

COLLECTIVE BARGAINING AGREEMENT

between



HUDBAY

and

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS
LOCAL NO. 451

UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA
LOCAL NO. 1614

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 828

EFFECTIVE JANUARY 1, **2012**

RIGHT TO REFUSE PROCEDURE

DEFINITION

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.

STEP 1

An employee should contact his immediate supervisor immediately and explain the reasons why he/she believes that the task is dangerous. A visual investigation should take place, at that point, between the immediate supervisor and the employee. If the situation has been resolved between the immediate supervisor and the employee by implementing a temporary solution, the matter will be recorded and the details of the temporary resolution documented.

STEP 2

If satisfactory conclusion does not occur at Step 1, the incident will be recorded as a formal "right to refuse" and the appropriate documentation will be signed by the employee and the immediate supervisor, and the employee should be reassigned to another job, preferably in the immediate area, but must be available pending any further investigation.

STEP 3

A supervisor shall not assign or require any other worker to perform the particular work unless that worker has been informed

by the first worker, or a Safety and Health Officer, of the worker's refusal to perform the work and the reasons thereof.

STEP 4

If the situation cannot be resolved between the immediate supervisor and the employee, it is now referred to senior supervision, the appropriate Union Health and Safety representative and the Safety Department. It is understood that if the employee so desires, a Union steward will be made available.

STEP 5

If the situation cannot be resolved, the situation may be referred to a Safety and Health Officer by any of the participating parties.

AGREEMENT

THIS AGREEMENT made as of the 1st day of January **2012**

BETWEEN

HUDSON BAY MINING AND
SMELTING CO., LIMITED

or its successors

(hereinafter called the "Company")

OF THE FIRST PART

- and -

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP BUILDERS,
BLACKSMITHS, FORGERS AND HELPERS,
LOCAL UNION NO. 451

UNITED BROTHERHOOD OF CARPENTERS
AND JOINERS OF AMERICA,
LOCAL UNION NO. 1614

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 828

(hereinafter called the "Union" or
"Unions", as the context requires)

OF THE SECOND PART

ASSOCIATION OF FLIN FLON TRADE UNIONS - CBA

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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.

See Letter of Understanding
#3 - Partnering

ARTICLE 2

RECOGNITION

2.01 In accordance with the "Certifications" granted the Unions by the Wartime Labour Relations Board (National) and the Canada Labour Relations Board under dates of March 3 and March 5, 1945, and April 19, 1952, respectively, the Company recognizes each of the Unions therein named as the exclusive representatives 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.

See Letter of Understanding
#2 - Union Jurisdiction

ARTICLE 3

MANAGEMENT RIGHTS

3.01 The Unions recognize 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 Unions further recognize 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 appropriate Union an amount equal to that 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, one day prior to the Company pay day on which Union dues are deducted, mail or transmit electronically (as per the current practice) 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.
- 4.04 The Company shall also advise the affected Unions of all transfers, promotions or demotions of those employees covered by Union Certifications as listed in Schedule "B".
- 4.05 The Company will, as soon as possible and no later than February 28 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 The Company will give to all employees a copy of this Agreement.

ARTICLE 5

UNION REPRESENTATION

- 5.01 The Unions 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 Unions 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 Trade Unions that may attend such meeting will be as follows: for the Snow Lake operations - 1; Flin Flon Mines - 1; Flin Flon Mill - 1; Zinc Plant - 1; Smelter - 1; Powerhouse - 2; and Central Services Group - 6. A maximum of two additional stewards may attend the Smelter and the Mines meetings to deal with specific items on the meeting agenda. The President of the applicable local Union may attend these meetings at the request of that Union or the Company. Each committee shall be entitled to meet monthly to discuss matters pertaining to its department.

The parties shall meet to agree on changes to the number of stewards that may be appointed to such committees in the event that departments are combined or new plants or mines are put into or removed from production during the life of this Agreement.

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 - The Committee, which shall be comprised of no more than seven (7) employees, shall meet with the Company's Negotiating Committee for the purpose of negotiating revisions to this Agreement. Union staff representatives or officers may attend such 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 the Mine Superintendent as mutually agreed, to deal with problems and complaints arising out of the operation of the current Mine Incentive Bonus System.
 - (i) All determinations relating to the mine incentive bonus system, including without limitation the calculation, allocation or payment of mine bonus, (other than apprentices being paid at 100% of what is paid to tradesmen), shall continue to be within the discretion of the Company.
 - (ii) No determination made by the Company shall be subject to the grievance and arbitration procedures in the Collective Agreement, unless there has been a failure to consult with respect to a change (as set forth below).
 - (iii) The Company agrees to consult with the Union through the Mine Production Committee with respect to any changes planned relating to the mine incentive bonus system. The Company will provide at least

ninety (90) days advance notice of any such change to the mine incentive bonus system to the Union and members of the Mine Production Committee.

(g) Joint Restructuring Committee - Composed of senior representatives of the Company and the Unions which shall meet as often as is necessary to ensure its mandate is met. The mandate for this Committee is outlined in Letter #3.

5.02 The Unions shall supply the Human Resources 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 Unions, and upon receipt of such notification they shall be recognized by the Company. The Company shall supply the Unions 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 None of the foregoing committees, 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.

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

See Letter of Understanding
#3 - Partnering

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 Trade Unions from among the employees in the department and up to three (3) to be appointed by the Company. The Flin Flon Area mine shall be considered as two (2) departments and the committees shall consist of up to sixteen (16) members, up to one (1) to be appointed by the Trade Unions 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 Trade Unions 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 Trade Unions from among the employees in the department and up to four (4) to be appointed by the Company. The Smelter Department Committee shall consist of up to eight (8) members, one (1) to be appointed by the Trade Unions from among the employees in the department and up to three (3) to be appointed by the Company. The CSG Committee shall consist of up to thirteen (13) members, three (3) to be appointed by the Trade Unions from among the employees in the Department, and up to six (6) 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 Trade Unions

from among the employees in the department and up to three (3) 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 Unions and all committee members.

An additional two (2) Union representatives may attend meetings of the Mines Department, and an additional one (1) Union representative may attend meetings of the Zinc Plant and Smelter, provided however that such additional representative(s) are attending the meeting for the purpose of addressing specific agenda items. Such additional representative(s) will not participate in Department Safety and Health tours.

- (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 Co-ordinator 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.

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 their applicable hourly rate, including any bonuses or other incentives for any time spent 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. It is agreed members of the above committees will be paid at overtime rates but not incentive bonus for conducting committee business outside their normal working hours.
- 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 designates of that department's Safety and Health Committee 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

#26 - Modified Work

Front page - Right to Refuse Procedure

ARTICLE 7

SENIORITY

7.01 In all cases of upgrading, downgrading, increase or decrease in forces, 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.

