

COLLECTIVE AGREEMENT

between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL 955

Effective: April 1, 2003 to March 31, 2006

RECEIVED
SEP 11 2003

13208(01)

TABLE OF CONTENTS

<u>PREAMBLE</u>	1
<u>ARTICLE 1 - RECOGNITION</u>	2
<u>ARTICLE 2 - MANAGEMENT RIGHTS</u>	2
<u>ARTICLE 3 - UNION SECURITY</u>	3
<u>ARTICLE 4 - CHECK OFF</u>	3
<u>ARTICLE 5 - GRIEVANCE PROCEDURE</u>	4
<u>ARTICLE 6 - NO STRIKE OR LOCKOUT</u>	5
<u>ARTICLE 7 - SENIORITY</u>	6
<u>ARTICLE 8 - PROMOTIONS AND VACANCIES</u>	8
<u>ARTICLE 9 - BEREAVEMENT LEAVE</u>	10
<u>ARTICLE 10 - ABSENCE FROM WORK</u>	11
<u>ARTICLE 11 - NAMED HOLIDAYS</u>	12
<u>ARTICLE 12 - ANNUAL VACATIONS</u>	13
<u>ARTICLE 13 - GROUP INSURANCE</u>	14
<u>ARTICLE 14 - HOURS OF WORK AND OVERTIME</u>	16
<u>ARTICLE 15 - SHIFT DIFFERENTIALS</u>	18
<u>ARTICLE 16 - BID JOBS AND WAGERATES</u>	19
<u>ARTICLE 17 - HOURLY RETIREMENT FUND</u>	21
<u>ARTICLE 18 - CLOTHING AND MISCELLANEOUS</u>	23
<u>ARTICLE 19 - PYRAMIDING OF PREMIUMS</u>	25
<u>ARTICLE 20 - SAFETY</u>	25
<u>ARTICLE 21 - PAY DAY</u>	26
<u>ARTICLE 22 - TERM OF AGREEMENT</u>	27
LETTER OF UNDERSTANDING RE: <u>DRAGLINE OILER AND DRAGLINE OILER/RELIEF OPERATOR</u>	28
LETTER OF UNDERSTANDING RE: <u>12 HOUR SHIFTS</u>	29
<u>EXHIBIT "A"</u>	31
LETTER OF UNDERSTANDING RE: <u>8 HOUR SHIFTS</u>	32
LETTER OF INTERPRETATION RE: <u>HOURS OF WORK AND SHIFT CHANGE</u>	33
LETTER OF UNDERSTANDING RE: <u>REVERSION RIGHTS</u>	34
LETTER OF UNDERSTANDING RE: <u>BUMPING ARTICLE 8.06</u>	35
LETTER OF UNDERSTANDING RE: <u>CONTINUOUS IMPROVEMENT</u>	36

COLLECTIVE AGREEMENT

The agreement made this 17th day of July 2003

between

LUSCAR LTD, PAINT EARTH/SHEERNESS MINES
(hereinafter referred to as the Company or Employer)

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS

LOCAL 955

(hereinafter referred to as the Union)

PREAMBLE

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

ARTICLE 1 - RECOGNITION

1.01

The Company recognizes the Union as the sole and exclusive collective bargaining agent with respect to rates of pay, hours of work and working conditions for the employees of Luscar Ltd. Paintearth/Sheerness Mines working at or from the Paintearth mine and the Sheerness mine, except office staff, foremen, those above the rank of foreman, surveyor party chief and technical staff.

1.02

- (a) The Employer undertakes that contracting out shall not result in the loss of employment to any Luscar Ltd. Paintearth/Sheerness Mines employees.
- (b) The Company shall provide to the Union upon request the following information covering the contracting out for the previous month:
 - 1. the nature of, and reasons for the work being contracted out;
 - 2. the duration of the contract;
 - 3. the number of contractor employees involved and the hours that each worked

ARTICLE 2 - MANAGEMENT RIGHTS

2.01

The Company will be the sole judge of the appropriate location of its place or places of business, the number of employees to be employed, and the work to be performed at all such locations. Except where otherwise expressly limited by a specific provision of this Agreement, the Company shall have the sole and exclusive right to determine all matters pertaining to the management of the Company and its affairs. Without limiting the generality of the foregoing, such Company rights shall include the right to:

- a. maintain order, discipline and efficiency,
- b. select or alter the materials to be processed or manufactured and determine the schedules of production, the locations of production, and methods and sequence of manufacture,
- c. determine the qualifications of any employee to perform any work, taking into full consideration such factors as seniority, ability and performance,
- d. designate the work to be performed by the employee,
- e. designate the time, or times an employee is to work,

- f. hire, reassign, promote and require employees to observe Company rules and regulations not inconsistent with the terms of this agreement,
- g. demote, discipline or discharge for only just cause.

ARTICLE 3 - UNION SECURITY

3.01

Every employee who is now or hereafter becomes a member of the Union shall maintain his membership in the Union as a condition of his employment, and every new employee whose employment commences hereafter shall within fifteen (15) days after the commencement of his employment, apply for and maintain membership in the Union as a condition of his employment.

3.02

The Company shall provide one-half hour of paid time for each individual or group of individuals in the first week of employment for the job stewards to provide a proper union orientation.

ARTICLE 4 - CHECK OFF

4.01

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

4.02

All employees who are employed more than twenty (20) hours in a calendar month shall, as a condition of employment, consent to the deduction of Union dues and such dues shall be automatically deducted from the earnings of the employee and remitted by the Employer as stated in this Article.

ARTICLE 5 - GRIEVANCE PROCEDURE

5.01

A grievance is a dispute raised by an employee or employees or the Company or the Union as to the meaning or application of a provision of the Agreement. A grievance must specify the contract provisions involved and also specify the particular action requested on behalf of the grievant. In case of discharge, the Company will notify the Local Union prior to dismissal, where possible; but no later than the following day shift. When an employee grievance exists, an employee or group of employees affected may verbally discuss the grievance with their foreman either with or without a steward present, as the employee desires. If the grievance is not settled in the course of such discussion, it may be reduced to writing with one (1) copy for the Company, the Union, and the grievant, in which event the procedure will then be as follows:

First Step

The grievance shall be presented to the foreman, with the answer to be given in writing within five (5) calendar days of such presentation. Any grievance, including a grievance lodged by an employee claiming he was discharged without reasonable cause, not presented within ten (10) calendar days of the occurrence of the act causing the alleged grievance will be barred.

