 2012, and the arbitration board shall not have any jurisdiction to amend or delete those provisions:

- (i) Article 7.01
- (ii) Letter of Understanding #28 [Now Letter #22 in the revised Collective Agreement]
- (iii) Article 19.01 (see Note 1)
- (iv) Letter of Understanding #26 (see Note 2) [Now Letter #18 In the revised Collective Agreement]

Note 1: The figure of \$50,000.00 referred to in this Article will be considered to have been expressed in 1998 dollars, and it will be deemed to be adjusted upward at the beginning of each subsequent calendar year based on the annual increase in the Consumer Price index for the City of Winnipeg.

Note 2: Paragraph (c) on page 139 [Now page _____ in the revised Collective Agreement] of the Collective Agreement will be amended to read as follows:

"(c) Layoffs of any employee hired after the effective date of the Collective Agreement then in force."

5. This Letter of Understandings shall cease to be operative if Project 2012 does not proceed or is cancelled.

DATED at the City of Flin Flon, in the Province of Manitoba, this 15th day of July, 1998.

HUDSON BAY MINING AND SMELTING CO., LIMITED

Per: (signed) L.W. Kruger

Per: (signed) D.C. Powell

Per: (signed) K.J. Entwistle

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, FLIN FLON LODGE NO. 1848

Per: (signed) B.H. Fox

Per: (signed) B. Barrett

Per: (signed) R. Bilitski

January 1, 2003

LETTER OF UNDERSTANDING #35

To the Union:

RE: **GEOGRAPHIC REQUIREMENT FOR BENEFIT COVERAGE
PURSUANT TO ARTICLE 13.04**

This Letter of Understanding shall apply only to:

1. Former employees who both retired with an unreduced pension prior to and had ceased to reside within the area of the principal operations of the Company as at January 2, 2002; and
2. Members of special participating groups who had both qualified for special participating member status and who had ceased to reside within the area of the principal operations of the Company as at January 2, 2002.

The Company will continue its present practice of reinstating benefit coverage for individuals who fall within the foregoing categories if and when they subsequently move back to Flin Flon and establish their permanent residence as being within the area of the principal operations of the Company. In accordance with past practice, benefit coverage for such individuals, once reinstated, will cease four (4) months after the date on which they cease to permanently reside within the area of the principal operations of the Company.

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist local #1848

January 1, 2003

LETTER OF UNDERSTANDING #36

To the Union:

RE: PAST SERVICE

It is understood between the parties that the Company will provide past service for all employees retiring with an unreduced pension during the term of this Agreement for the six dollar (\$6.00) basic and three dollar (\$3.00) bridge increase provided in the 2000 arbitration award.

(signed) K.J. Entwistle
Industrial Relations Manager

(signed) **J. Glynn, President
International Association of Machinists
and Aerospace Workers, Machinist Local #1848**

EXECUTED at Flin Flon, Manitoba this _____ day of _____, 2003.

HUDSON BAY MINING AND SMELTING CO., LIMITED

Per: _____
P. R. Jones - President & Chief Operating Officer

Per: _____
R. G. Cooper - Vice President, Human Resources

Per: _____
K. J. Entwistle - Industrial Relations Manager

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS
MACHINIST LOCAL NO. 1848

Per: _____
J. Glynn - President

Per: _____
R. Beauchamp - Vice President

Per: _____
R. Bilitski - Recording Secretary

Per: _____
B. Short - Grand Lodge Representative

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