- 7.02 All new or rehired employees shall be employed as probationary employees for a period of 480 hours worked (including overtime hours worked). 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 four hundred eighty (480) hours worked (including overtime hours worked). 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 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 Unions. When plant progression lists are not in effect, permanent occupational vacancies above the beginner level will be bulletined with the department or filled by a job request system. A job request system may be put into a department

if mutually agreed between the Union and Company. A department job request system will require employees to outline in writing requests for job moves. Departments utilizing job request systems will fill vacancies by selecting from amongst those who have submitted written requests for the job in question from 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 appropriate local 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

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 Unions.
- 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 representative 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 Letter of Understanding

- #17 - Graduate Electricians
- #18 - Preferred Work Location
- #19 - Train Line Progression
- #20 - Hoistman Progression

ARTICLE 8

REDUCTION AND RESTORATION OF FORCES

- 8.01 The Company and the Unions 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

Unions. 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.
- 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. If an employee refuses the opportunity to retransfer the Company will advise the Union in writing that the employee has so declined with a copy to the employee.

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 time card for the job occupation into which an employee has been placed and as it appears on his time 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 affected Union(s) 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(s) and the Company and will be comprised of representatives from the Company and the affected Union(s).

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 make every reasonable effort to provide training

for employees so that 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 Unions.
- (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 affected Unions.
- (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.

8.12 Tradesmen displaced from their jobs may elect "voluntary layoff " instead of a job in an operating department or severance under Article 8.09 (h). It is understood between the parties that a tradesman electing "voluntary layoff" will do so under the following terms:

- (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

- #11 - Training and Job Security for Senior Employees
- #24 - Seasonal Employment Program
- #28 - Supervisors Returning to Bargaining Unit
- #29 - Staff to Hourly - No Hourly Layoffs
- #30 - Recall Rights
- #32 - Snow Lake 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 Unions. A standard work day is eight (8) hours with time and one-half (1½) 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 will not be considered overtime. If 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 ($\frac{1}{2}$) 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.

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 shall mutually agree whether he should complete his regular shift.

(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 dates 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 or 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 **\$50.00** shall be made to the employee.

- (ii) If 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 **\$50.00** 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 **40¢** 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. If 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 Unions 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 required 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

- #6 - Overtime on Rest Days
- #7 - Banked Overtime Pay
- #15 – 1 & 2 Day Shutdowns

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
#23 – 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 Unions regarding Union jurisdictions with respect to any new occupational classifications established by the Company. If the parties cannot mutually agree as to whether a new occupational classification should or should not be within the scope of this Agreement, either party may apply to the Canada Industrial Relations Board to make that determination.

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 **The following language applies to members of the International Brotherhood of Boilermakers, Iron**

**Ship Builders, Blacksmiths, Forgers and Helpers,
Local No. 451.**

- **Sunday premium pay of one dollar (\$1.00) per hour shall be paid to all hourly rated employees for each hour worked on Sunday.**
- **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.**

The following language applies to members of the International Brotherhood of Carpenters and Joiners of America, Local No. 1614 and members of the International Union of Operating Engineers, Local Union No. 828.

- **Weekend premium pay of one dollar (\$1.00) per hour shall be paid to all hourly rated employees for each straight time hour worked on Saturday and/or Sunday.**

11.05 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.

11.06 (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 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.

11.07 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.

11.08 Any employee working in Snow Lake **and not living in subsidized Company accommodation** will be paid a premium of **two dollars and fifty cents (\$2.50)** 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

#9 - Profit Sharing Plan

#21 - Pressure Welding Ticket

#22 - Boilermaker/Welder Specialist

#31 - Refrigeration/Air Conditioning Specialist

#33 - Compensation for First Aid Training

ARTICLE 12

WAGE STUDY

12.01 The Co-operative Wage Study Manual (herein referred to as "the Manual"), shall be incorporated into this Agreement as Appendix "A" and its provisions shall apply as if set forth in full herein.

12.02 **Any mathematical or clerical errors made in the preparation, establishment or application of job descriptions, classifications or standard hourly rates shall be corrected.**

12.03 **No employee shall be entitled to allege that a wage rate inequity exists, except as otherwise provided.**

- 12.04 There shall be a committee known as the "Flin Flon Carpenters CWS Committee" with equal representation consisting of two (2) Union and two (2) management appointees. There shall be a committee known as the "Flin Flon Boilermakers CWS Committee" with equal representation consisting of two (2) Union and two (2) management appointees. There shall be a committee known as the "Flin Flon Operating Engineers CWS Committee" with equal representation consisting of two (2) Union and two (2) management appointees. When CWS meetings occur in Snow Lake, both parties may need to travel to Snow Lake when required. Either party may change its representatives from time to time
- 12.05 Meetings of CWS Committees will be held as required.
- 12.06 Leaves of absence shall be granted to Union representatives on the CWS Committees to the extent required for handling job descriptions and job classifications during the required stages to administer the Manual. Time lost by members of the committees shall be paid at the respective basic rates of such Union representatives, plus any applicable premiums, including incentive bonuses.
- 12.07 If the Company and the Unions fail to reach agreement upon any job description, classification or assignment to job class through the procedure provided in the Manual, such matter shall constitute a difference between the

Company and the Unions to which Article 27.06 (c) applies and, if no agreement is reached at that stage, shall be settled by arbitration in accordance with Article 28.

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:

- Effective January 1, **2012** the Pension Plan Agreement shall be amended to provide for a basic pension of **\$51.00** per month times years of service.

Effective January 1, **2013** the Pension Plan Agreement shall be amended to provide for a basic pension of **\$52.50** per month times years of service.

Effective January 1, **2014** the Pension Plan Agreement shall be amended to provide for a

basic pension of **\$54.00** per month times years of service.

- **The Pension Plan Agreement shall provide a supplementary pension of \$22.00 per month times years of service, payable at 58 years of age and 30 years service, until the employee is eligible for Old Age Security.**

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

- \$45,000 life insurance for all employees.
- \$45,000 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 dependants, 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, Local 7106, two (2) from the United Steelworkers, Local 9338, one (1) from the Association of Flin 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, and semi-private accommodation outside the principal operation of the Health Benefit Plan will be paid in full in any Province or Territory in Canada.
- (b) Basic Dental Plan to be continued for employees and dependants and Special Participating Groups and dependants, 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 60%

coverage basis for services used, and Orthodontic Service (Blue Cross Plan D) on a 50% coverage basis for services used **for an annual benefit of \$2,250**. The Orthodontic benefit coverage is limited to a **\$5,000** lifetime maximum per individual, **but this benefit is not subject to the maximum annual benefit per person per calendar year**. This benefit applies to dependants where treatment begins prior to the 17th birthday.

In addition, bus return fare will be paid to an employee and his registered dependant for out of town orthodontic services to a maximum of five (5) trips per family per year.

- (c) The non-recoverable portion of employee drug costs for drugs prescribed by the attending physician, excepting those outlined in the Health Plan Agreement.