Second Step

If a satisfactory settlement is not reached in the first step, then it may be referred to the second step, provided it is so referred in writing to the Mine Manager within five (5) calendar days after receipt of the Company's answer in the first step. At the second step, the grievant may be represented by a Union representative. The Union and Company representatives will meet and discuss the grievance and the Company's answer will be given within ten (10) days after delivery of the Company's first step answer.

Third Step

If no satisfactory settlement has been reached in the first two steps, then the grievance may be submitted to arbitration by written notice given within twenty (20) calendar days after delivery of the Company's second step answer.

If within twenty (20) calendar days after such written demand for arbitration, the parties have failed to agree upon an arbitrator either party may, upon five (5) days written notice to the other party, request the Minister of Labour for the Province to appoint an arbitrator. The decision of the arbitrator shall be binding on both the Company and the Union. The expense of the arbitrator shall be shared equally by the Company and the Union. The arbitrator shall have no authority to add to, modify or alter any of the terms or provisions of this Agreement; the sole authority of the arbitrator is to render a decision as to the meaning and interpretation of this written contract with respect to the dispute.

Where an employee has been suspended or dismissed the Arbitrator:

- a. may direct the Employer to reinstate the employee and pay to the employee a **sum** equal to his wage loss by reason of his suspension or dismissal or such lesser **sum** as, in the opinion of the arbitrator, is fair and reasonable, or,
- b. may make such other directive varying the penalty as they consider fair and reasonable having regard to the terms of the Collective Agreement.

If any of the time limits set out in the foregoing paragraphs of this clause are not met, the grievance will automatically advance to the next step of the grievance procedure.

Each arbitration proceeding shall be held at such place and at such time as shall be mutually agreed upon by the Company **and** the Union, and if they cannot agree, then the arbitrator shall designate the place and time. The arbitrator shall have no authority to impose liability upon the Company or the Union for matters arising before or after the life of this Agreement.

In the event that either the Company or the Union wish to process a grievance, such grievance shall be submitted by the one **party** to the other, in writing, and shall be submitted within ten (10) days of the act causing grievance. The party in receipt of the grievance must make known its decision regarding the grievance to the other party within ten (10) days of receipt. In the event that the grievance is not resolved at this time, either party may submit the grievance to arbitration within seven (7) days of the rendering of the decision.

5.02

Any discipline resulting from an incident will be implemented within seven (7) days of the incident becoming known to the Company (extensive investigations excepted),

Disciplinary action will be removed from a personnel file twelve (12) months following the date of issue.

Employees shall be allowed to review their files every three (3) months.

ARTICLE 6 - NO STRIKE OR LOCKOUT

6.01

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

ARTICLE 7 - SENIORITY

7.01

It is understood by both parties that the length of service of an employee may be different than the seniority number of an employee, as determined by the letter of understanding regarding seniority list integration, signed by the parties on September 29, 1998. As per the letter of understanding, former Manalta employees will receive credit for their past Manalta service for the purpose of calculating vacation entitlement and long service awards only. Furthermore past service for former Manalta employees will be recognized for the purposes of Article 17.01 (d) pensionable service.

The seniority number of an Employee hired after September 29, 1998 shall be determined at the mine at which he is employed from the last date he entered the employment of the Company subsequent to September 29, 1998, subject to the following:

- a. No employee shall acquire seniority until he has been in the employment of the Company for a probationary period of sixty (60) calendar days, when his seniority shall be retroactive to the date of hiring. Probationary employees will not be denied access to the grievance procedure.
- b. An employee's seniority shall be lost by reason of:
 - (i) dismissal for just cause;
 - (ii) voluntary resignation;
 - (iii) failure to report for work within seven (7) days after being notified to report following a layoff unless the employee can give a reason satisfactory to the Company for such failure to report within the time prescribed;
 - (iv) continuous layoff for a period of one (1) year or more.

7.02

Seniority with ability shall govern employment of all employees in the matter of employment and re-employment. Layoff or rehiring of employees shall take place within the mine at which the employee is employed on the basis of seniority, providing an employee has sufficient ability to perform the job required.

7.03

Except in cases of dismissal or suspension for just cause affected employees shall be given two weeks notice prior to a layoff. In all cases, the Employer will notify the local Union prior to any layoff notice to employees.

7.04

Notifications of rehiring shall be by personal contact by the Employer's representative or by mail to the last address which the employee shall have recorded with the Employer. In the case of notice by mail, a copy of such notice shall be sent to the Business Manager of the Union. Until such time as employees recalled to work actually return to work, the Employer shall be entitled to hire other employees to perform their work on a temporary basis.

7.05

The Employer agrees to prepare and post quarterly, for each mine, in a place easily accessible to all employees, a list of names of all employees showing their last bid job classification, current job classification (if different) and seniority standing, the latter being open to protest by employees for thirty (30) days ~~from~~ the date of such submission. Upon proof of error being established by a representative of the Union, correction shall be made immediately. The Employer will supply the Union with a copy of seniority lists and corrections thereto.

7.06

Employees who are promoted to a position exempt from coverage under this Agreement shall continue to accrue seniority for six (6) months after the date of their promotion (and will lose such seniority thereafter). Employees so promoted will continue to pay their regular monthly Union dues during this six (6) month period.

7.07

A person originally hired by the Company for a special assignment of work may be terminated when this special assignment ends notwithstanding anything in this Agreement to the contrary. The Union shall be notified of such employees and their status upon hiring. Should they subsequently be retained as a permanent employee, their seniority shall be retroactive to the date last hired. These special assignments will be used to cover work loads over **and** above those normally covered by regular employees such as during construction periods, shutdown periods and/or during vacation periods and will not be used to reduce the regular workforce.

ARTICLE 8 - PROMOTIONS AND VACANCIES

8.01

When making promotions to a permanent classification, it is agreed that the factors to be considered shall be seniority, and the ability to perform the work required. In the event that two or more applicants for a position of promotion are of equal ability and performance, the Company will give preference to the employee with greatest seniority. However, in the event that there are no applicants or that none of the applicants for the position has sufficient ability to properly perform the work in question, the Company reserves the right to fill the position from any source.

