

COLLECTIVE BARGAINING AGREEMENT

between

**HUDSON BAY MINING
AND SMELTING CO., LIMITED**

and

**UNITED STEELWORKERS OF AMERICA,
LOCAL UNION NO. 9338**

EFFECTIVE JANUARY 1, 2000

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AGREEMENT

THIS AGREEMENT made as of the 1st day of January, **2000**

BETWEEN

HUDSON BAY MINING
AND SMELTING CO., LIMITED

OR ITS SUCCESSORS

(hereinafter called the "Company")

OF THE FIRST PART

- and -

UNITED STEELWORKERS OF AMERICA,
LOCAL UNION NO. 9338

(hereinafter called the "Union")

OF THE SECOND PART

UNITED STEELWORKERS OF AMERICA - CBA

Local Union No. 9338

ARTICLE INDEX

Article Number	List of Articles	Page
1	Recognition *Letter of Agreement	1
2	Management Rights	1
3	Union Security	2
4	Union Representation	3
5	Safety and Health	3
6	Seniority	4
7	Temporary and Part-Time Employees	6
8	Reduction and Restoration of Forces	6
	*Letter #3	
9	Technological Change	9
10	Hours of Daily, Weekly and Overtime Work	10
	*Letter #1	
11	Rates of Pay	12
	*Letter #2, #5, Appendix C	
12	Benefit Plans	12
	*Letter #3, #7	
13	General Holidays	16
14	Vacations with Pay	18
	*Letter #4	
15	Leave of Absence	20
16	Benefit and Seniority Accrual for Employees not Actively at Work	23
17	Bulletin Boards	26
	*Letter #6	
18	Discipline Procedure	27
19	Grievance and Arbitration Procedure	28
20	No Strikes, No Lockouts	29
21	Duration of Agreement	29
22	Collective Bargaining and Resolution of Collective Bargaining Disputes	30
-	Letters of Understanding	37
-	Letter of Agreement	44
-	Appendix B	45
-	Appendix C	46
-	Signing Authorities	48

UNITED STEELWORKERS OF AMERICA - CBA

Local Union No. 9338

LETTERS OF UNDERSTANDING INDEX

Letter		Page
1	Banked Overtime Pay.....	37
2	Paterson Plan	37
3	Long-Term Disability Benefits	38
4	Vacation	39
5	Profit Sharing Plan	39
6	Project 2012.....	41
7	Geographic Requirement for Benefit Coverage	43

UNITED STEELWORKERS OF AMERICA - CBA

Local Union No. 9338

SUBJECT INDEX

	Page
Absenteeism, Long-Term.....	23
Adoption Leave.....	23
Agreement, Duration.....	29
Application to Canada Labour Relations Board.....	44
Arbitration.....	28
Arbitrators.....	28
Banked Overtime Pay.....	37
Bargaining Committee.....	3
Benefit and Seniority Accrual for Employees Not Actively at Work.....	23
Benefit Plans.....	12
- Death Benefit Plan.....	16
- Dental Plan.....	13
- Drug Plan.....	14
- Geographic Requirement for Benefit Coverage.....	43
- Health Plan.....	13
- Life Insurance.....	13
- Long-Term Disability.....	16, 38
- Pension Plan.....	13
- Sick Benefit Plan.....	15
- Snow Lake Referrals.....	14
- Vision Care.....	14
Bereavement Leave.....	21
Bulletin Boards.....	26
Callouts.....	11
Child Care Leave.....	23
Collective Bargaining and Resolution of Collective Bargaining Disputes.....	30
Committees.....	
- Bargaining.....	3
- Grievance.....	3
- Safety and Health.....	3
- Technological Change.....	10
Contracting Out.....	27
Death Benefit Plan.....	16
Dental Plan.....	18
Discipline Procedure.....	27
Discrimination.....	26
Drug Plan.....	14
Dues.....	
- Union, Full Time Employees.....	2
- Union, Temporary and Part-Time Employees.....	6

Duration of Agreement	29
General Holidays.....	16
- Pay	17
- Scheduled Day Off	17
- Substitute Day Off	17
- Vacation	18
Grievance	
- Committee	3
- Procedure	28
Harassment	26
Health Plan	13
Hours of Daily, Weekly and Overtime Work.....	10
Job Evaluation	12, 37
Job Posting	5
Jury Duty	22
Layoff	7
Leave of Absence	20
- Adoption	23
- Bereavement	21
- Child Care	23
- Jury Duty	22
- Maternity	22
- Seniority	8, 20
- Union	20
Life Insurance	13
Long-Term Disability	16, 38
Long-Term Absenteeism	23
Management Rights	1
Maternity Leave	22
Meal Allowance	11
Medical Examination	4
No Discrimination or Harassment.....	26
No Strikes, No Lockouts.....	29
Overtime.....	10
- Banked Overtime Pay.....	31
Part-Time Employees.....	6
Paterson Plan Job Evaluation Method.....	12, 37
Pension Plan	12
Personal Files	27
Premium	
- Saturday	10
- Service	10

- Sunday	11
Probationary Period.....	4
Profit Sharing Plan.....	39
Project 2012	41
Rates of Pay	12
- Callouts	11
- Overtime	10
- Salary Progression.....	12
- Salary Scale	46
- Saturday Premium	10
- Service Premium.....	10
- Shift Differential/Premium	11
- Sunday Premium.....	11
Reassignment, Consideration for	5
Recall Rights	7
Reduction and Restoration of Forces	6
Right To Refuse	45
Safety and Health	3
- Committee	3
- Training	4
Salary Scale	46
Saturday Premium	10
Seniority.....	4
- Job Posting.....	5
- Leave	8, 20
- Listing	4
Service Premium	10
Severance	7
Shift Differential/Premium.....	11
Sick Benefit Plan	15
Signing Authorities.....	48
Snow Lake Referrals	14
Stewards.....	3
Sunday Premium	11
Suspensions.....	28
Technological Change.....	9
- Committee	10
Temporary and Part-Time Employees	6
Termination of Employment.....	8
Union	
- Bulletin Boards	26
- Dues, Full Time Employees	2
- Dues, Temporary and Part-Time Employees.....	6
- Leave	20
- Recognition	1
- Representation	3

- Security	2
- Shop Stewards.....	3
Vacations	18, 39
- Bereavement.....	21
- Regular	18, 39
- Regular - Entitlement	18
- Regular - General Holiday.....	26
- Regular - Long-Term Absenteeism.....	25
- Regular - Vacation Bonus.....	18
- Regular - Vacation Pay	18
- Special	19
- Special - Long-Term Absenteeism.....	25
- Special - Vacation Pay	19
Vision Care	14

Article 1

RECOGNITION

- 1.01 The Company recognizes the Union as the sole bargaining agent for the purposes of collective bargaining in respect of rates of pay, wages, hours of employment and other conditions of employment for employees who fall within the scope of the Certification Order issued by the Canada Labour Relations Board on November 18, 1993.
- 1.02 Whenever the masculine gender appears in this Agreement it shall also mean the feminine gender, unless the context requires otherwise.
- * See Canada Labour Relations Board Order and Appendix " A
 - * See Letter of Agreement

Article 2

MANAGEMENT RIGHTS

- 2.01 The Union recognizes that it is exclusively the function and right of the Company to direct the working forces, to make and alter from time to time reasonable rules to be observed by the employees, to hire, promote, demote, transfer, suspend or lay off employees, and also the right of the Company to discipline or discharge any employee for just cause.
- 2.02 The Union further recognizes the right of the Company to operate and manage its business in accordance with its commitments and responsibilities. Without limiting the generality of the foregoing, it shall be the sole and exclusive prerogative of the Company to decide on the location of its plants and mines, the products to be mined and/or processed, the schedules of production, the methods of mining and processing used, the number of employees needed by the Company at any time, operating techniques, methods, machinery, equipment and supplies, to determine services to be rendered and the location from which such services are provided, to determine equipment, techniques, methods and materials, to determine the nature of the staff organization and reporting relationships, to determine the size of the work force and the allocation and assignment of the work to employees, to determine policies affecting the selection and assignment of employees, including the establishment and administration of tests for the purposes of assisting the Company in assessing qualifications, and to determine work standards and production levels and the quality of workmanship to be required.