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 and stretcher 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 \$200.00 per eligible member every twenty-four (24) months. **The Company will**

pay for the eye examination fee 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 dependant from Snow Lake to Flin Flon or from Snow Lake to The Pas. If the employee or his dependant is hospitalized, accommodation will be paid for one family member. Transportation cost will be paid at **forty cents (40¢)** per kilometre.

In the event of an employee or his dependant 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) (i) Physiotherapy Services

(ii) The Company agrees to pay up to \$150.00 per year per Employee for Chiropractor Services and/or Orthotics and/or Registered Massage Therapy on a 50% coverage basis for services used.

- (h) A member or his registered dependants, 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 dependants 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 dependant children, for so long as the surviving spouse and the dependant children continue to reside in Canada. Any such surviving spouse and dependant 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.

(ii) Pensioned employees and their eligible dependants provided that both the pensioned employee and the eligible dependants reside and continue to reside in Canada. Any such employee (or the dependant 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 October 17, 2006, the Hudson Bay Mining and Smelting Employees' Sick Benefit Plan will provide benefits as follows:

- (a) \$70.00 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 \$90.00 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 \$90.00 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) \$95.00 per day for each lost work day in the next twenty (20) weeks.

- (e) After fifty-two (52) weeks all employees will receive \$95.00 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

#10 - Waiting Period for Sick Benefit

#34 - Geographic Requirement for Benefit Coverage

#35 - Past Service

ARTICLE 14**GENERAL HOLIDAYS**

- 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 work week where the excess hours were as a result of such arrangements.

14.07 Notwithstanding the terms of this Article, at a 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.

See Letter of Understanding

#4 - General Holiday - Notice of Working

ARTICLE 15

VACATIONS WITH PAY

- 15.01 Vacation anniversary dates for all employees will be the first day of January. A new or 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 year	-	no 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 Unions, 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.
- 15.16 Notwithstanding any other provision or clause in this Agreement, regular vacation and special vacation shall be prorated, in accordance with Article 21 "Benefits and Seniority Accrual for Employees Not at Work", for employees who work less than a full calendar year.

See Letter of Understanding
#5 - Vacation and Shift Scheduling

ARTICLE 16

LEAVE OF ABSENCE

- 16.01 Vacation entitlement and benefit and seniority accrual for employees granted a leave pursuant to this Article will be determined in accordance with Article 21 - Benefits and Seniority Accrual for Employees Not at Work.
- 16.02 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.

16.03 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 Unions 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 Unions. 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.

16.04 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.

Where an employee has been granted a training leave pursuant to this clause, and the employee pays for the cost of maintaining his benefits during such leave, the money so paid will be reimbursed to the employee, with one month's cost being reimbursed for each month that the employee remains on payroll immediately following the conclusion of such leave. In no event shall such reimbursement exceed the amount that the employee has paid the Company with respect to benefit continuation during the period of such leave.

- 16.05 If an employee on leave granted under Article 16.04 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 16.04 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.

- 16.07 Notwithstanding anything else contained in this Agreement, an employee, while on education leave in accordance with the provisions of Article 16.04, 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 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 16.09(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.

16.10 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

#8 - Short Term Personal Leaves of Absence

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 Apprentice 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 Apprentice 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 apprenticed.

17.03 **Apprentices who are registered by the Company and are members of the United Brotherhood of Carpenters and Joiners of America 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.

Apprentices who are registered by the Company and are members of the International Brotherhood of Boilermakers, Iron Ship Builders shall be paid as follows:

Forty (40) hours per week for the length of the 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 apprentice 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 Apprentices**(a) The following language will only apply to members of the International Brotherhood of Boilermakers, Iron Ship Builders:**

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 **\$2,000** after one (1) year as a journeyman tradesman with the Company. It is understood that an individual will only be eligible to receive the foregoing payments from the Company once during their lifetime. Further, if an individual is certified in one trade and enters into an apprenticeship for another trade, he shall not be eligible for the payments in question.

Apprentices will receive \$300 reimbursement for books, travel, and other expenses per school term.

The following language will only apply to members of the United Brotherhood of Carpenters and Joiners of America, Local No. 1614 and the International Union of Operating Engineers, Local Union No. 828:

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 \$1,000 after one (1) year as a journeyman tradesman with the Company. In addition, each employee who subsequently attains his 2nd Class Power Engineering certificate issued by the Manitoba Department of Education shall receive a bonus of \$100.00. In addition, he will receive **\$2,000** after one (1) year as a 2nd Class Power Engineer with the Company. It is understood that an individual will only be eligible to receive the foregoing payments from the Company once during their lifetime. Further, if an individual is certified in one trade and enters into an apprenticeship for

another trade, he shall not be eligible for the payments in question.

(b) The following language will only apply to members of the International Brotherhood of Boilermakers, Iron Ship Builders :

Subject to 17.07 (a) an employee who is selected as an apprentice shall sign a return for service agreement prior to the beginning of the apprenticeship.

- 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 AND OUTLYING MINES

- 18.01 When an employee is assigned to work on a construction project outside of his normal working area, the following shall apply:
- (a) 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 and work a full shift. Subject to the provisions of Article 9, employees working under this clause may work on the basis of a forty-eight (48) hour week;
 - (b) 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 and will work a full shift.
- 18.02 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.

The foregoing provisions do not apply in circumstances where the travel is addressed in another provision in this Article.

- 18.03 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 Company management it is deemed necessary or advisable.

- 18.04 Employees who are specifically instructed to pick up or return equipment or material prior to the start or conclusion of their normal shift will be paid for such work. For this purpose, the words "equipment or material" shall include personal tools.

- 18.05 Unless otherwise agreed, 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.

- 18.06 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 foregoing 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 foregoing terms and conditions will also apply to Snow Lake employees sent to Flin Flon for a temporary period.
- 18.07 The Company will continue its present practice of supplying free transportation to and from a Company designated point to all outlying mines and other projects unless special arrangements are made under Article 9.09.

See Letter of Understanding

#13 - Training and Conference Travel

ARTICLE 19**MISCELLANEOUS PROVISIONS**

- 19.01 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.
- 19.02 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.
- 19.03 Where the departmental Safety and Health Committee and the department superintendent agree that work is of an exceptionally hazardous nature, employees engaged in this type of work shall receive a bonus of fifteen cents (15¢) per hour, over and above their regular rate, such bonus to be paid for not less than one (1) full shift. This shall not apply to mining operations or rigging crews.

See Letter of Understanding

#16 - Employment Security, Employee Empowerment &
Job Flexibility

#25 - Consultation

#27 - Electronic Monitoring

ARTICLE 20

CONTRACTING OUT

20.01 The Company agrees that the Unions have 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 Unions agree 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 Presidents or their designate of the affected Unions 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 appropriate

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 affected 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 Unions 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 purpose 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 Unions 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.