8.02

Vacancies occurring in permanent classifications will be posted at the mine at which the vacancy occurs and those employees wishing to apply must do so in writing within five (5) days of the posting of the notice of vacancy. No applications from employees received later than the posted closing date will be considered. For the purpose of this clause a "permanent" job is one expected to exceed six (6) months duration. Employees who are going on vacation may deposit an "intention to bid" notice in the bid box outlining the jobs they would wish to bid on in their absence.

In the case of employees absent due to an illness or injury for a period of one year or more their position will be posted as a permanent position. Should the employee return to work after one year he shall have the right to bump into a position within the mine at which he is employed, and for which he has the seniority and ability to perform the work required.

8.03

All applications must be submitted in duplicate, one to be deposited in the Company bid box and the other in the Union bid box. The Company shall supply duplicate bid application forms. Results of the successful bid shall be decided and posted within three (3) days of the closing of the bid (weekends excluded).

8.04

A posted job will be taken up within fourteen (14) calendar days from the date of the posting of the name of the selected candidate. The selected candidate will not be eligible for a further job posting for a period of six (6) months unless he specifically so requests and it is agreeable to the Company.

8.05

The Company agrees, where practical, to provide on-the-job training to employees for those positions where future vacancies are contemplated. Candidates for training shall be selected in

accordance with the provisions contained in Article 8. Time spent training shall be credited to the employee when he bids on appropriate posted vacancies. The trainee shall receive his regular rate of pay while training. The trainee's regular position, temporarily vacated during training, shall be filled at the Company's discretion. Current training procedures for the shovel, dragline and tippel operations shall continue unchanged.

8.06

- a) At the start of each shift, when an employee's permanent job is unavailable, the employee shall be able to exercise his seniority and ability to select any job. At the start of a ~~shift~~, employees shall be able to exercise their seniority and ability to select any open job that is available. This shall be subject to other employees on the shift having the ability to replace the employee exercising their seniority. The application of this clause shall be within the mine at which the employee is employed. For the Sheerness Mine refer to clause 8.06 (b).
- b) At the Sheerness Mine clause 8.06 (a) shall apply except that when an employees permanent job is unavailable for more than one set of consecutive work shifts only, the employee shall be able to exercise his seniority and ability to select any job.
- c) If the employee's permanent job is re-established he shall resume that position; unless the employee has successfully bid on another position.

8.07

Notwithstanding any other provision of this agreement, it is understood that after the initial posting of job opportunities at the Sheerness mine, separate seniority lists will be established for each mine. There shall be no use made of seniority rights at one mine to affect the employees or their seniority rights at the other mine. This includes, but is not limited to, job posting opportunities, bumping, layoff, recall (rehiring) and promotions.

8.08

There shall be a five (5) shift trial period for any Employee accepting an awarded posting. During this time, if the employee has a bona fide reason, the employee shall have the right to decide to revert to their previous bid position and shall be prevented from bidding on the same position for a period of six months. Employees who exercise this option without a bona fide reason shall be prevented from bidding on any position for a period of one year.

8.09

In the event of a permanent reduction of staff, or the elimination of a bid job when there is no reduction of staff, the following procedure shall be followed:

- a) The least senior employee(s) in the bid job(s) affected will be advised of the reduction, and where a choice exists, will be given 72 hours to select a bid job into which he may bump.

- b) Employees may bump into bid jobs provided they have the seniority, ability, and qualifications to perform the work in the new bid job.
- c) If a vacancy exists in a bid job an employee has selected, he must fill the vacant position, and failing a vacancy, he must displace the junior employee in the bid job, provided he has more seniority than the junior employee.
- d) Employees displaced during this process will, when a choice exists, be given 72 hours in which to select a bid job to bump into.
- e) If two or more affected employees select the same bid job simultaneously, the displacing employees, in descending order of seniority, may select which of the junior employees they will displace.
- f) For the purpose of this clause, employees who are absent from work will be treated in the same fashion as non-absent employees, and as such, dependent upon their seniority may be displaced and or laid off.
- g) The trial period referenced in 8.08 will not apply to positions attained by employees during this process.
- h) A Joint Committee, consisting of two (2) Management and two (2) Shop Stewards from each site shall be formed to administer this clause
- i) If an employee is unable to be contacted about bumping and no choice is made within 72 hours, and unless the employee has left written notice with the Joint Committee as to his selection preferences, the Joint Committee shall exercise his bumping rights for him. (The employee must possess the seniority, qualifications, and ability to perform the work)
- j) Employees who are unable to secure a position, or who chose not to exercise their right to bump, will be laid off and be provided notice in accordance with Alberta Provincial Legislation.
- k) Elimination of a bid job shall be defined as (6) months from the last day worked in the bid job, or an expected duration of six (6) months from the last day worked in the bid job.
- l) When there is an elimination of a bid job when there is no reduction of staff, clause 8.09 j) shall not apply.

8.10

Bid positions which are of a temporary nature shall be posted for bid as temporary positions. When the temporary position ends, the employee(s) in the temporary positions shall revert back to their original position. Temporary shall be defined as more than 45 calendar days and less than 6 months as defined in clause 8.02, or for such longer time as may be agreed to by the Union and the Employer. This clause is subject to exemption for emergencies such as Power Plant shutdowns, or, catastrophic weather events.

ARTICLE 9 - BEREAVEMENT LEAVE

9.01

In the case of death in the immediate family of an employee (including his mother, father, step-parents, children, wards and legal guardians, grandchildren, spouse, brothers, sisters, mother-in-law, and father-in-law), on application to the Company the employee will be granted leave of

absence of one (1) day (to be taken prior to the funeral). If he attends the funeral of the deceased, an additional three (3) consecutive days leave of absence will be granted inclusive of the day of the funeral. If he is regularly scheduled to work on any of these above days, he will be paid at his regular straight time hourly rate for each of the above mentioned days he would have worked.

9.02

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

9.03

In the event of a death in the immediate family (as specified in Article 9.01) which occurs while an employee is on vacation; upon application to the Company, that vacation period will be extended by three (3) days.

ARTICLE 10 - ABSENCE FROM WORK

10.01

An employee who may be absent from work due to illness, or late, shall notify his immediate supervisor or department head at least one half (1/2) hour prior to the beginning of his shift. It is understood that in emergency circumstances, employees may be unable to provide the required notification.

10.02

When an employee absents himself from his work, unless through proven sickness or by first having arranged with his supervisor or department head and obtaining his consent, he may be disciplined. All employees, whose absence from work would cause any stoppage of work must, before absenting themselves, properly arrange with his immediate supervisor or department head for their absence, otherwise they may be disciplined. An employee who habitually absents himself from work, except in cases of sickness proven by doctor's certificate, may be discharged.