- 2.03 The Union recognizes that the Company has the right to promote or transfer employees to positions both within and outside of the bargaining unit and to return employees to positions within the bargaining unit.
- 2.04 The Company reserves the right to hire trainees for positions outside of the collective bargaining unit and to have them work with or in bargaining unit positions as part of their training. Provided that such trainees work alongside or in bargaining positions for no more than three (3) months, they shall not be considered as coming within the bargaining unit. It is understood that co-op students hired for the period of a work term will not be considered as coming within the bargaining unit. It is further understood that with regards to all other students the Company may, at their option, adopt special rates to be paid such students.
- 2.05 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 3

UNION SECURITY

- 3.01 Every employee covered by this Agreement shall, as a condition of continuing employment, pay to the Union an amount equal to the Union's constitutional monthly dues. The Company will deduct such amount from the employee's pay on the second pay day of each month.
- 3.02 Deduction of monthly Union dues will cease when an employee is transferred or promoted to a position outside of the bargaining unit.
- 3.03 The Company will transmit to the authorized representative of the Union the total monthly deductions of Union dues, listing the employees by name from whose pay such Union dues have been deducted. The Company will, at the time of making such payment to the Union, list the additions to and deletions from the previous month's listing, noting the reasons for such additions or deletions.
- 3.04 The Company will, on or before March 1st of each year, furnish to each employee a statement of the total monthly dues which have been deducted from such employee's pay cheques and remitted to the Union during the preceding calendar year.

Article 4

UNION REPRESENTATION

- 4.01 The Union shall name and the Company shall recognize the following:
- (a) Shop Stewards which shall be distributed throughout the departments in a reasonable fashion.
 - (b) Grievance Committee which shall be made up of the Union President, Grievance Committee Chairman and the Staff Representative.
 - (c) Joint Safety and Health Committee which shall be comprised of *two* (2) employee representatives and two (2) representatives to be named by the Company.
 - (d) Bargaining Committee which shall be made up of five (5) employee representatives and the Staff Representative.

Article 5

SAFETY AND HEALTH

- 5.01 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.

- 5.02 In recognition of the common concern of the Company and the Union in the area of safety and health, a Joint Safety and Health Committee shall be established comprised of *two* (2) employee representatives and *two* (2) representatives of the Company. The Company will arrange to provide any training that it deems necessary or that is required by law. The Committee will meet monthly, or more often if determined necessary by both parties. Members of the Committee will be paid for any time spent in Committee meetings during their regular working hours.

- 5.03 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 regularly in that day or shift, had that accident not occurred.

5.04 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 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.

5.05 An employee who is requested to undergo a medical examination and/or provide a medical report or who is required to obtain a medical certificate or a Certificate of Fitness for Work and who fails to do so, may be suspended without pay until such time as the requested documentation is provided to the Company.

5.06 The Company agrees to provide a minimum of sixteen (16) hours of training each contract year for the two (2) Safety and Health Committee representatives. Such training shall be provided at the Company's discretion in sessions from two (2) to eight (8) hours duration.

Article 6

SENIORITY

6.01 Seniority shall mean the length of continuous service with the Company since the date of last hire as a full-time employee. The Company will provide to the Union once per year a list of bargaining unit employees, their classifications and their seniorities and at the end of each quarter, detail movements into, out of, and within the unit.

6.02 Probationary Period

All new or rehired employees shall be considered as probationary employees until completion of seven hundred and twenty (720) straight-time working hours. Such employees will be given an interim evaluation of their performance after working three hundred and sixty (360) straight-time working hours.

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 2.

6.03

Job Posting

Permanent vacancies for bargaining unit jobs will be posted on Company bulletin boards for seven (7) calendar days during which time all salaried employees are eligible to apply.

Employees will not be eligible to bid on a posting for a vacancy in their own classification. Notwithstanding the foregoing, if an opening arises in their classification and it involves work assignments that will significantly expand an interested employee's skills or job knowledge then interested employees will be considered for such an opening. At the time an opening arises, employees in that classification who desire reassignment can make their interest known to the Personnel Officer who will review such requests with the department **head(s)** in question. **I**f the employee wishes a meeting with the department **head(s)** to discuss their request, the Personnel Officer will arrange such meeting.

The Company, in deciding which applicant, if any, it will choose to fill the vacancy, will consider the skill, ability, and qualifications of each candidate in the context of the requirements and efficiency of operations. In the event two (2) or more candidates are considered equal in skill, ability and qualifications, seniority will be the deciding factor.

The Company shall post the name and seniority of the successful applicant. On request of the Union President, within five (5) working days of the request, the Company shall make available to the Union the names of all employees who applied for a job posting.

An employee, who is an unsuccessful applicant for a job posting, may request a meeting to discuss the disposition of **his** application.

Where **an** employee has been selected to **fill** a posted job vacancy, the Company will use its best efforts taking into account the efficiency of operations to effect the move in an expeditious manner.

If an employee is the successful applicant for a bulletin **job** there shall be a probationary period of thirty (30) working days during which the Company may affect his re-transfer to his former job.

It is understood that the Company will give due consideration to an employee who requests he be allowed to return to his former job if such request is made during the thirty (30) working day probationary period.

Article 7

TEMPORARY AND PART-TIME EMPLOYEES

7.01 Temporary employees are defined as individuals who are employed for the purpose of:

- (a) Replacing employees absent for any reason such as sickness, maternity, vacations or authorized leave of absence.
- (b) Doing a temporary job necessitated by specialized, abnormal, or seasonal work requirements.

If a temporary employee is employed for a period in excess of fifteen (15) consecutive months such employee will be considered a regular full-time employee.

7.02 A part-time employee is an employee other than a temporary employee who normally works less than forty (40) hours per week.

7.03 It is agreed between the parties that part-time and temporary employees will pay Union dues prorated on the basis of actual hours worked in any month to the normal number of hours in the month based on a forty (40) hour week.