See Letter of Understanding
#12 - Contracting Out

ARTICLE 21

BENEFITS AND SENIORITY ACCRUAL FOR EMPLOYEES NOT AT WORK

- 21.01 For the purpose of this Article, "benefits" is defined to include regular and special vacation, statutory holidays, group life insurance, Health Plan, Sick Benefit Plan, and Death Benefit Plan but does not include pension or seniority accrual.
- 21.02 Layoffs - Employees who are laid off shall have all of their benefit entitlement cease at the time of layoff. Notwithstanding the foregoing:
- (a) Employees who because of their seniority, have been identified for layoff but at the time of the layoff are entitled to or are in receipt of Workers Compensation benefits or sick benefits under the Sick Benefit Plan will, notwithstanding the fact that they are laid off, continue to receive life insurance benefits and Health Plan benefits as though they had not been laid off. Their pension and vacation accrual will cease at the 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 that 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 had returned to work.

- (b) 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 (2) 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.

- (c) An employee who is recalled and who returns to work following a layoff will at that point receive an additional vacation and pension accrual with respect to the first one hundred and twenty (120) calendar days of his period of layoff.

21.03 Leaves of Absence - All of an employee's benefit entitlement shall cease at the commencement of any leave of absence granted pursuant to Article 16, except as follows:

- (a) Benefits will continue for any leave of absence that is for a period of one hundred and fifty (150) or fewer calendar days;

- (b) Benefits will continue for any period of maternity or child care leave that is granted in accordance with the provisions of this Agreement;
- (c) The benefits set forth below will continue, in the case of a leave of absence of more than one hundred and fifty (150) calendar days granted pursuant to Article 16.01 (Personal Leave), Article 16.02 (Union Leave), and Article 16.03 (Leave for Training), provided however that:
 - (i) The employee or the Union pays to the Company, in advance each month, the amount that the Company considers reasonable toward the costs of all and not less than all of the following benefits:
 - Revised Retirement Pension Plan (or any newly implemented defined contribution plan);
 - Group Life Insurance Policy;
 - Health Plan;
 - Sick Benefit Insurance Plan;
 - Death Benefit Plan; and
 - (ii) The insurance carrier, where applicable, is prepared to approve the employee's continued participation while on such leave of absence; and

- (d) No sick benefits shall be paid for any period of an employee's scheduled leave of absence.

21.04 Illness - Employees off work on Sick Benefit 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.

- (a) Regular Vacation - Entitlements will be pro-rated in the year the accrual ceases (after being off work for twelve (12) months), and also in the year the accrual restarts.
- (b) 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 days.

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.

- 21.05 Adjustments for Vacation and Special Vacation - Where an employee has been granted a leave of absence of more than one hundred and fifty (150) calendar days or has been laid off, his regular and special vacation entitlement will be adjusted as follows:

Regular Vacation: The employee will not accrue vacation during any period of the leave or layoff, so that the employee's entitlement will be pro-rated for any portion of the year in which he is so absent.

Special Vacation: The employee's special anniversary date will be delayed by the number of calendar days of absence due to layoff or leave of absence.

The foregoing adjustments will be recalculated in accordance with paragraph .02(c) where an employee has been recalled and returns to work following a layoff.

- 21.06 General Holidays - Employees who have been laid off or granted a leave of absence shall not be entitled to General Holidays that may occur during the period of layoff or leave of absence. Employees off work due to illness or injury will be entitled to pay for a General Holiday that falls within the first thirty (30) days of their absence. No sick pay shall however be paid to such employee pursuant to Article 13.05 in respect of any day for which the employee receives General Holiday pay.

21.07 Pension Accrual - Pension accrual shall be determined in accordance with the terms of the applicable pension plan.

21.08 Seniority Accrual - Seniority shall continue to accrue for employees who are:

- (a) absent on Workers Compensation or sick benefits;
- (b) on a leave granted pursuant to Article 16.03 (Union Leave);
- (c) maintaining regular attendance at a course of training during a leave granted pursuant to Article 16.04;
- (d) absent on maternity or child care leave pursuant to the provisions of this Agreement.

Seniority shall cease to accrue once an employee:

- (i) has been laid off for a continuous period of one hundred and twenty (120) calendar days (an employee shall not lose his seniority status because of layoff); or
- (ii) has been on a leave of absence (other than those referred to earlier in this clause) for a continuous period in excess of one hundred and fifty (150) days.

21.09 Conversion of Life Insurance (Included for Information Purposes Only)

The existing group life insurance policy provides that a member whose insurance has terminated may convert to an individual life policy without submitting evidence of insurability. The premium for the individual policy will be determined by the insurer's current scale of premiums for the class of risk to which the member belongs. The application and premium must be received by the insurer within thirty-one (31) days after termination of insurance. The address and telephone number of the insurance carrier's agent is available from the Company's Benefits Office.

ARTICLE 22

BEREAVEMENT LEAVE

- 22.01 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. 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.
- 22.02 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, son-in-law, daughter-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 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.

- 22.03 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.
- 22.04 To qualify for bereavement leave pursuant to Article 22.01, 22.02 or 22.03 the employee shall notify his immediate supervisor as soon as possible following the bereavement.
- 22.05 Notwithstanding the terms of Articles 22.01 and 22.02 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 23

REPLACEMENT OF JOB TOOLS AND CLOTHING

- 23.01 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.

- 23.02 The clothing allowance now in effect shall not apply to employees of a service department assigned to any plant for regular duty. Employees assigned to the plants for temporary duty shall be recompensed for damage to clothing only when such damage and amount are approved by the department superintendent.

ARTICLE 24

EMPLOYEE EVALUATIONS

- 24.01 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 written evaluation will include items such as attendance, disciplinary action, promotability and attitude to work and safety.

ARTICLE 25

NO DISCRIMINATION OR HARASSMENT

- 25.01 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, physical disability sexual orientation.

ARTICLE 26

DISCIPLINE PROCEDURES

26.01 The following procedure 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 appropriate Union shall be advised promptly in writing by the Company of the reason or reasons for such suspension or discharge.

26.02 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.

26.03 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.

- 26.04 There may be situations outside of the formal discipline procedure 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.
- 26.05 All new employees shall be engaged for a probationary period of 480 hours worked (including overtime hours worked). 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

ARTICLE 27

GRIEVANCE PROCEDURE

- 27.01 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.
- 27.02 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 or precedent.
- 27.03 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.

- 27.04 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 grievor 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.
- 27.05 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.
- 27.06 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.

- (a) Personal grievances shall be presented in writing to the department superintendent in Step 2 in Article 27.03.
- (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 27.06.

27.07 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
#14 - Grievance Procedure

ARTICLE 28

ARBITRATION

28.01 If the Company and the Union are unable to settle any grievance in the manner provided in Article 27, that grievance may be referred to an Arbitrator selected in rotation from the panel of individuals set forth below:

Arne Peltz
Michael Werier
Diane Jones

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.