10.03

If operating conditions permit, leave of absence without pay but with continued accrual of seniority may be granted.

10.04

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

ARTICLE 11 - NAMED HOLIDAYS

11.01

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

New Years Day	Labour Day
3 rd Monday in February	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
1 st Monday in August	

11.02

When any of the above mentioned holidays fall during the period of **an** employee's regularly assigned day of rest, an alternate day of rest and pay shall be scheduled by mutual agreement between the Company and the Employee, or banked for future use. This clause is subject to the orderly operations of the mine. Employees may request that the banked time be paid out. Any employee who has been unable to take his banked days of rest prior to April 1st will receive all unused banked pay on April 1st. Paid out days shall be forfeited, as of April 1st.

11.03

- a) All time worked on a holiday as specified in Clause 1 of this Article shall be paid at two times (2X) the employee's regular rate of pay in addition to pay for the full holiday at the employee's regular rate of pay.
- b) Work on a Named Holiday shall be offered in accordance with article 14.10, except for the ash haul at the Paintearth Mine. It is recognized that employees on the ash haul at the Paintearth mine are required to work Named Holidays as part of their regular work schedule.

ARTICLE 12 - ANNUAL VACATIONS

12.01 Years of Service and Vacation Entitlement

Years of Service	Vacation Weeks	Vacation Pay
1	2 weeks	4% of total earnings earned during the previous vacation year
more than 2 years	3 weeks	6% of total earnings earned during the previous vacation year
more than 10 years	4 weeks	8% of total earnings earned during the previous vacation year
more than 20 years	5 weeks	10% of total earnings earned during the previous vacation year
more than 35 years	6 weeks	12% of total earnings earned during the previous vacation year

12.02

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

12.03

Any employee who has been unable to take his vacation due to sickness or accident, prior to the end of the calendar year will receive their earned vacation pay entitlement on December 15th of that year.

12.04

Employees entitled to vacations in a calendar year will be allowed to take their vacations any time during that year. However, where increased monetary benefits are earned in a calendar year the employee will not receive these until on/or after his anniversary date.

12.05

Employees will submit vacation requests no later than April 1st of each year and the Company will post the approved vacation schedules no later than May 1st of that year. Requests received after this date shall be scheduled on a first come-first served basis. Vacation requests received prior to April 1st shall be scheduled by seniority within job classifications.

12.06

Eligible employees who so request will be allowed to take their vacations in three (3) periods of not less than one (1) week each subject to the orderly operation of the mine.

12.07

If operating conditions permit, employees may carry one week of vacation into the next year to accommodate extended trips.

12.08

An employee may request his holiday pay on his anniversary date without taking his holidays or two weeks prior to taking his vacation. A minimum of thirty (30) days notification is required.

12.09

The Company shall endeavour to provide vacation in accordance with the following guidelines:

A minimum of two pit employees per shift shall be allowed vacation at the same time.

A minimum of two (2) shop employees per shift shall be allowed vacation at the same time. (ie. A minimum of one per maintenance department).

ARTICLE 13 - GROUP INSURANCE

13.01 Short Term Disability Insurance

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

- a. Five hundred and fifty (\$550.00) dollars per week indemnity for accident off the job or sickness. This benefit will commence on the fourth (4th) day of disability due to illness and on the first (1st) day of disability due to accident and will be payable for a maximum of **fifty-two (52)** weeks during any one period of disability. In accordance with the Employment Insurance Act Regulations concerning loss replacement plans, it is agreed that the level of benefits of the Weekly Indemnity Insurance Plan will be adjusted annually, not later than January 15th of each year to ensure that the plan provides a level of benefits equal to 60% of an employee's insurable earnings, as defined under said Act or Regulations.
- b. The Weekly Indemnity Insurance Plan will not pay benefits for illness or accidents covered by Workers' Compensation.

- c. For an employee who qualifies under this plan for the disability benefit due to sickness, the Company will pay half his normal daily pay for the first three (3) days of disability (i.e., during the three (3) day period before the commencement of the insurance disability benefit).

13.02 Long Term Disability Insurance

Long Term Disability Insurance will be provided commencing after fifty-two (52) weeks of disability and continuing to a maximum of age sixty-five (65) for eligible employees. The amount of such disability benefit shall be one thousand seven hundred and fifty dollars (\$1750.00) upon date of ratification per calendar month reduced by the amount of compensation an employee receives from the Workers' Compensation Board. The cost of the premiums of the plan will be borne by the Company. Employees receiving Long Term Disability Insurance will not be eligible for any other benefit under the Collective Agreement except for the amount of life insurance in effect at the time the individual qualifies for the Long Term Disability benefit.

13.03 Life Insurance

- a) Fifty thousand dollars (\$50,000) life insurance on the life of each employee who accrue seniority increasing to one hundred thousand dollars (\$100,000.00) life insurance in the event of accidental death.
- b) It is agreed that within 96 hours of being notified of the death of an employee, the Company will provide to the designated beneficiary an advance of six thousand dollars (\$6,000.00) (payable by cheque) of the life insurance benefit payable under clause 13.03. Upon receipt of this advance, the beneficiary shall sign an assignment of benefit agreement instructing the life insurance carrier to reimburse the Company the six thousand dollars (\$6,000.00).

13.04 Alberta Health Care and Major Medical

- a) It is agreed that the Company will pay the full cost of the Alberta Health Care Plan and the equivalent of the Standard Blue Cross Medical Plan.
- b) Effective April 1, 1999, the company will increase the level of reimbursement of eligible prescription drugs from 80 to 100%.

13.05 Dental

- a. Basic Dental Benefits (Plan A) - 100% coverage
Dental Option 1 (Plan B) - 80% coverage
Orthodontia (Plan C) - 50% coverage to a lifetime maximum of \$2,500 per individual

b. The following annual deductibles shall apply to Plan A and B:

- \$25.00 annual deductible for a single employee with no dependents,

- \$50.00 annual deductible for an employee with one or more dependents.

c. Effective January 1, 2000, Plan A and Plan B will be subject to a combined maximum of two thousand five hundred dollars (\$2,500) per calendar year per insured family member.