7.04 No other provisions of the Collective Agreement shall apply to part-time and temporary employees.

Article 8

REDUCTION AND RESTORATION OF FORCES

8.01 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 If the Company deems a layoff in a position necessary, employees who are **to be declared** redundant **will be selected on the basis of skill, ability and qualifications in the context** of the requirements and efficiency of the operations. In the event two **(2)** or more **candidates are considered to be relatively equal in skill, ability and qualifications**, the junior employee will be laid off **first**. Layoffs will be made in consultation with the Union.
- 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.
- 8.04 If it is necessary to hire individuals to fill either temporary vacancies in the bargaining unit which the Company expects to last longer than three (3) months, or permanent vacancies in the bargaining unit, **preference will be given to qualified bargaining unit employees and to qualified bargaining unit employees on layoff** with recall rights before considering individuals outside the unit. In so doing, **the Company will consider the skill, ability and qualifications of each candidate in the context** of the requirements and efficiency of the operations. In the event **that the final selection comes down to two (2)** or more **candidates** with recall rights, **whose skill, ability and qualifications are considered to be relatively equal, the most senior employee** will be recalled. Recalls will be made in consultation with the Union.
- 8.05 An employee who is laid off by the Company will retain recall rights for a period equal to their seniority at time of layoff to a maximum of three (3) years. Seniority will cease accumulating at time of layoff. All employee benefits including vacation accrual and entitlement will cease at time of layoff.
- 8.06 An individual who is laid off with one **(1)** or more years of service, who notifies the Company in writing within one hundred and twenty (120) calendar days of being **so laid off** that they relinquish all rights to recall and wish to terminate their employment, shall be paid as severance pay an amount equal to one **(1)** week's pay for each complete year of continuous service.
- 8.07 These provisions shall be deemed to satisfy the minimum severance requirements that are set forth in the Canada Labour Code.
- 8.08 Seniority will continue to accrue in the following situation:

- (a) Any leave of absence approved by the Company.
- (b) Any maternal or parental leave approved by the Company.
- (c) Any leaves of absence for Union business approved by the Company.

8.09 An employee will lose all seniority and be deemed to have terminated employment if the employee:

- (a) Voluntarily quits or is terminated.
- (b) Is absent without leave from the Company for a period of over three (3) days without providing a reason satisfactory to the Company.
- (c) Fails to return to work from an approved leave of absence or in accordance with the recall provisions of this Agreement unless, in either case, a reason satisfactory to the Company is given.
- (d) Is laid off by the Company for a period longer than the period during which they retain recall rights.

8.10 A non-certified employee entering the bargaining unit who displaces another employee must be senior to the employee they displace and be considered to be an equal or better candidate to do the job given a short period of familiarization.

See Letter of Understanding
#3 - Long-Term Disability Benefits

Article 9

TECHNOLOGICAL CHANGE

For the purposes of this Article, technological change shall mean:

- (a) The introduction by the Company into its work, undertaking or business of equipment or material of a different nature *or* kind than that previously utilized by the Company in the operation of the work, undertaking or business; and
- (b) Change in the manner in which the Company carries on the work, undertaking or business that is directly related *to* the introduction of that equipment or material, provided however that any such change is **such** that it is likely to affect the terms and conditions or security of employment of a significant number of the Company's employees to whom this collective agreement applies. Notwithstanding the foregoing, the red circling provisions outlined below will apply if one or more employees are affected by the technological change.

9.01 If an employee **is** downgraded by the Company into a position paying a lesser rate of pay because of a technological change, such employee will maintain his rate of pay at the time of downgrading. That rate shall be red circled. The red circle rate will remain in effect for a one ~~(1)~~ year period, at which time the employee's rate will be reduced to the full performance level for the new **job**.

9.02 The Company shall give one hundred and twenty (120) calendar days notice prior to introducing technological change.

9.03 In the event of a technological change, the Company will, as far in advance of the change as possible, enter into discussions with the Union for the purpose of providing:

- (i) **A** detailed description of the nature of the proposed technological change;
- (ii) The names of the employees who will likely be affected by the proposed technological change;
- (iii) The rationale for the change and the impact it will have on the Company's efficiency and economy of operations, and
- (iv) The Company's plan to minimize the impact of the technological change on the employees affected.

- 9.04 As a result of discussions outlined above and where the scope of the technological change necessitates it, a committee of two (2) Company and two (2) Union members will be established by the Union and the Company.
- 9.05 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.
- 9.06 The provisions of this Article are intended to assist employees affected by technological change to adjust to the effects of the technological change.
- 9.07 The provisions of the Canada Labour Code, Division IV, Sections 52, 54 and 55 do not apply during the term of this Agreement to the Company and the Union.

Article 10

HOURS OF DAILY, WEEKLY AND OVERTIME WORK

- 10.01 This Article is intended to define the normal hours of work and is not to be construed as a guarantee of hours of work per day or per week or of days or work per week. The normal work week shall be comprised of forty **(40)** hours per week exclusive of unpaid lunch periods.
- 10.02 An employee shall be paid overtime at the rate of one and one-half **(1%)** times the employee's equivalent hourly rate for all pre-authorized overtime work performed in excess of forty **(40)** hours per week.
- 10.03 "Equivalent rate" means the employee's monthly salary multiplied by twelve **(12)** and divided by two thousand and eighty (2,080).
- 10.04 An employee will have deducted from his salary an amount equal to any scheduled hours not worked during the pay period multiplied by his equivalent hourly rate. No deduction will be made for hours which have been pre-authorized as paid leave.
- 10.05 Saturday premium pay of fifty cents (50¢) per hour will be paid for each straight-time hour worked on Saturday.

- 10.06 Sunday premium pay of one dollar (\$1.00) per hour shall be paid for each hour worked on Sunday.
- 10.07 Each employee with at least one (1) year seniority will be paid a service premium of thirty cents (30¢) for each straight-time hour worked. This service premium should 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 purposes of establishing benefit entitlement, the calculation of holiday, vacation or any other pay, or for any other purposes whatsoever.
- 10.08 If an employee has completed the scheduled hours of work for his shift and is called in for overtime, he shall receive pay for the full time ~~so~~ worked except that he shall receive pay for a minimum of four **(4)** hours.
- 10.09 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 (if an employee is not provided with at least twelve (12) hours notice prior to the start of the overtime assignment) the Company shall supply to the employee a meal or at the Company's or the employee's request, a meal allowance of \$10.00 shall be paid in lieu of a meal.
- 10.10 A shift differential shall be paid at the following rates:

Afternoon Shift	45 cents/hour
Night Shift	50 cents/hour
Graveyard Shift	50 cents/hour

For employees working extended shift schedules (e.g. 10, 11.5 and 12 hour shifts) the shift premium is:

Night Shift	63 cents/hour
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Shift premiums at the foregoing rates will be paid an employee working an overtime graveyard, night or afternoon shift. That is, shift premium will not be increased for overtime hours.

Shift premiums will not be paid to an employee who works overtime hours preceding or following a day shift.

Any shift starting between 6:00 am and 12:00 noon shall be classed as day shift. Any shift starting between 12:00 noon and 6:00 pm will be classed as afternoon shift. Any shift starting between 6:00 pm and

10:00 pm will be classed as night shift. Any shift starting between 10:00 pm and 6:00 am **will** be classed as graveyard shift.

See Letter of Understanding
#1 - Banked Overtime Pay

Article 11

RATES OF PAY

11.01 The salary progression for a given job is as follows:

SALARY PROGRESSION FOR A GIVEN JOB		
Level	Pay	Time at Level
Developmental	90% of full performance rate	1 year
Acceptable	95% of full performance rate	normally for 1 year
Full Performance	Full Performance rate	

The Paterson Plan job evaluation method will remain in effect during the term of this Agreement. The full performance rate schedule is detailed in Appendix "C".

See Letter of Understanding
#2 - Paterson Plan
#5 - Profit Sharing Plan

See Appendix "C"

Article 12

BENEFIT PLANS

12.01 The Company agrees to continue to provide or to commence to provide the following benefits as set out and summarized in this Article.