- 28.02 Unless otherwise agreed between the Company and the local Union concerned, arbitration hearings will be scheduled to be held in Flin Flon.
- 28.03 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.
- 28.04 The Arbitrator or the Arbitration Board shall proceed with all dispatch to hear and determine the grievance.
- 28.05 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.

28.06 The Arbitrators, in giving their decision, shall state whether it is to have retroactive effect and from what date it shall take effect.

28.07 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.

See Letter of Understanding
#37 – Expedited Arbitration

ARTICLE 29

NO STRIKES, NO LOCKOUTS

29.01 In view of the orderly procedures established by this Agreement for the settlement of disputes and the handling of grievances, the Unions agree that, during the duration of this Agreement 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.

ARTICLE 30**DURATION OF AGREEMENT**

30.01 This Agreement shall become effective as of January 1, **2012** and shall remain in effect until and including December 31, **2014** 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, **2014** 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
Boilermaker/Welder (Certified)	27
Carpenter (Certified)	25
Carpenter (Certified) (Scaffolding)	27
Carpenter (Standard)	23
Carpenter (Standard) (Scaffolding)	25
Carpenter (Intermediate)	16
Carpenter (Start)	14

MACHINE SHOP

Occupation	Job Class
Boilermaker/Welder Foreman Hourly (Certified)	31
Boilermaker/Welder Foreman Hourly (Dual Certification)	32
Boilermaker/Welder Foreman Hourly (Dual Certification) P/T	33
Boilermaker/Welder Foreman Hourly (Dual Certification) Dual P/T	34
Boilermaker/Welder Foreman Hourly (Uncertified – Qualified in Both Trades)	30
Boilermaker/Welder Foreman Hourly (Uncertified – Qualified in Both Trades) P/T	31
Boilermaker/Welder Foreman Hourly	29
Boilermaker/Welder Hourly Foreman P/T	30
Boilermaker/Welder (Certified) P/T	28
Boilermaker/Welder (Dual Certification)	28
Boilermaker/Welder (Dual Certification) P/T	29
Boilermaker/Welder (Certified)	27

Boilermaker/Welder (Standard) P/T	26
Boilermaker/Welder (Standard)	25
Boilermaker/Welder (Standard) (Uncertified – Qualified in Both trades)	26
Boilermaker/Welder (Standard) (Uncertified – Qualified in Both Trades) P/T	27
Boilermaker/Welder (Intermediate)	17
Boilermaker/Welder (Start)	15
Boilermaker/Welder Apprentice (6 th period)	20*
Boilermaker/Welder Apprentice (5 th period)	18*
Boilermaker/Welder Apprentice (4 th period)	16*
Boilermaker/Welder Apprentice (3 rd period)	10
Boilermaker/Welder Apprentice (2 nd period)	6
Boilermaker/Welder Apprentice (1 st period)	3
Boilermaker Trades Helper	7
Rubberworker Foreman Hourly	24
Senior Rubberworker	20
Rubberworker	18
Rubberworker Special Trainee (6 th period)	12
Rubberworker Special Trainee (5 th period)	10
Rubberworker Special Trainee (4 th period)	8
Rubberworker Special Trainee (3 rd period)	6
Rubberworker Special Trainee (2 nd period)	5
Rubberworker Special Trainee (1 st period)	3
Rubberworker Helper	6

*** If the employee chooses to opt out of the Return for Service Agreement, they will receive the job class outlined in the previous agreement.**

SMELTER POWERHOUSE

Occupation	Job Class
Powerhouse Operator 1 st Class	39
Powerhouse Operator 2 nd Class Interim	37
Powerhouse Operator 2 nd Class	35
Powerhouse Operator 3 rd Class Interim	31
Powerhouse Operator 3 rd Class	29
Powerhouse Operator 4 th Class Interim	26
Powerhouse Operator 4 th Class	23
Oxygen Plant Operator 1 st Class	39
Oxygen Plant Operator 2 nd Class Interim	37
Oxygen Plant Operator 2 nd Class	35
Oxygen Plant Operator 3 rd Class Interim	32
Oxygen Plant Operator 3 rd Class	29
Oxygen Plant Operator 4 th Class Interim	26
Oxygen Plant Operator 4 th Class	23
Power Engineer 1 st Class (Certified)	37
Power Engineer 2 nd Class Interim	35
Power Engineer 2 nd Class (Certified)	33
Power Engineer 3 rd Class Interim	30
Power Engineer 3 rd Class (Certified)	27
Power Engineer 4 th Class Interim	24
Power Engineer 4 th Class (Certified)	21
Power Engineer Helper Interim	19
Power Engineer Helper	17
Powerhouse Handyman	16
Shift Supervising Engineer Hourly Foreman 1 st Class	43
Shift Supervising Engineer Hourly Foreman 2 nd Class	39
Shift Supervising Engineer Hourly Foreman 3 rd Class	33

**** Add one job class for 4th Class ticket.**

Note: Water Lab Technician and Trap Maintenance positions paid based on their certification as per Power Engineer Schedule detailed above.

PAINT SHOP

Occupation	Job Class
Painter Foreman Hourly (Certified)	30
Painter Foreman Hourly	28
Painter (Certified)	26
Painter (Standard)	24
Painter (Intermediate)	16
Painter (Start)	14
Painter Special Trainee (6 th Period)	16
Painter Special Trainee (5 th Period)	14
Painter Special Trainee (4 th Period)	12
Painter Special Trainee (3 rd Period)	9
Painter Special Trainee (2 nd Period)	6
Painter Special Trainee (1 st Period)	3
Painter Helper	6

CARPENTERS & CONSTRUCTION

Occupation	Job Class
Carpenter Foreman Hourly (Certified)	29
Carpenter Foreman Hourly (Certified) (Scaffolding)	31
Carpenter Foreman Hourly	27
Carpenter Foreman Hourly (Scaffolding)	29
Carpenter (Certified)	25
Carpenter (Certified) (Scaffolding)	27
Carpenter (Standard)	23
Carpenter (Standard) (Scaffolding)	25
Carpenter (Intermediate)	16
Carpenter (Start)	14
Carpenter Apprentice (8 th period)	16
Carpenter Apprentice (7 th period)	14
Carpenter Apprentice (6 th period)	12
Carpenter Apprentice (5 th period)	10
Carpenter Apprentice (4 th period)	8
Carpenter Apprentice (3 rd period)	7
Carpenter Apprentice (2 nd period)	5
Carpenter Apprentice (1 st period)	3
Carpenter Helper	7