13.06 Vision Care Plan

Effective April 1, 1998, the Company vision care program for frames and lenses will increase to a maximum of two hundred dollars (\$200.00) every twenty-four (24) months per insured family member.

13.07

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

a) dependent children under the age of 19 years,

b) Effective April 1, 1997 this definition will be extended to include dependent children under the age of 25 in the case of a single, full-time student solely dependent on the employee for support.

13.08

Summer vacation relief who are students will not receive benefits. Pension contribution shall be maintained for all summer relief, including students.

ARTICLE 14 - HOURS OF WORK AND OVERTIME

14.01

A normal work week will be five (5) consecutive eight (8) hour days or shifts, Monday through Friday, with the exception of shift work.

14.02

Shift schedules and starting and stopping times shall be established by the Employer.

14.03

Shift schedules shall be posted in a conspicuous place, well in advance of their effective date. **An** employee as far as possible shall have at least twenty-four **(24)** hours notice of a change of shift schedule.

14.04

Employee's work time shall commence from the time they are given their orders at the mustering room and end at the finish of the shift when they return to the mustering room.

14.05

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

14.06

Subject to 14.09 every employee who is required to work in excess of eight (8) hours in any one day or in excess of forty (40) hours in any one week shall be paid at the rate of two times (2X) his regular rate for all hours of overtime.

14.07

A callout shall provide a minimum of four **(4)**hours work or four **(4)**hours pay at the overtime rates.

14.08

All employees who work a shift schedule that involves a seven **(7)** day week operation shall, when working such schedule, receive a shift schedule premium of sixty cents (\$.60) per hour for all straight time hours worked.

14.09

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

14.10

A System of equitable distribution of overtime beyond an employee's normal work schedule shall be established where each employee shall have the opportunity of overtime. Records of overtime worked shall be kept up to date, (within two shifts), and readily available to all employees.

Available overtime shall be posted, and employees interested in working overtime shall put their names on the list. Overtime shall be awarded in order of priority as follows;

1. To the employee in the bid job who has the oldest stale date of overtime.
2. To any other qualified employee who has the oldest stale date of overtime.

When two or more employees have the same oldest stale date of overtime, overtime shall be awarded to the most senior.

When overtime becomes available on a shift with no prior notification, the bid employee with the oldest stale date of overtime shall be called for the overtime, and if they are unavailable or decline the overtime, then it shall be offered to any qualified employee with the oldest stale date of overtime. Overtime that is contiguous with a shift shall not count as a stale date.

When maintenance employees are assigned to work on a special project where continuity of worker is critical such as an engine rebuild then they shall be able to work more than one overtime day in a row, and this overtime shall be counted as one stale date, on the last day of overtime worked.

Overtime shall be posted for the position needed; employees on the shift shall not be moved into the position needed and then have their position posted.

ARTICLE 15 - SHIFT DIFFERENTIALS

15.01

Employees shall be paid, in addition to other wages payable to them, the following shift differentials for any or all hours worked during the following periods:

7:30 pm to 7:35 am - \$1.10 per hour

ARTICLE 16 - BID JOBS AND WAGE RATES

16.01

		Effective April 1, 2003	Effective April 1, 2004	Effective April 1, 2005
	BID JOB			
JOB GROUP	TRADESMEN			
6	Journeyman Electrician	\$27.12	\$27.93	\$29.05
	Journeyman Welder			
	Journeyman Mechanic			
	Journeyman Millwright			
	PRODUCTION			
5	Dragline Operator	\$25.26	\$26.02	\$27.06
	Shovel Operator			
	Front End Loader Operator			
4	Dragline Oiler/ Relief Operator	\$24.38	\$25.11	\$26.11
3	Shovel Oiler	\$24.14	\$24.86	\$25.85
	Dragline Oiler			
	Dozer Operator			
	Scraper Operator			
	Grader Operator			
	Coal Hauler			
	Pumpman			
	Tipple/ Track Hoe Operator			
2	Serviceman	\$23.70	\$24.41	\$25.39
1	Labourer	\$20.17	\$20.78	\$21.61

Operators who self-load shall be paid at the Loader Operator rate for the entire shift in which the operator self-loads. Tipple/Track Hoe Operator to be paid at Loader rate only when operating Tipple.

APPRENTICES

First Year	82% of Journeyman Rate	\$22.24	\$22.90	\$23.82
Second Year	86.5% of Journeyman Rate	\$23.46	\$24.16	\$25.13
Third Year	91% of Journeyman Rate	\$24.68	\$25.42	\$26.44
Fourth Year	95.5% of Journeyman Rate	\$25.90	\$26.67	\$27.74

16.02

Three year apprentice trade eliminates second year classification.

16.03

Employees transferred temporarily to a job with a lower wage rate shall continue to receive their normal classification rate; for these purposes "temporarily" means not more than sixty (60) calendar days.

16.04

Rates of pay for classifications not listed shall be negotiated consistent with the classifications outlined in this Article.

16.05

Any employee who has obtained one (1) or more of the following listed Proficiency Certificates and who may utilize such proficiency in the course of his employment shall receive an additional fifteen cents (\$.15) per hour above his regular rate.

Eligible Proficiency Certificates:

Mine Foreman

Provincial Blaster

Welder

Electrician

Mechanic

Machinist

Millwright

Crane Operator (100 Ton)

16.06

Employees attending school in and for their apprenticeship training shall receive forty (40) hours straight time pay per week. No licensed tradesman shall be selected for **further** upgrading and/or apprenticeship in another trade unless mutually agreed upon between employer and employee, and provided the employee can meet the apprenticeship entrance requirements.

16.07 Dual Classifications

An employee leaving his regular classification to work at one carrying a higher wage rate shall maintain his regular rate for the first five work days; the following hours of work shall be paid at the wage rate applicable to the work performed.

16.08 Relief Foremen

Interested employees, upon completion of a company approved training program may, at the discretion of the Company, be designated to act in the capacity of Relief Foremen. Employees so designated shall be paid for time worked as a Relief Foreman; the greater of either \$.40 cents per hour more than the

highest rate listed in Article 16 in the group he is leading, or \$.40 cents per hour more than a lead hand under his direction.

Relief Foremen will remain members of the bargaining unit and as such shall accumulate seniority while working as a Relief Foremen. Relief Foremen may be used to replace Foremen absent from work, or as an addition to the normal complement of Foremen when additional supervision for a special project is required.

Relief Foremen will perform the duties of regular Foremen except they will not be responsible for disciplinary action.