The clauses that follow are merely intended to provide a general description of the benefits that are to be provided. The specific terms of any Plan or Policy, including eligibility and entitlement to benefits, shall be as set forth in the Plan or Policy, and the provisions of that Plan or Policy shall govern.

12.02 Pension Plan

Employees who are members of the Bargaining Unit prior to January 1, 1994 will remain members of the Salaried Retirement Income Plan while employees entering the Bargaining Unit after January 1, 1994 will become members of the Revised Retirement Pension Plan.

12.03 Life Insurance

Employees will be covered for:

- Two (2) times your annual base earnings.
- \$25,000 accidental death and dismemberment. If the accident occurs while working on behalf of the Company coverage will increase an additional \$50,000 allowing for a total benefit of \$75,000.

12.04 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"). Such agreement is dated January 2, 2002.

The Company shall be responsible for funding the Health Plan benefits in an amount sufficient to provide the agreed services to employees and their dependents in accordance with the terms of the Health Plan Agreement.

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

- (a) Private and semi-private accommodation outside the principal operation of the Health Benefit Plan, if authorized by the medical supervisor; and
- (b) Basic Dental Plan to be continued for employees and dependents to include routine examinations as frequently as every six (6) consecutive months, X-rays, fillings other than inlays or crowns, extractions, oral surgery, cleaning and scaling, fluoride treatment and periodontal care to include Restoration Service (Blue Cross Plan C) on a 50% coverage basis for services used, and Orthodontic Service (Blue Cross Plan D) on a 50% coverage basis for services used. The Orthodontic benefit coverage is limited to a

\$1500 lifetime maximum per individual. This benefit applies to dependents where treatment begins prior to the 17th birthday.

In addition, bus rate return fare will be paid to an employee and his registered dependent for out of town orthodontic services to a maximum of five (5) trips per family per year, when such services are not available in Flin Flon.

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

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) **Vision Care - reimbursement for prescription lenses, frames and contact lenses to a maximum of \$150.00 per eligible member every twenty-four (24) months.**

- (e) Ambulance service to the hospital will be provided if, in the judgment of the attending physician, it is necessary.

- (9) The cost of accommodation and transportation will be paid for referral as an outpatient of an employee or his dependent from Snow Lake to Flin Flon or from Snow Lake to The Pas. If the employee or his dependent is hospitalized, accommodation will be paid for one family member. Transportation cost will be paid at twenty-five cents (25¢) per kilometre.

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

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

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

12.05

Sick Benefit Plan

- (a) Effective January 1, 1994, an employee who is ill will be eligible for sick benefits based on 100% of an employee's straight-time earnings at the time of disability, less any benefits or monies that the employee may be entitled to receive. Without limiting the generality of the foregoing, such benefits or monies shall include Canada Pension Plan payments, Workers Compensation Benefits, and any other benefits or monies payable or recoverable under any scheme of public or private insurance.

Such benefits are payable for a maximum of six (6) calendar months.

An employee who has utilized all or a portion of such benefits will have the full six (6) calendar month benefit reinstated once the employee has returned to active duty and has been continuously in attendance at work, without any period of absence, for at least **two hundred and forty (240) straight time working hours**.

An employee who returns to work following an illness, and has a recurrence of that illness within three (3) calendar months following such return, will be entitled to utilize any of the sick benefits that remained unused at the time that he originally returned to work.

In order for an employee to be eligible to receive or continue to receive such sick benefits, the employee must be totally disabled and under the care of a physician. The employee must also be actively following any course of treatment prescribed by the physician. In addition, the employee must, upon the request of the Company, provide the Company with a complete medical report in a form as prescribed by the Company. The Company may also require that the employee undergo a medical examination by a physician designated by the Company.

Further, if the Company deems necessary it may require that individual employees undergo a medical examination by a physician designated by the Company on the first day of absence and in the event such physician is not satisfied the absence from work is necessary or such absence results from the employee's failure to follow a course of action previously prescribed by a medical professional, sick benefits will be denied and progressive discipline may result.

New employees shall not be eligible for the above sick benefit or the following long-term disability benefit until they have completed the probationary period of **seven hundred and twenty (720)** straight-time working **hours**.

- (b) The Company agrees to pay the insurance premiums for a long-term disability benefit plan having benefits that are no less than those set forth under the Company's present long-term disability plan. The specific terms of such plan shall be as set forth in the Master Policy issued to the Company by the insuring organization. The plan does not form part of this agreement and shall not be deemed to be incorporated into this agreement.

The Company shall be entitled to require employees who are absent on account of long-term disability to provide medical reports and undergo medical examinations in accordance with paragraph (a) above.

12.06 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
#3 - Long-Term Disability Benefits

Article 13

GENERAL HOLIDAYS

13.01 Eight (8) hours straight-time shall be paid to all 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 provisions of this Article 13.

13.02 Any employee other than those referred to in Article 13.04 required to work on the eleven (11) General Holidays listed in Article 13.01 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.

- 13.03 No employee is entitled to pay for any General Holiday as specified in Article 13.01 unless he has worked during the thirty (30) calendar days immediately preceding the General Holiday.
- 13.04 No employee is entitled to pay for any General Holiday as specified in Article 13.01 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.
- 13.05 No employee is entitled to pay for any General Holiday, as specified in Article 13.01, on which he was absent without leave after being scheduled to work on the General Holiday.
- 13.06 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 13, be granted a holiday without pay at a mutually agreeable time.
- 13.07 Notwithstanding the terms of this Article, a department may, in its discretion, permit an employee who is required to work on a General Holiday to take a substitute day off without pay at a mutually acceptable time, providing that such time is taken within one (1) day of the General Holiday.**

Article 14

VACATIONS WITH PAY

14.01 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 last hire or rehire to 31 December.

14.02 Employees will retain the vacation entitlement held as of January 1, 1994, and will increase entitlement in accordance with the following schedule, provided however that an employee shall not receive any credit for such purposes for any year during which he was not actively at work for at least a portion of such year:

Vacation Anniversary Date	Employees' Vacations Due With Pay
1st	10 working days, as per calculation in 14.01
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 inclusive	21 working days
20th	22 working days
21st	23 working days
22nd	24 working days
23rd & over	25 working days

In addition to the vacation pay outlined above, 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 14.02.

See Letter of Understanding
#4 - Vacation

14.03 The rate per day that will be granted for vacation allowance will be calculated using an eight (8) hour day and the employee's normal straight-time earnings per day at the time of his vacation.

14.04 When any of the eleven (11) General Holidays listed in this Article 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 this Article.

- 14.05** Employees will arrange with their department supervision as to the dates they will be granted vacations. An effort 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.
- 14.06** It is intended 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.
- 14.07** If an employee leaves the service **of** the Company, is laid off, 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.

Special Vacation

- 14.08** 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, whichever is later, shall become entitled to three (3) weeks of special vacation with pay.
- 14.09** Vacation pay for special vacations will be paid as outlined in Article **14.03** on the basis of a five (5) day, forty (**40**) hour week.
- 14.10** 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.
- 14.11** 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.
- 14.12** In determining the length of a special vacation, a week shall mean five (5) eight (8) hour working days.

14.13 The allocation of vacations with pay under the provisions of the regular vacation plan shall have priority over the allocation of special vacations hereunder.