SECURITY & SERVICES

Occupation	Job Class
Repairman (Utility)	12

WAGE SCALE

Job Class	Jan. 1/12	Jan. 1/13	Jan. 1/14
1	\$21.545	22.191	22.857
2	21.941	22.599	23.277
3	22.342	23.012	23.702
4	22.739	23.421	24.124
5	23.139	23.833	24.548
6	23.536	24.242	24.969
7	23.933	24.651	25.391
8	24.331	25.061	25.813
9	24.732	25.474	26.238
10	25.133	25.887	26.664
11	25.529	26.295	27.084
12	25.929	26.707	27.508
13	26.326	27.116	27.929
14	26.722	27.524	28.350
15	27.125	27.939	28.777
16	27.523	28.349	29.199
17	27.920	28.758	29.621
18	28.320	29.170	30.045
19	28.721	29.583	30.470
20	29.118	29.992	30.892
21	29.519	30.405	31.317
22	29.914	30.811	31.735
23	30.311	31.220	32.157
24	30.713	31.634	32.583
25	31.110	32.043	33.004
26	31.508	32.453	33.427
27	31.907	32.864	33.850
28	32.306	33.275	34.273
29	32.705	33.686	34.697
30	33.106	34.099	35.122
31	33.502	34.507	35.542
32	33.898	34.915	35.962
33	34.295	35.324	36.384
34	34.689	35.730	36.802
35	35.086	36.139	37.223
36	35.484	36.549	37.645
37	35.879	36.955	38.064
38	36.276	37.364	38.485
39	36.671	37.771	38.904
40	37.066	38.178	39.323

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 BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LOCAL UNION No. 451, are certified as collective bargaining agents:

MINING:

Boilermaker/Welder (Certified)

MECHANICAL PLANT:

Boiler Shop

Boilermaker/Welder Foreman Hourly (Dual Certification)

Boilermaker/Welder Foreman Hourly (Dual Certification) P/T

Boilermaker/Welder Foreman Hourly (Dual Certification) Dual P/T

Boilermaker/Welder Foreman Hourly (Uncertified - Qualified in Both Trades)

Boilermaker/Welder Foreman Hourly (Uncertified - Qualified in Both Trades) P/T

Boilermaker/Welder Foreman Hourly (Certified)

Boilermaker/Welder Foreman Hourly

Boilermaker/Welder (Certified)

Boilermaker/Welder (Certified) P/T

Boilermaker/Welder (Dual Certification)

Boilermaker/Welder (Dual Certification) P/T

Boilermaker/Welder (Standard)

Boilermaker/Welder (Standard) P/T

Boilermaker/Welder (Intermediate)

Boilermaker/Welder (Start)

Boilermaker/Welder Apprentices
Boilermaker Trades Helper
Floorman
Cathode Fabricator

Rubber Shop:

Senior Rubberworker
Rubberworker Foreman Hourly
Rubberworker
Rubberworker Special Trainees
Rubberworker Helper

PAINTERS:

Painter Foreman Hourly (Certified)
Painter Foreman Hourly
Painter (Certified)
Painter (Standard)
Painter (Intermediate)
Painter (Start)
Painter Apprentices
Painter Helper

Classifications of employees of Hudson Bay Mining and Smelting Co., Limited for whom representatives of the UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA, LOCAL UNION No. 1614, are certified as collective bargaining agents:

MINING:

Carpenter (Certified)
Carpenter (Standard)
Carpenter (Intermediate)

Carpenter (Start)

CARPENTERS AND CONSTRUCTION:

Carpenter Foreman Hourly (Certified)

Carpenter Foreman Hourly (Certified) (Scaffolding)

Carpenter Foreman Hourly

Carpenter Foreman Hourly (Scaffolding)

Carpenter (Certified)

Carpenter (Certified) (Scaffolding)

Carpenter (Standard)

Carpenter (Standard) (Scaffolding)

Carpenter (Intermediate)

Carpenter (Start)

Carpenter Apprentices

Carpenter Helper

SECURITY AND SERVICES:

Repairman Utility

Classifications of employees of Hudson Bay Mining, and Smelting Co., Limited for whom, representatives of the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION No. 828, are certified as collective bargaining agents:

POWERHOUSE:

Turbines, Air and Heating

Powerhouse Operator 1st Class

Powerhouse Operator 2nd Class Interim

Powerhouse Operator 2nd Class

Powerhouse Operator 3rd Class Interim

Powerhouse Operator 3rd Class

Powerhouse Operator 4th Class Interim
Powerhouse Operator 4th Class
Oxygen Plant Operator 1st Class
Oxygen Plant Operator 2nd Class Interim
Oxygen Plant Operator 2nd Class
Oxygen Plant Operator 3rd Class Interim
Oxygen Plant Operator 3rd Class
Oxygen Plant Operator 4th Class Interim
Oxygen Plant Operator 4th Class
Power Engineer 1st Class (Certified)
Power Engineer 2nd Class Interim
Power Engineer 2nd Class (Certified)
Power Engineer 3rd Class Interim
Power Engineer 3rd Class (Certified)
Power Engineer 4th Class Interim
Power Engineer 4th Class (Certified)
Power Engineer Helper Interim
Power Engineer Helper
Powerhouse Handyman
Shift Supervising Engineer Hourly Foreman 1st Class
Shift Supervising Engineer Hourly Foreman 2nd Class
Shift Supervising Engineer Hourly Foreman 3rd Class

January 1, 2012

LETTER OF UNDERSTANDING - #1

To the Unions:

RE: 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 of the Board of Trustees.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, **2012**

LETTER OF UNDERSTANDING - #2

To the Unions:

RE: UNION JURISDICTION

The parties will meet, no later than September 30, 2011, 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #3

To the Unions:

RE: PARTNERING

The Company and the Unions are committed to a successful profitable operation founded on principles of respect and tolerance between the Unions and the Management of the Company.

Both the Company and the Unions share common objectives relating to achieving the ongoing viability of HBMS and in turn providing greater employment security and improved working life for employees. The parties recognize that change and involvement is required on the part of all levels of Management, Unions, and employees in order to achieve these objectives.

Therefore the Company and the, Unions have established a Joint Restructuring Committee made up of senior Union and Management officials with a mandate to develop and implement:

- a) an overall vision for HBMS,
- b) a highly involved workforce and
- c) improved communications at all levels of the organization

and to ensure significant progress over the life of this Agreement in implementing the following principles and values.

Hudson Bay Mining and Smelting Co., Limited will be safe, profitable, customer-focused and environmentally responsible. We, as individuals and organizations, are committed to:

1. Treating everyone with dignity, demonstrating respect for individual differences and perspectives and communicating openly and honestly.
2. Recognizing the importance of and accepting the responsibility for effective job training, education on our processes and business and individual development.
3. Empowering employees at all levels of our organization to become highly involved and to significantly share in the decision making process.
4. Fostering innovation, co-operation and commitment to change which will enhance job security through increased productivity and profitability.

The following better define the preceding principles and values:

Safe:

Establishing standards, practices, procedures and responsibilities that eliminate or prevent unsafe conditions or acts.

Profitable:

Yielding an acceptable financial profit to the mutual benefit of Company employees and shareholders.

Customer Focused:

Recognizing: and anticipating the needs of internal and external customers in order to provide a quality product and service. Internal customers are operating divisions, departments, employees at all levels and unions. External customers are those

who purchase our product, the community at large and all levels of government.