16.09 Lead Hands

The Company may designate employees as lead hands, (with the acceptance of the employee); during which time they shall receive the greater of \$.40 cents per hour more than their base rate of pay or \$.40 cents per hour more than the highest rate in the group he is leading. (excluding relief foremen)

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

16.10 Retroactivity

All employees in the service of the Company on the date of signing of the Collective Agreement shall receive all increases to wages provided for in the Collective Agreement retroactive to April 1, 2003. Increases to wages shall include increases to hourly rates, premium, differentials, overtime pay, pay for work on Named Holiday and benefits. Application of new hours of work letters effective date of ratification.

ARTICLE 17 - HOURLY RETIREMENT FUND

17.01

a) Company Retirement Fund Contribution

Effective April 1, 1990, the Company shall make a monthly contribution on behalf of the member equal to two hundred and eight dollars and thirty-three cents (\$208.33) per month to a maximum of two thousand five hundred dollars (\$2,500.00) per contract year.

Effective April 1, 2001, the Company shall make a monthly contribution on behalf of the member equal to two hundred and twelve dollars and fifty cents (\$212.50) per month to a maximum of two thousand five hundred and fifty dollars (\$2,550.00) per contract year.

Effective April 1, 2002, the Company shall make a monthly contribution on behalf of the member equal to two hundred and sixteen dollars and sixty-seven cents (\$216.67) per month to a maximum of two thousand six hundred dollars (\$2,600.00) per contract year.

Effective April 1, 2003, the Company shall make a monthly contribution on behalf of the member equal to two hundred and twenty-five dollars (\$225.00) per month to a maximum of two thousand seven hundred dollars (\$2,700.00) per contract year.

Effective April 1, 2004, the Company shall make a monthly contribution on behalf of the member equal to two hundred and thirty seven dollars and fifty cents (\$237.50) per month to a maximum of two thousand eight hundred and fifty dollars (\$2,850.00) per contact year.

Effective April 1, 2005, the Company shall make a monthly contribution on behalf of the member equal to two hundred and fifty dollars (\$250.00) per month to a maximum of three thousand dollars (\$3,000.00) per contact year.

b) **Employee Retirement Fund Contribution**

Effective April 1, 1992, employees will be required to contribute five hundred dollars (\$500.00) per contract year (\$41.67 monthly). The Company will match this contribution.

- c) The hours worked for the determination of continuous service shall include absence while receiving W.C.B. and maintaining employee status; or while receiving benefits under the Company sponsored Weekly Indemnity Plan, paid leave of absence and paid general holidays. Overtime hours will be included in the calculations.

d) **Pensionable Service**

Effective April 1, 1990, Pensionable Service for future new claimants shall include time while receiving Worker's Compensation benefits and retaining employee status (for a maximum period of time equal to the employee's seniority at the time he became eligible for benefits), and while receiving long term disability insurance (for a maximum period of time equal to the employee's seniority at the time he became eligible for benefits). In no case will Pensionable Service continue to accrue after an employee's normal retirement date or while he is gainfully employed by an employer other than Luscar Ltd. Paintearth/Sheerness Mine while receiving WCB or LTD benefits, unless the employment is part of an approved return to work program.

e) **Administration**

Effective April 1, 1997, the method of managing the Defined Contribution Pension Plan Funds was changed to allow individual employees the opportunity to select their own investment options from the suite of products offered by and through the trustee. Employees will receive annual statements of their account. The Trustee for the fund will be selected by the Company. Investment Management fees will be charged to the fund by the Trustee. Administrative fees will be paid by the Company.

f) Death Benefit

Should an employee die while a member of the Retirement Fund, all amounts credited to him will be paid to his beneficiary. This will include a contribution for the year in which the death occurs providing the employee has worked in the year in which the death occurs.

g) Termination

Upon termination of employment, the value of the employees units in the Retirement Fund will be transferred to an R.R.S.P. as permitted by regulatory authorities to provide for retirement.

17.02 Employee Voluntary R.R.S.P. Contributions

- a) The current Voluntary R.R.S.P. will continue (i.e. on an "everybody in-out by waiver" basis). Employees will be required to contribute a minimum of \$25.00 per regular bi-weekly pay to a voluntary Registered Retirement Savings Program.
- b) If an employee elects to waive participation **an** R.R.S.P. waiver form must be completed. An employee who exercises his option may be re-enrolled January 1 of the year following his withdrawal from the program.
- c) Employees may direct the Company to make additional deductions to their R.R.S.P. subject to paragraph (b) above.

ARTICLE 18 - CLOTHING AND MISCELLANEOUS

18.01

The Employer agrees to provide free of charge to employees, articles **of** clothing which may be necessary for the safety and health of employees. This shall include welder's masks; goggles and gloves; leather aprons and arms; and hip boots.

18.02

Employees are required to take good care of any articles of clothing provided to them by the Employer and such articles shall be returned to the Employer on termination of employment.

18.03

The Company agrees to provide, on a reimbursement basis, a coverall and boot allowance **of** thirteen dollars (\$13.00) per month.

Early replacement of Tradesmens' coveralls, damaged or destroyed in the course of performing their job duties, will be considered solely at the discretion of the Mine Manager.

18.04

The Employer shall provide a clothing change room in the main shop. This facility will be separated from the main shop in order that employees may hang a change of clothes in a relatively dust free area.

18.05

The Employer will insure employee's clothing in the washhouse (or other designated storage area) against loss by fire to a maximum of two hundred dollars (\$200.00) per individual. Tools which are lost or broken in the course of employment will be replaced by the Company provided the tool has been included in an approved tool inventory list which each employee must submit to the Company and keep updated.

18.06

The Employer agrees to pay for the medical costs associated with the mandatory annual medical examination for holders of Class 1 drivers licenses when such licenses are required by legislation or the Company.

18.07

Whenever an employee is required by the Company to have periodic physical examinations (with the exception of pre-employment medicals) the employee shall be paid at his regular wage rate for work time lost, to a maximum of four (4) hours while undergoing the medical exam. If the periodic exam is scheduled on an employee's regularly scheduled day off he shall receive four (4) hours pay at his regular wage rate.

The Company shall pay the costs of the pre-employment or other Company required medicals not covered by Alberta Health Care.