Article 15

LEAVE OF ABSENCE

15.01 Vacation entitlement and benefit and seniority accrual for employees granted a leave pursuant to this Article will be determined in accordance with Article 16 - Benefits and Seniority Accrual for Employees Not Actively at Work.

15.02 When the requirements of the plant or plants permit, employees for satisfactory cause or circumstance, may be granted leave of absence without pay for a limited period and under the following conditions:

- (a) Application for leave of absence shall be made in writing to the department superintendent stating full particulars, including length of intended leave of absence and reason. The approval of such leave **will be** at the sole discretion of the Company.
- (b) An employee granted leave of absence for a period not exceeding one hundred and fifty (150) calendar days shall retain his seniority status and seniority shall accrue to him during his absence. The approval of such leave will be at the sole discretion of the Company.

15.03 Union Leave

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

- (a) Upon written application, no less than one (1) week in advance, the Company will grant employees leave of absence without pay provided the numbers of employees absent at any one time shall be mutually agreed upon.

15.04

Bereavement Leave

- (i) A maximum bereavement leave of ten (10) calendar days will be granted to an employee, commencing on the day of the death of his spouse, son or daughter, in order to attend the funeral. For each day the employee was regularly scheduled to work during such leave he shall be paid his regular rate of pay for eight (8) hours.
- (ii) A maximum bereavement leave of three (3) scheduled working days will be granted to an employee, upon the death of his mother, father, sister, brother, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandmother, grandfather, spouse's grandmother, spouse's grandfather, grandchild, and any relative permanently residing in the employee's household or with whom the employee resides, in order to attend the funeral. In this situation the bereavement leave will be extended by two (2) scheduled working days if the employee attends the funeral outside Manitoba and Saskatchewan. For each scheduled working day of such leave of absence the employee shall be paid his regular rate of pay for eight (8) hours.
- (iii) 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 bereavement leave he would have been entitled to had he been at work.
- (iv) To qualify for bereavement leave, the employee shall notify his immediate supervisor as soon as possible following the death.
- (v) Notwithstanding the terms of Article 15.03 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. This section is in the Collective Agreement as a means of communicating the terms of the Canada Labour Code and will be automatically changed to conform to the Code in the event the Code changes.

15.05 Jury Duty

Employees required to serve on Jury Duty shall be paid the difference between the straight-time earnings they would otherwise have earned and the amount they receive 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.

15.06 Maternity Leave

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 a 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.

The Company may require a pregnant employee to commence a maternity leave of absence without pay **if** she cannot, in the Company's opinion or 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.** 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.

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 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.

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.

The foregoing section is in the Collective Agreement as a means of communicating the terms of the Canada Labour Code and will be automatically changed to conform to the Code in the event the Code changes.

15.07 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 Sections 206 and 207 of the Canada Labour Code) an unpaid leave of absence of up to thirty-seven (37) weeks.

This section is in the Collective Agreement as a means of communicating the terms of the Canada Labour Code and will be automatically changed to conform to the Code in the event the Code changes.

Article 16

**BENEFIT AND SENIORITY ACCRUAL FOR EMPLOYEES
NOT ACTIVELY AT WORK**

16.01 For the purpose of this Article, “benefits” is defined to include regular and special vacation, general holidays, group life insurance, Health Plan, Sick Benefit Plan and Death Benefit Plan but does not include pension or seniority accrual.

16.02 Lay Offs - Employees who are laid off shall have all of their benefit entitlement cease at the time of lay off. Notwithstanding the foregoing, employees who because of their seniority, have been identified for lay off but at the time of the lay off 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 lay off, 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.

16.03

Leaves of Absence • All of an employee's benefit entitlement shall cease at the commencement of any leave of absence granted pursuant to Article 15 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 15.02 (Personal Leave) or Article 15.03 (Union Leave) provided however that:
 - (i) The employee or the Union pays 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:
 - Pension Plan costs;
 - Group Life Insurance Policy;
 - Health Plan;
 - Long term portion of 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. An employee who retains benefit coverage during a leave of absence under (c)(i) above will become eligible for sick benefit in the event they do not return from a scheduled leave six (6) months after their scheduled return to work date.

16.04

Illness - Employees who are off work on sick benefit ~~or~~ Workers Compensation will continue to participate in the Group Life Insurance, Health Plan, Sick Benefit Plan, and Death Benefit Plan and will continue to be entitled to regular and special vacations for the first twelve (12) months of their absence. Thereafter, such entitlement will cease and accrual of regular and special vacations will restart once the 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, the employee is absent from work for any period of more than **forty-eight** (48) consecutive working hours related to the original injury ~~or~~ illness.

Entitlement will be pro-rated as follows:

- (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 three hundred and sixty-five (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 accumulated 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.

16.05

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:

- (a) Regular Vacation: - The employee will not accrue vacation during any period of the leave or lay off, so that the employees' entitlement will be prorated for any portion of the year in which he is so absent.
- (b) Special Vacation: - The employee's special anniversary date will be delayed by the number of calendar days of absence due to lay off or leave of absence.

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

16.06 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 lay off 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 12.05 in respect of any day for which the employee receives General Holiday pay.

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

Article 17

BULLETIN BOARDS

17.01 It is agreed that Union bulletin boards may be used only for non-political Union notices relating to employees in the Company's workplace.

NO DISCRIMINATION OR HARASSMENT

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

CONTRACTING OUT

- 17.03** The Company recognizes that the Union has an understandable concern over "contracting out" and agrees that employees in the bargaining unit hired prior to January 1, 1994 will not be laid off as a direct result of contracting out work they normally perform.

See Letter of Understanding
#6 - Project 2012

Article 18

DISCIPLINE PROCEDURE

The following procedure shall govern in all cases of suspension and discharges:

- (a) The Company shall have the right to suspend or discharge any employee for sufficient and just cause;
- 18.01** When an employee is suspended, discharged or given a written warning while at work, a steward shall attend at the employee's option while that employee is being so disciplined provided such steward is at work and readily available.
- 18.02** The employee and the Union will receive a written copy of the suspension slip or discharge letter.
- 18.03** An employee wishing to review his departmental employee file may **do so** once per year. He shall make such request to his department superintendent or designate. All of the material in the file will be reviewed with the employee. **If** the employee disagrees with the factual nature of any of the material in his file and the superintendent or his designate are unwilling to remove the material from the file, such employee will be entitled to write a note to the file explaining his disagreement. Such note will become part of the file.

Article 19

GRIEVANCE AND ARBITRATION PROCEDURE

19.01 A grievance shall be defined as a difference between the Company and any of its employees regarding the interpretation, application, administration or alleged violation of the provisions of the Collective Agreement.

19.02 If a difference arises between an employee and the Company over the interpretation, application, administration, or the alleged violation of this Agreement, the employee and his/her immediate supervisor must first meet as soon as possible and attempt to resolve the difference informally.

19.03 Step I

If the difference has not been settled informally, or the employee has not received a reply from his supervisor within five (5) working days, the employee may present the difference in writing as a grievance to his/her immediate supervisor. All grievances must be in writing, signed by the employee and outline the terms of the Collective Agreement alleged to be violated. All grievances **must** be submitted within fourteen (14) calendar days of the occurrence giving rise to the grievance. The employee's supervisor will have five (5) working days to render a written decision on the matter.