Environmentally Responsible:

Making decisions and policies in the building and management of our plants and mines to comply with regulations and rules in the interest of protecting the environment in which we live and work now and in the future.

Individuals and Organizations:

All persons employed by Hudson Bay Mining and Smelting Co., Limited and the Unions and Associations that may represent them in the course of their employment.

Individual Differences and Perspectives:

Recognizing that all employees, either individually or collectively, are legitimately entitled to have their own views and needs heard and considered.

Job Training:

Providing orientation and instruction on standards, practices, procedures and responsibilities in the safe and efficient performance of work.

Education on Our Processes and Business:

Developing a basic knowledge and understanding of our mining, methods and plant processes and an ongoing appreciation of the financial, environmental, political and global considerations that affect our business enterprise.

Individual Development:

Providing opportunities and resources in order for employees to realize their full potential within the organization.

Empowerment:

Workers 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.

Highly Involved:

Actively participating in planning and decision making as a normal consequence to employment with HBMS. This may lead to the role of supervisors evolving into a role which emphasizes coaching and co-ordination instead of directing.

Significantly Share:

Meaningful participation in the decision making process at all levels of the organization.

Innovation:

Receptiveness to new and fundamentally different ideas and approaches in the way we do business.

Co-operation:

Willingness to listen to each other and work together for mutual benefits.

Commitment to Change:

Desire and willingness to expect and explore better ways of doing business.

Job Security:

A concerted and collective effort to maintain employment opportunities and associated benefits for all employees.

Productivity:

To produce the highest quality and quantity of product or services at the lowest attainable unit cost on a sustained basis.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #4

To the Unions:

RE: 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #5

To the Unions:

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #6

To the Unions:

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #7

To the Unions:

RE: 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 #8).

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #8

To the Unions:

RE: 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 split).
 - c) Employee would take a "special" vacation day at his request only (vacation days taken in this regard would not be considered a split).
- 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #9

To the Unions:

RE: 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 pay day following the issue of the Profit Sharing Plan Statement to the full time hourly and salaried employee's on the following basis:
 - a) Full time 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 Hudson Bay Mining and Smelting Co., Limited's accounting policies and Canadian 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

Thirty (30) days following release of HudBay Mineral Inc.'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 points 3 (i), (ii) and (iii).

Within one week of the Union receiving a copy of the audited Profit Sharing Plan Statement and prior to making the Profit Sharing Plan payment to employees the Company will arrange an in camera meeting between the Union Presidents or their designates and/or Union Staff Representatives and the Auditors to review the audited Profit Sharing Plan Statement.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #10

To the Unions:

RE: WAITING PERIOD FOR SICK BENEFIT

This will confirm the agreement reached at 1996 bargaining with regard to sick benefit entitlement for the limited number of employees whose work schedule has them go from days off to working three (3) consecutive 12-hour shifts to days off. The waiting period for sick benefit for such employees shall be thirty-six (36) consecutive working hours during periods they are scheduled to work a maximum of three (3) consecutive 12-hours shifts, with such waiting period being reduced to sixteen (16) consecutive working hours as at January 2, 2002.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #11

To the Unions:

**RE: 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #12

To the Unions:

RE: CONTRACTING OUT

Notwithstanding the terms of Article 20, it is understood and agreed between the parties that any information which is provided shall be given to the local Union Executive for their eyes only, and shall be used only for the purposes contemplated by Article 20 and not for any other purposes whatsoever, and shall not be disclosed to any other persons or parties.

The parties further understand and agree that any information referred to in Section (2) of Article 20.01, and the disclosure of such information by the Company to the Unions or Union Executive, 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, as determined by the Company.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #13

To the Unions:

RE: 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 Flin 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, **2012**

LETTER OF UNDERSTANDING - #14

To the Unions:

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 27 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, **2012**

LETTER OF UNDERSTANDING - #15

To the Unions:

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. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #16

To the Unions:

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

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 a) above.

The parties agree that a sub-committee of the HBMS Restructuring Committee will be established, consisting of one (1) representative of the United Steelworkers, one (1) representative of the Association of Flin Flon Trade Unions 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 result of the following:

- 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.

The parties will work together to educate the employees of the necessity for flexibility to reduce costs and improve productivity while adhering to safe working practices and standards.

The parties will not allow their demonstrated commitment to this Letter to waiver in the face of disputes over other issues.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #17

To the Unions:

RE: GRADUATE ELECTRICIANS

Further to discussions with the Joint Bargaining Committee 1987 regarding moves to different work locations for graduate electricians or instrument mechanics in Flin Flon, it is agreed that notices will be posted to advise of vacancies in a particular work location. The purpose of such notices will be for the graduate electrician or graduate instrument mechanics in Flin Flon to indicate his preference to move to the vacancy and since such moves are not considered to be an upgrading or downgrading and the rate of pay does not change, Article 7.01 does not apply.

The Company will determine which Flin Flon employee will be moved or assigned to the Flin Flon vacancy and, in making such determination, will consider factors such as:

- 1) the work requirements in each work location, and
- 2) the relative skill, ability and physical fitness of the employees to fulfil such requirements, and
- 3) the graduate seniority, including time served as an apprentice, with the Company since his most recent date of hire, of any electrician who has answered the notice.

If, in the opinion of the Company, there is not a suitable candidate for the vacancy from those who have applied to the notice, or if no one has applied to the notice; then the Company will select the employee to be assigned.

The same process as outlined above will apply to Snow Lake employees competing for work location openings in Snow Lake.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #18

To the Unions:

RE: PREFERRED WORK LOCATION

Notices of permanent vacancies will be posted for all Trades occupations with more than one permanent work location in Flin Flon in order to allow tradesmen working in Flin Flon 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 graduate 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 to another, there shall be a period of assessment of up to forty-five (45) calendar days during which the Company, may permanently reassign the employee back 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.

The same process as outlined above will apply to Snow Lake employees competing for work location openings in Snow Lake.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #19

To the Unions:

**RE: SURFACE AND TRANSPORTATION DEPARTMENT
TRAIN LINE PROGRESSION**

Consistent with the present practice, any permanent vacancy for the job of Brakeman will be filled by the bulletin procedure as outlined in Article 7.04(a).

However, due to training and safety considerations, movement within the train line progression, will follow the procedure outlined below, which is an exception to Article 7:

- (i) Each successful candidate for the Brakeman's bulletin will be assigned a progression seniority. His progression seniority will start from the date he is permanently assigned to the job of Brakeman.
- (ii) Employees presently in the progression line will be assigned progression seniority dating from their permanent assignment to the job of Brakeman.
- (iii) Future movement within this progression line will be determined by progression seniority.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #20

To the Unions:

RE: HOISTMAN PROGRESSION

Consistent with the present practice, any permanent vacancy for the job of Hoistman will be filled by the bulletin procedure as outlined in Article 7.04 (a). Each successful candidate for a Hoistman's bulletin will be assigned a classification seniority. His classification seniority will start from the date he is permanently assigned to the job of Hoistman. A relief Hoistman will not be considered as permanently assigned to the job of Hoistman unless he is hoisting on a full time basis.