18.08 Ventilation Systems

The Company recognizes that existing heating and air conditioning equipment should be kept in working order. New major mobile equipment shall have factory installed heating and air conditioning equipment. The Company will repair existing heating and air conditioning equipment within a reasonable time frame should it fail.

18.09 – Interpretations

In this agreement (unless otherwise indicated by the context) all words of masculine gender shall include the feminine and vice versa.

ARTICLE 19 - PYRAMIDING OF PREMIUMS

19.01

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

ARTICLE 20 - SAFETY

20.01

The Employer and the Union agree that it is in the interests of all concerned to maintain **high** standards of safety and health in the mine in order to prevent industrial injury and illness.

20.02

It is understood and agreed that the parties to this Agreement shall at all times comply with the accident prevention regulations of the Coal Mines Safety Act and the Occupational Health and Safety Act, as well as all safety regulations imposed by the Employer.

20.03

The Company and the Union shall jointly maintain a Health and Safety Committee in accordance with the Occupational Health and Safety Act.

20.04

The Union and the Employer will each appoint one (1) person to act as co-chairman for the committee. The Employer and the Union will ensure that the Company representatives and employee members appointed to the committee have such qualifications as to enable them to complete inspection tours and report as required by any relevant legislation or governmental directives.

The inspections shall be conducted in each area by any two (2) of the three (3) representatives of each party.

The meetings of the committee, again consisting of any two (2) representatives from each party, shall be held at least once per month.

Prior to the meeting the inspection tour of the operations will be conducted.

The inspection tour report will be discussed at the monthly meeting.

The committee shall also discuss:

- a. Any accidents that occurred in the previous month, the causes and preventative measures.

- b. Any safety and health complaints.
- c. Any proposed changes in the safety and health procedures or rules.
- d. Results of any tests or surveys pertaining to the health and safety of employees.

20.05

Occupational Health and Safety Committeemen shall have the right to investigate all major accidents in the operation.

20.06

No employee will be required to perform work that constitutes imminent danger to himself or others nor will he be disciplined for such refusal. An employee who is unsure of the safety of any action should, prior to committing such action, discuss his concerns with his foreman and, if necessary, his Steward and/or a Safety Committeeman. Any disagreement thereafter as to the safety of any act should be referred to the Mine Manager.

20.07

Minutes of all meetings shall be recorded by the Committee, copies shall be given to all members of the Committee and a copy sent to the Local Union.

20.08

Each shift will hold a safety discussion once every three (3) months.

ARTICLE 21 - PAY DAY

21.01

Payday shall be bi-weekly on Friday, except if delayed by reasons beyond the Employer's control. The Employer shall be allowed one (1) week holdback in order to prepare payrolls. If a statutory holiday falls on the regular payday, employees shall be paid the day before.

ARTICLE 22 - TERM OF AGREEMENT

22.01

Except as otherwise specified, this Agreement shall be effective as of April 1, 2003, and shall remain for a period ending March 31, 2006 and from year to year thereafter, providing that either party may, not less ~~than~~ sixty (60) days nor more than one hundred and twenty (120) days prior to the termination date hereof, give notice in writing to the other party of its intentions to terminate this Agreement or to negotiate a revision thereof.

LETTER OF UNDERSTANDING
REGARDING
DRAGLINE OILER AND DRAGLINE OILER/RELIEF OPERATOR

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

We the undersigned agree that:

- a. The entry level position for the dragline is that of Dragline Oiler.
- b. The company can promote a Dragline Oiler to the position of Dragline Oiler/Relief Operator once he becomes qualified to operate the dragline and can competently operate in the absence of the regular operator.

LETTER OF UNDERSTANDING

REGARDING

12 HOUR SHIFTS

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

Statutory Holidays:

For twelve (12) hour shift employees a holiday allowance for a holiday not worked shall be computed by multiplying by twelve (12) the minimum hourly wage rate as in Article 16 of the employee's regular classification.

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

Clause 11.02 shall apply.

Definition of Vacation Week:

For twelve (12) hour shift employees vacation entitlement shall be as follows:

- 2 weeks eligibility= 7 working days plus days off
- 3 weeks eligibility= 11 working days plus days off
- 4 weeks eligibility= 14 working days plus days off
- 5 weeks eligibility= 18 working days plus days off
- 6 weeks eligibility= 21 working days plus days off

Vacations may be taken a maximum of three (3) periods but not in less than one (1) complete shift rotation per period.

Premium Pay:

The shift schedule premium to be paid to employees working the twelve (12) hour schedule will be as follows:

- a. Hours of work will be averaged over a four (4) week period as per Exhibit "A" and it is agreed that those employees working the twelve (12) hour shift cycle will work an average of forty-two (42) hours per week. Overtime at two (2) times an employees' regular wage rate will be paid for the last two (2) hours worked per week. Absence from work will result in an equivalent reduction in overtime hours and pay. The definition of the (12) twelve hour day and (42) forty-two hour work week does not serve as a guarantee of hours of work per day or per week but is stipulated only for the purpose of computing overtime pay.
- b. It is further agreed that Clause 14.08 will apply, that is, all employees who work a shift schedule that involves a seven (7) day per week operation shall, when working such schedule, receive a ~~shift~~ schedule premium of sixty cents (\$.60) per hour for all straight time hours worked.

Overtime:

Article 14.06 will not apply to employees working the twelve (12) hour shift schedule. Rather, time worked in excess of twelve (12) hours in a day will be at two (2) times the employee's regular scheduled rate and time worked on the employee's regular scheduled day of rest will be paid at two (2) times the employee's regular hourly rate.

Shift Differentials:

Shift differentials for twelve (12) hour shift employees shall be as follows:

\$1.10 per hour for all straight time hours worked on a night shift where such shift forms part of an employee's regular schedule (night shift 7:30 p.m. to 7:35 a.m.).

The parties agree to jointly contact the employment standards branch to apply for a certificate for the current 12 hour shift schedule upon ratification. The permit shall be in effect for the life of this collective agreement.

Hours of Work:

Employees on the twelve (12) hour shift shall be prepared to go to work at the start of the shift (eg. 7:30 a.m.) and shall not leave the mine-site before the end of the shift (eg. 7:45 p.m.). It is understood that a maximum of ten (10) minutes shall be granted for filling out reports and wash-ups. Employees shall receive twelve (12) hours pay for this twelve (12) hour and fifteen (15) minute time period, which shall include two (2), fifteen minute coffee breaks and a thirty (30) minute lunch break.