19.04 Step II

Failing satisfactory settlement, the employee within five (5) working days of having received the written decision at Step I may refer the matter in writing to the department head. The department head will arrange a meeting to review the matter within fourteen (14) calendar days of receipt of the written request for a Step II meeting. The employee may be accompanied at that meeting by the Union President, and a steward from the employee's department. The United Steelworkers staff representative may also attend. The department head will provide a written reply to the grievance to the Union President within seven (7) calendar days of the meeting.

19.05 Arbitration

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

Jack M. Chapman, Q.C.
Martin H. Freedman, Q.C.
David Bowman

If the aggrieved party does not proceed to arbitration within fourteen **(14)** calendar days of receipt of the Step II answer, the grievance shall be deemed forfeited and waived by the aggrieved party. In the event the grievance is referred to arbitration, the Company and Union agree that the cost of the arbitration will be shared equally by both parties.

19.06 The time limits set forth for the grievance and arbitration procedure may only be extended by the agreement of the parties.

Article 20

NO STRIKES, NO LOCKOUTS

20.01 In view of the orderly procedures established by this Agreement for the settlement of disputes and the handling of grievances, the Union agrees that, during the duration of this Agreement **and during the time period that Article 22 (Collective Bargaining and Resolution of Collective Bargaining Disputes) is in effect**, it 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 21

DURATION OF AGREEMENT

21.01 This Agreement shall become effective as of January **1, 2000** and shall remain in effect until and including December **31, 2002** 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, 2002** 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.

Article 22

COLLECTIVE BARGAINING AND RESOLUTION OF COLLECTIVE BARGAINING DISPUTES

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

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

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

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

Each Union herein identified as being at Table **1** will advise the Company, no less than one hundred and twenty (120) days prior to the stated expiry date of the collective agreement, of its intent to participate in such joint bargaining. The Company shall then advise the Union of its position with respect to such negotiation within five (5) days of having received the expression of intention from all of the Table **1** Unions. Where a Table **1** Union elects to bargain separate and apart from the other Table **1** Unions, the Union, and any other Union that is bargaining collectively with it, shall be considered to constitute a separate bargaining table. Unless otherwise agreed, the parties will negotiate a collective agreement having a three (**3**) year term. Where two or more Unions that are bargaining at one bargaining table conclude a Settlement, and the settlement is rejected by the membership of one or more of the Unions, then the

Union(s) who were unsuccessful in having the settlement ratified by their membership shall be entitled to proceed to arbitration in accordance with the provisions of this Agreement.

- 22.02** Upon receipt of written notice in accordance with Article **21.01**, Duration of Agreement, the parties shall meet within fourteen (**14**) days to exchange collective bargaining proposals. Those proposals will serve to define the issues that the parties will seek to address during collective bargaining.
- 22.03** The parties will bargain collectively in good faith and make every reasonable effort to enter into a new collective agreement through the normal collective bargaining process. The arbitration provisions set forth herein are intended to be a last resort and are not meant to be a substitute for the collective bargaining process.
- 22.04** The parties will, at the outset of collective bargaining meet to develop agreed time lines. The time lines shall provide that any arbitration hearing that is required shall be scheduled approximately thirty (**30**) days after the stated expiry date of the collective agreement.
- 22.05** If it does not appear to either the affected Union(s) or the Company that a revised collective agreement will be concluded by the expiry date, then either may apply, pursuant to the relevant labour legislation, for the appointment of a Conciliation Officer to assist the parties in concluding a collective agreement. Meetings with the Conciliation Officer will begin no earlier than thirty (**30**) days prior to the stated expiry date of the collective agreement, and will continue as necessary until the earlier of the conclusion of a new collective agreement, or the stated expiry date of this Agreement, whichever occurs first.
- 22.06** The parties agree that neither party will apply for the appointment of a Conciliation Commissioner or a Conciliation Board pursuant to any legislative provision that may be in effect.
- 22.07** Should the parties fail to conclude a revised collective agreement prior to the stated expiry date of this Agreement, and provided that notice to negotiate has been given pursuant to **Article 21.01** of the collective agreement, then, for the sole purpose of governing the relationship between the parties, the terms of this Agreement shall continue in effect until a new collective agreement has been concluded, and the following shall apply:

- (a) The resolution of the provisions of this Agreement shall be immediately referred to arbitration, with the arbitration being scheduled, where possible, in accordance with the time lines referred to in clause .04;
- (b) All negotiation shall be suspended as at midnight of the stated expiry date of this Agreement, and the parties shall not be obligated to meet to negotiate beyond that date. This provision is intended to facilitate the conclusion of a jointly negotiated collective agreement prior to the expiry date, and the failure of either party to negotiate following the stated expiry date will not be taken to constitute a violation of any provision of the applicable labour legislation;
- (c) One arbitration board shall be appointed to hear all collective bargaining referrals that arise pursuant to any of the collective agreements that expire within twelve (12) months of each other. The arbitration board shall be established in the following manner:
 - (i) At any time after the commencement of negotiations, the Company or the Unions which are party to a 2012 Amending Agreement shall name a single person who will act as their nominee to the arbitration board. The party receiving such notice shall likewise name its nominee within seven (7) days of receipt of notice of the appointment of the other party's nominee.
 - (ii) The Chairperson of the arbitration board shall be chosen in rotation from the panel of individuals set forth below:

Hugh Jamieson
Martin Freedman
Martin Teplitsky

In the event that any of the aforementioned individuals become permanently incapacitated or otherwise unable to act, then the parties will meet to select a replacement for such individual. Where the parties are unable to agree on such a replacement, then they may request that the arbitration board that has been convened pursuant to **this** Article name a replacement, and the arbitration board may do so notwithstanding the provisions of paragraph **22** of this Article.

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

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

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

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

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

22.11 In preparation for the initial hearing, each party shall provide, in writing, to the other and to each member of the arbitration board, no less than three (3) working days prior to the initial hearing, a document setting forth the following:

- (a) the terms and conditions of the proposed collective agreements that have been agreed;
- (b) the terms and conditions of the proposed collective agreements that remain outstanding;

22.12 The Chairperson is to direct the **nominee(s)** at the initial hearing that, with the exception of other members of the arbitration board, they are to have no communication with anyone with regard to any aspect of the process or the hearing from that point onward until the arbitration board has issued all **award(s)** for any referral that has or may be made to the arbitration board with respect to collective agreements covering employees in the **Flin Flon** mineral area.

22.13 On the date fixed by the arbitration board at the initial hearing, each party shall submit to each member of the arbitration board, in writing a copy of:

- (a) its position on **all** terms and conditions of the proposed collective agreement which are in dispute between the parties;
- (b) its brief in support of its submission; and
- (c) a list of all the terms and conditions agreed upon by the parties as at that date.

22.14 The arbitration board shall on the date fixed by the arbitration board at the initial hearing, hold a hearing in order to provide each party or its representatives with the opportunity to submit evidence and arguments in support of their position.

The arbitration board may establish its own procedures for the conduct of the hearing, and may reschedule matters to dates other than those established at the initial hearing.

22.15 Unless the parties otherwise agree, the arbitration board shall render its decision no later than fourteen (14) days after the conclusion of the hearing.

The failure of the arbitration board to render its decision within the time specified under the previous paragraph does not affect the jurisdiction of the arbitration board to continue and complete the issuance of its award.

22.16 In arriving at its decision, the arbitration board may take into account:

- (a) the terms and conditions of the existing or any previous collective agreement between the parties;
- (b) wage settlements in general in the geographic area, in the industry and with the Company or a related company;

- (c) the economic circumstances of the Company;
- (d) changes in the cost of living as reflected in the Consumer Price Index for the City of Winnipeg as published from time to time by Statistics Canada;
- (e) the desirability of maintaining comparable settlements between the Company and its various bargaining units;
- (f) such other matters as in the discretion of the arbitration board will assist it in arriving at a fair and reasonable decision.