In order for Hoistmen to express preference of work location, notices of permanent vacancies within their classification will be posted.

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

- 1) The relative skill, ability and physical fitness of the employees involved. The Company must be able to balance what the Company deems to be the skills of the employees to the requirements of the various work locations.

- 2) 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 with other hoisting operations throughout the department.
 - b) Provide for absences due to vacation, sickness, sudden terminations or any other like cause.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #21

To the Unions:

RE: PRESSURE WELDING TICKET

A Boilermaker/Welder who is in possession of the following current tickets will receive a one job class additive per ticket to a maximum of two job class additives:

- 1) Pressure welding ticket - 6010
- 2) Pressure welding ticket - 7018
- 3) Pressure welding ticket - 6010/7018

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #22

To the Unions:

RE: BOILERMAKER/WELDER SPECIALIST

This will confirm our Agreement that the classification of Boilermaker/Welder Specialist will be created. Initially six (6)

candidates will be selected via notice. Successful candidates must have either 6010, 7018 or 6010/7018 pressure tickets.

Successful candidates will be required to obtain and maintain pressure tickets suitable to the requirements of operations. It should be understood that the "speciality" pressure tickets may be changed or added to from time to time at the sole discretion of the Company, but initially would be 316 and 904 as we prepare for the advent of Zinc Pressure Leach. Prior to any change, the Union will be consulted.

Successful applicants will be given six (6) months to obtain the required tickets and be paid a two (2) job class additive above their current rate once those tickets are obtained. The two (2) job class additive will be paid retroactive to attainment of the final ticket. The attainment of the final ticket will be deemed to be the time at which the coupon is welded which results in the final ticket being obtained.

If an employee in the classification of Boilermaker/Welder Specialist loses a ticket, he/she will have six (6) months to obtain the necessary ticket. During the six (6) month period, the two (2) job class additive will be maintained. If the ticket is not renewed at the end of six months, the (2) job class additive will be withdrawn.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #23

To the Unions:

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #24

To the Unions:

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 (not student rates)
- c) Normal employee benefits will apply

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #25

To the Unions:

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.

Meaningful will be defined as having significance or purpose.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #26

To the Unions:

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 seven (7) 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, one (1) 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 co-ordinated 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. Austman**
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

January 1, **2012**

LETTER OF UNDERSTANDING - #27

To the Unions:

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, **2012**

LETTER OF UNDERSTANDING - #28

To the Unions:

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 Association of Flin Flon Trade Unions will be placed in a permanent work location in the same manner as a graduating electrical apprentice.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #29

To the Unions:

RE: 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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #30

To the Unions:

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 if he declines recall to any such position once laid off.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #31

To the Unions:

RE: REFRIGERATION/AIR CONDITIONING SPECIALIST

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

It is agreed between the parties that upon successful completion of the correspondence course, the employee will be paid a lump sum of \$1,000.00.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #32

To the Unions:

RE: SNOW LAKE RETRANSFER RIGHTS

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 Lake Mine will be placed on the bottom of the retransfer list.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #33

To the Unions:

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:

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.

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.

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #34

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #35

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. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

January 1, 2012

LETTER OF UNDERSTANDING - #36

To the Union:

RE: EXPEDITED ARBITRATION

Notwithstanding the terms of Article 28, if one of the parties wishes to proceed to an expedited form of arbitration with respect to an employee terminated they will within fourteen (14) days after the matter has been advanced to arbitration by the Union, advise the other that they wish to involve the expedited procedure.

The expedited procedure will require that the parties immediately advise each other of potential hearing dates when they and their counsel can be available over the next ninety (90) days. The parties will also advise as to the number of days they anticipate the hearing will take. This information will then be provided to the next arbitrator in rotation and he will then immediately determine if he can hear the matter within that time period.

If he can not, the matter will be referred to the next arbitrator in rotation.

After rotating through the entire list of arbitrators, if a date has not been set within the ninety (90) day period outlined above, the parties will within fourteen (14) calendar days, initiate a conference call with the original arbitrator to determine the earliest date the matter can be heard.

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

LETTER OF UNDERSTANDING - #37

To the Union:

**RE: SERVICE FEE FOR
PRESCRIPTION SAFETY GLASSES**

The Company agreed at 2006 bargaining that they would reimburse employees for the service fee (dispensing fee or fitting fee) associated with the purchase of prescription safety glasses provided through the Company's Prescription Eye Protection Program. It is understood this fee does not include the cost of any eye exam required. This change will become effective ten (10) calendar days following the date of signing of this Letter of Agreement (date of signing was May 25, 2006).

(signed) **K. Austman**
Human Resources Manager

(signed) F. Wiegiers
President
Association of Flin Flon Trade Unions

LETTER OF UNDERSTANDING - #38**To the Union:****RE: Implementing New Payroll System**

The Company is currently implementing a new payroll system. In conjunction with the implementation, the Company agrees to pay employees who work on a statutory holiday their regular rate of pay plus time and a half for all hours worked. This will be implemented on a go forward basis once the new payroll system is implemented.

(signed) K. Austman
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

LETTER OF UNDERSTANDING - #39**To the Union:****RE: Sick Benefit Plan Development**

The Company has engaged an audit of the current Sick Benefit administration and identified a number of areas the program does not meet the industry's best practices. The Company and the Union agreed to work together to develop a new Sick Benefit Program. The parties will consider the following issues:

1. An independent adjudication process
2. Criteria for benefits
3. Appeal Process
4. Cost of medical documentation requested by the Company
5. The value of the Sick Benefit payment

This list is not exhaustive and either party may bring items forward for consideration. The new process will be implemented no later than March 31, 2012.

(signed) K. Austman
Human Resources Manager

(signed) F. Wieggers
President
Association of Flin Flon Trade Unions

EXECUTED at Flin Flon, Manitoba this _____ day of _____, **2012**.

HUDSON BAY MINING AND SMELTING CO., LIMITED

Per: _____
B. Lantz – VP, Manitoba Business Unit

Per: _____
K. Austman - Human Resources Manager

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LOCAL UNION NO. 451

Per: _____
J. Quinn, President

Per: _____
T. Fedak – Vice President

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA, LOCAL UNION NO. 1614

Per: _____
F. Wieggers - President

Per: _____

D. Law - Steward

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL
UNION NO. 828

Per: _____
A. Chigol - President

Per: _____
W. Reynold - Steward

ASSOCIATION OF FLIN FLON TRADE UNIONS

Per: _____
F. Wieggers - President

VISIT
UNION HEADQUARTERS

86 Main Street
Flin Flon, Manitoba
R8A 1J8

ASSOCIATION OF FLIN FLON TRADE UNIONS

WELCOME TO
THE HOUSE OF LABOUR