EXHIBIT "A"

F S S M T W T F S S M T W T F S S
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17
D D D / / N N / / / D D / / N N N

M T W T F S S M T W T F S S
18 19 20 21 22 23 24 25 26 27 28 29 30 31
/ / D D / / I N N / / D D D

- 3 Days - 2 Off
- 2 Nights - 3 Off
- 2 Days - 2 Off
- 3 Nights - 2 Off
- 2 Days - 3 Off
- 2 Nights - 2 Off

LETTER OF UNDERSTANDING

REGARDING

8 HOUR SHIFTS

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

Under clause 14.02 in the Collective Agreement between Paintearth/Sheerness and the International **Union** of Operating Engineers Local 955, the Company agreed that the following start and stop times be adhered to:

Employees on the eight (8) hour shift shall be prepared to go to work at the start of the shift (eg. 7:30 a.m.) and shall not leave the mine-site before the end of the shift (eg. 3:45 p.m.). It is understood that a maximum of ten (10) minutes shall be granted for filling out reports and wash-ups. Employees shall receive eight (8) hours pay for this eight (8) hour and fifteen (15) minute time period, which shall include two (2), ten (10) minute coffee breaks and a thirty (30) minute lunch break.

LETTER OF INTERPRETATION
REGARDING
HOURS OF WORK AND SHIFT CHANGE OVERTIME

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

An employee who is unable to return to the mustering room before shift end will be eligible for overtime. It is understood that employees will make every effort to return to the mustering room at 10 minutes before ~~shift~~ end. Overtime that is due will be paid in the following manner:

1 – 5 minutes	=	5 minutes overtime pay
6 – 10 minutes	=	10 minutes overtime pay
11 – 15 minutes	=	15 minutes overtime pay
16 – 20 minutes	=	20 minutes overtime pay
21 – 25 minutes	=	25 minutes overtime pay
26 – 30 minutes	=	30 minutes overtime pay

Examples:

If a twelve hour employee is not able to return to the mustering room until 7:38, they will be paid 5 minutes overtime pay, and may leave at any time after 7:45.

If a twelve hour employee is not able to return to the mustering room until 7:43, they will be paid 10 minutes overtime pay, and may leave at any time after 7:45.

If a twelve hour employee is not able to return to the mustering room until 7:54, they will be paid 20 minutes overtime pay, **and** may leave at any time after getting in.

If a twelve hour employee is not able **to** return to the mustering room until 8:03, they will be paid 30 minutes overtime pay, and may leave at any time after getting in.

LETTER OF UNDERSTANDING

REGARDING

REVERSION RIGHTS

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

The parties agree that all current employees shall not have reversion rights to previous bid positions as of April 30, 2000, as identified in clause 8.06, or any other correspondence or Letters of Understanding. Employees who may be displaced in the future shall have rights under Article 7 and clause 8.06, in respect of that future displacement.

LETTER OF UNDERSTANDING

REGARDING

BUMPING ARTICLE 8.06

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

This Letter of Understanding pertains to employee wishing to bump into or out of the Maintenance Department. Any other bumping is covered under Article **8.06** of the Collective Agreement.

In the event that an employee whose job has been "temporarily discontinued" wishes to bump from Mine Operations into Maintenance, or from Maintenance into Mine Operations, the term "temporarily discontinued" as contained in Article **8.06** shall mean a minimum of 2 calendar weeks.

After the 2 week period the employee shall have the right to bump according to Article **8.06** of the Collective Agreement.

LETTER OF UNDERSTANDING

REGARDING

CONTINUOUS IMPROVEMENT

Between

LUSCAR LTD. PAINTEARTH/SHEERNESS MINES

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 955

“The Parties agree to discuss ways to continue to improve the overall effectiveness, efficiency and viability of the Paintearth/Sheerness mining operations.

Local 955 and Luscar Ltd. Paintearth/Sheerness employees recognize that the longevity of their employment is vested in the profitability of the Company and the Company recognizes that the success of the Company is vested in the well-being of the employees. The Company, the Union, and the employees are committed to continuous improvement through maintaining and fostering a safe, harmonious and productive workplace.”

The preceding letters of understanding were reviewed during negotiations and agreed to.

COLLECTIVE AGREEMENT

Between

LUSCAR LTD PAINTEARTH/SHEERNESS MINES

and

**THE INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 955**

Agreed this 17th day of July, 2003

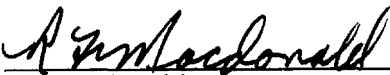
For the Union:



M. King
Business Manager
Local 955



B. Moffatt
Assistant Business Manager
Local 955



R. Macdonald
President
Local 955



B. Stewart
Business Agent,
Local 955



B. Blumhagen
Job Steward,
Paintearth Mine

For the Company:



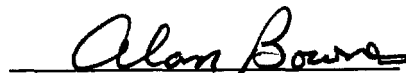
W. Klassen
General Manger



D. Hammel
Mine Manager,
Paintearth Mine



C. Crippen
Mine Manager,
Sheerness Mine



A. Bownes
Human Resources
Manager



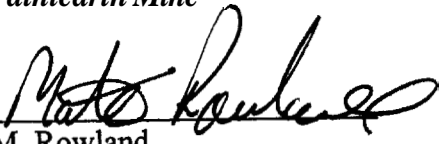
D. Spies
Maintenance
Manager



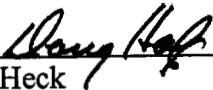
L. Doel
*Job Steward,
Paintearth Mine*



M. Sandaluk
*Assistant, Human Resources
Luscar Ltd.*



M. Rowland
*Job Steward,
Paintearth Mine*



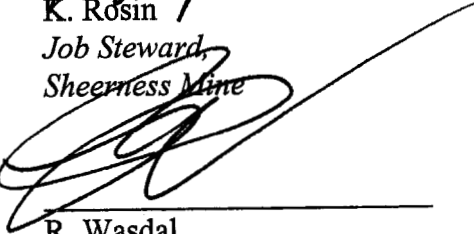
D. Heck
*Job Steward,
Paintearth Mine*



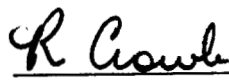
J. Sinclair
*Job Steward,
Sheerness Mine*



K. Rosin
*Job Steward,
Sheerness Mine*



R. Wasdal
*Job Steward,
Sheerness Mine*



R. Crowle
*Job Steward,
Sheerness Mine*

40
/