In arriving at its decision, the arbitration board shall have regard to all of the foregoing factors, giving due weight to those that it considers to be relevant for the resolution of the specific dispute. Except in cases of “survival”, where there is threat of closure of the operation or a significant portion of the operation, the total wage and benefit package as detailed in the Collective Bargaining Agreement(s) effective December **31, 1999** shall not be reduced without the consent of the Union(s).

22.17 Neither party will rely on the funding status of the pension plan in opposition to or in support of any proposal for increased pension benefits. The foregoing sentence does not otherwise preclude or restrict the arbitrator from considering the Company’s pension plan funding obligations in addressing the stipulated criteria.

22.18 Except where otherwise agreed to by the parties, the arbitration board shall impose a collective agreement that expires three (3) years after the stated expiry date set forth in the collective agreement that was being arbitrated. The newly imposed collective agreement is to be retroactive to the stated expiry date of the collective agreement that was being arbitrated except that the effective date of any particular change need not coincide with the effective date of the imposed collective agreement.

22.19 The decision of the arbitration board is final and binding and the decision is not open to appeal or review in any court of law except on a question involving the jurisdiction of the arbitration board.

22.20 The parties shall bear the fees and expenses of their own nominee and shall equally bear the fees and expenses of the Chairperson.

22.21 A mutually agreed alternative process for dispute resolution may be substituted for the three person panel process set out above.

Possible alternatives include but are not restricted to mediation - arbitration, single person arbitration and final offer selection.

22.22 All terms and conditions of this Agreement shall be interpreted as being subject to the provisions of this Article. This Article, the revised Article "No Strikes No Lockouts", and any other provisions that the parties in a separate Letter of Understanding have identified as being non-arbitrable, shall remain unchanged for the duration of Project **2012** and the arbitration board shall not have any jurisdiction to amend ~~or~~ delete those provisions.

22.23 Unless the parties otherwise agree in writing, this Article shall expire and be of no force and effect as of July **1, 2012**. This Article shall also cease to be of any force and effect if Project **2012** does not proceed or is cancelled as those terms are defined in the **2012** Amending Agreement that was executed between the Company and those Unions who are signatory to that agreement.

January 1, 2000

LETTER OF UNDERSTANDING - #1

To the Union:

RE: BANKED OVERTIME PAY

This will confirm the agreement reached between the parties that during the term of the Collective Agreement, the Union and individual 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 at any time at the discretion of the employee.

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

(signed) **R. Kilbride**
Staff Representative
United Steelworkers of America

January 1, 1997

LETTER OF UNDERSTANDING - #2

To the Union:

RE: PATERSON PLAN

This will confirm our agreement, reached at negotiations, whereby the Company will provide training in the existing Paterson Plan Decision Band Method of **job** evaluation to four **(4)** employees designated by the Union.

It is understood that banding disputes between the parties resulting from job changes that may occur subsequent to the signing of this Agreement may be referred to **Lynda Mungall** as Arbitrator, with the cost of the Arbitration to be shared equally by both parties. **All** other banding disputes will not be considered a proper subject for the grievance procedure. The parties agree that it would be in the best interests of all concerned to deal with matters under this Letter as expeditiously as possible.

Notwithstanding the foregoing the parties may, by mutual agreement, increase or decrease the banding of any job even though no changes have been made to it if both parties agree a banding change is warranted. During the term of this Agreement the parties agree to review the banding of the following jobs:

1. Buyer
2. XRF Technician
3. all B-1-1 jobs
4. two other jobs to be named by the Union

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) R.A. Imrie
Staff Representative
United Steelworkers of America

January 1, 2000

LETTER OF UNDERSTANDING - #3

To the Union:

RE: LONG-TERM DISABILITY BENEFITS

This is written to confirm the agreement reached at 1994 bargaining with regards to employees who are absent from work for extended periods and are not in receipt of Workers' Compensation benefits.

It is understood between the parties that the definition of disability used to remain eligible for Long-Term Disability benefits changes to an inability to be gainfully employed after twenty-four (**24**) months of receipt of Long-Term Disability benefits.

The agreement reached was if an employee is deemed eligible to continue receipt of Long-Term Disability benefits after receiving same for twenty-four (24) months, the Company may, at its option, retire the employee on a Disability pension or continue the employee on Long-Term Disability benefits. It is understood between the parties that provisions will have to be added to the Pension Plan to accommodate this agreement and that for present employees who are members of the defined benefit plan (SRIP) a Disability pension shall mean an unreduced pension.

It is further understood between the parties that if an employee becomes ineligible for continued receipt of Long-Term Disability benefits and such employee is either unable or unwilling to return and perform the available work then employment will be terminated.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) R. Kilbride
Staff Representative
United Steelworkers of America

January 1, 2000

LETTER OF UNDERSTANDING - #4

To the Union:

RE: VACATION

This will confirm the agreement reached between the parties that employees who are members of the Bargaining Unit effective January 1, 1994 will continue to accrue vacation according to the salaried non-certified vacation grid until such time as they are receiving a yearly vacation allotment of twenty (20) eight (8) hour regular vacation days. Once such employees have reached that level of vacation entitlement they will increase entitlement as per the grid outlined in Article 14.02.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) R. Kilbride
Staff Representative
United Steelworkers of America

January 1, 2000

LETTER OF UNDERSTANDING - #5

To the Union:

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 payday following the issue of the Profit Sharing Plan Statement to the hourly and salaried employees on the following basis.
 - a) Hourly and salaried employees who are employed for the full year shall receive a full and equal share.
 - b) Employees who retire or are laid off during the year shall receive a partial share on a quarterly pro rata basis.
 - c) Employees who are hired or are recalled during the year and are on the payroll at year end shall receive a partial share on a quarterly pro rata basis.

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

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

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

3. For the purposes of this Profit Sharing Plan "After Tax Earnings (**Loss**)" shall comprise "Net Income (**Loss**)" calculated in accordance with **Anglo American plc's** accounting policies and **U.K. GAP Accounting** Standards with the following exclusions:
 - (i) Profit Sharing Plan costs
 - (ii) Provisions for deferred income tax
 - (iii) The Company's portion of any gains which result in payments under a Gainsharing Plan during the year including the annual global reserve payout.
4. There is no cap on the size of the Profit Sharing Plan.

5. Verification

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

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) R. Kilbride
Staff Representative
United Steelworkers of America

July 15, 1998

LETTER OF UNDERSTANDING - #6

To the Union:

RE: PROJECT **2012**

1. Project **2012** provide an opportunity for enhanced employment security beyond **2004**. To ensure that HBM&S employees gain the optimum benefit from this opportunity, the parties agree that involuntary lay offs are the least desirable method of reducing manpower and will therefore continue to work together in attempting to make any future manpower reductions take place voluntarily when practical.
2. To continue working toward "win-win" solutions to contracting out which will include alignment on ways and means of making our crews the crews of choice and develop a **mechanism(s)** for managing contracting out with integrity. Within the context of what makes business sense, the parties also have as a goal reducing to as low a level as possible the amount of operations and maintenance work that is contracted out. The Company agrees that the level of reliance on contractors and the concerns and needs of employees are relevant considerations in determining what makes business sense. It is understood that on a semi-annual basis that parties will meet and evaluate their progress towards the goal of reducing contracting out.
3. For existing and new mines and surface plants covered under the terms of the collective agreement, as well as if the Company establishes a new mine that is not covered under the terms of the collective agreement, it is committed to place its primary reliance on its own employees to perform all

work that has been historically performed by its employees under the terms of the collective agreement. For the purpose of this commitment, the term “**new mine**” shall be defined to mean a mine that feeds and is located within **150** kilometres of the metallurgical plants in **Flin Flon**.

4. This Letter of Understanding shall cease to be operative if Project **2012** does not proceed or is cancelled.

HUDSON BAY MINING AND SMELTING CO., LIMITED

Per: (signed) **L.W. Kruger**

Per: (signed) **D.C. Powell**

Per: (signed) **K.J. Entwistle**

OFFICE AND TECHNICAL WORKERS, UNITED STEELWORKERS OF AMERICA,
LOCAL UNION NO. 9338

Per: (signed) **Terry Brown**

Per: (signed) **Vern Larsen**

Per: (signed) **Jan McIntyre**

Per: (signed) **Santos Perri**

Per: (signed) **L. Hinzman**

UNITED STEELWORKERS OF AMERICA

Per: (signed) **R. Imrie**

January 2, 2002

LETTER OF UNDERSTANDING - #7

To the Union:

RE: GEOGRAPHIC REQUIREMENT FOR BENEFIT COVERAGE

This Letter of Understanding shall apply only to:

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

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

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

(signed) **R. Kilbride**
Staff Representative
United Steelworkers of America

January 1 2000

LETTER OF AGREEMENT

The parties agree to the following clarifications and changes to Appendix A to the Canada Labour Relations Board Order dated November 18, 1993:

1. With regard to the Information Technology Department referred to in 2. of Appendix A, it is agreed that the positions of Data Base Administrator and Technical Administrator will be excluded from the bargaining unit. It was agreed these positions would be removed from the bargaining unit after the Certification Order was given on November 18, 1993.

The parties further agree that the positions of Mine Watchman and Security Guard will be excluded from the bargaining unit. This was agreed at bargaining on September 14, 1994.

(signed) K. J. Entwistle
Industrial Relations Manager

(signed) **R. Kilbride**
Staff Representative
United Steelworkers of America

APPENDIX "B"

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.

STEP 2

A visual investigation should take place, at that point, between the immediate supervisor and the employee.

STEP 3

If satisfactory conclusion does not occur at Step 2, 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 4

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 5

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 6

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

APPENDIX "C"

OFFICE & TECHNICAL SALARY SCALE

January 1, 1999

	Develop (90%)		Accept (95%)		Full Perf (100%)	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
C 440	\$4,613	\$26.613	\$4,869	\$28.090	\$5,125	\$29.567
C 435	\$4,365	\$25.183	\$4,608	\$26.585	\$4,850	\$27.981
C 430	\$4,133	\$23.844	\$4,362	\$25.165	\$4,592	\$26.492
C 320	\$3,703	\$21.363	\$3,908	\$22.546	\$4,114	\$23.735
C 310	\$3,317	\$19.137	\$3,501	\$20.198	\$3,685	\$21.260
B 240	\$2,973	\$17.152	\$3,138	\$18.104	\$3,303	\$19.056
B 230	\$2,663	\$15.363	\$2,811	\$16.217	\$2,959	\$17.071
B 120	\$2,581	\$14.890	\$2,725	\$15.721	\$2,868	\$16.546
B 110	\$2,498	\$14.412	\$2,636	\$15.208	\$2,775	\$16.010

January 1, 2000

	Develop (90%)		Accept (95%)		Full Perf (100%)	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
C 440	\$4,774	\$27.542	\$5,039	\$29.071	\$5,304	\$30.600
C 435	\$4,518	\$26.065	\$4,769	\$27.513	\$5,020	\$28.962
C 430	\$4,278	\$24.681	\$4,515	\$26.048	\$4,753	\$27.421
C 320	\$3,833	\$22.113	\$4,045	\$23.337	\$4,258	\$24.565
C 310	\$3,433	\$19.806	\$3,624	\$20.908	\$3,814	\$22.004
B 240	\$3,077	\$17.752	\$3,248	\$18.738	\$3,419	\$19.725
B 230	\$2,756	\$15.900	\$2,909	\$16.783	\$3,063	\$17.671
B 120	\$2,671	\$15.410	\$2,820	\$16.269	\$2,968	\$17.123
B 110	\$2,585	\$14.913	\$2,728	\$15.738	\$2,872	\$16.569

January 1, 2001

	Develop (90%)		Accept (95%)		Full Perf (100%)	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
C 440	\$4,858	\$28.027	\$5,127	\$29.579	\$5,397	\$31.137
C 435	\$4,597	\$26.521	\$4,852	\$27.992	\$5,108	\$29.469
C 430	\$4,353	\$25.113	\$4,594	\$26.504	\$4,836	\$27.900
C 320	\$3,900	\$22.500	\$4,116	\$23.746	\$4,333	\$24.998
C 310	\$3,493	\$20.152	\$3,687	\$21.271	\$3,881	\$22.390
B 240	\$3,131	\$18.063	\$3,305	\$19.067	\$3,479	\$20.071
B 230	\$2,804	\$16.177	\$2,960	\$17.077	\$3,117	\$17.983
B 120	\$2,718	\$15.681	\$2,869	\$16.552	\$3,020	\$17.423
B 110	\$2,630	\$15.173	\$2,776	\$16.015	\$2,922	\$16.858

January ■ 2002

	Develop (90%)		Accept (95%)		Full Perf (100%)	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
C 440	\$4,943	\$28.517	\$5,217	\$30.098	\$5,491	\$31.679
C 435	\$4,677	\$26.983	\$4,937	\$28.483	\$5,197	\$29.983
C 430	\$4,429	\$25.552	\$4,674	\$26.965	\$4,921	\$28.390
C 320	\$3,968	\$22.892	\$4,188	\$24.162	\$4,409	\$25.437
C 310	\$3,554	\$20.504	\$3,752	\$21.646	\$3,949	\$22.783
B 240	\$3,186	\$18.381	\$3,363	\$19.402	\$3,540	\$20.423
B 230	\$2,853	\$16.460	\$3,012	\$17.377	\$3,172	\$18.300
B 120	\$2,766	\$15.958	\$2,919	\$16.840	\$3,073	\$17.729
B 110	\$2,676	\$15.438	\$2,825	\$16.298	\$2,973	\$17.152

EXECUTED at Flin Flon, Manitoba this day of , 2002.

HUDSON BAY MINING AND SMELTING CO., LIMITED

Per: _____
P. R. Jones - President and Chief Executive Officer

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

Per: _____
C. Galay - Job Analyst

UNITED STEELWORKERS OF AMERICA, LOCAL UNION No. 933:

Per: *B. Cluff* _____
B. Cluff - President

Per: *L. Gillis* _____
L. Gillis - Treasurer

Per: *B. McLean* _____
B. McLean - Financial Secretary

Per: *D. Arndt* _____
D. Arndt - Recording Secretary

Per: *T. Ticzon* _____
T. Ticzon - Trustee

UNITED STEELWORKERS OF AMERICA

Per: *R. Kilbride* _____
R. Kilbride - Staff Representative