

COLLECTIVE AGREEMENT

May 1, 2013 - April 30, 2016

BETWEEN

QUINSAM COAL CORPORATION

AND

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED
INDUSTRIAL AND SERVICE WORKERS' INTERNATIONAL UNION
(UNITED STEELWORKERS)
(ON BEHALF OF LOCAL UNION 9347)**

**Errors & Omissions Excepted
cope 343/vbh**

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ARTICLE 1 - RECOGNITION

1.01 The Company recognizes the Union as sole and exclusive bargaining agent for all employees employed at Campbell River, B.C., except shift bosses, persons above shift bosses, office, engineering, survey employees, clerical, laboratory, students, and all set forth in certificate issued by the B.C. Labour Relations Board.

1.02 **Employee:**

All employees hired by the Company within the bargaining unit shall be categorized as either Full Time Permanent Employee or Spare Board Employee, as defined in this agreement. All such employees shall be subject to the probation period referred to in Article 9.

(i) Full Time Permanent Employee:

"Full Time Permanent Employee" means an employee hired or used in accordance with this Agreement to perform work of a continuing nature in a specific job on a full time basis.

(ii) Spare Board Employee:

1. A Spare Board Employee is an employee on call who needs to be available for work.
2. A Spare Board Employee will be entitled to benefits as per Article 18.02 of the Agreement. Spare Board employees will not be entitled to Short Term Disability or Long Term Disability or AD&D.
3. A Spare Board Employee is not considered a Full Time Permanent Employee until such time as he/she bids to a fulltime position in the following areas:

Maintenance
Coal Preparation Plant
First Aid/Warehouse
Surface
Underground

Further, a Spare Board employee is considered a fulltime employee when he or she has completed their probationary period in the Underground Operations. (as per Article 9 – Seniority 9.01 (a) this counts towards the underground operations).

4. A Spare Board Employee will accrue vacation entitlement based on their earnings which will be paid each pay. The rate will be at 5% gross earnings.
5. A Spare Board Employee will be entitled to statutory holidays as per the Collective Agreement.

6. A Spare Board Employee will not be entitled to layoff notice, pay in lieu of layoff notice or severance pay.
7. A Spare Board Employee must not be utilized while a Full Time Permanent Employee is on layoff as per Article 9.07 unless fulltime employee(s) are not available.
8. A Spare Board Employee will be allowed to work overtime as a result of a continuation of their shift.
9. Spare Board Employees are entitled to work up to forty (40) hours in a week at their regular rate of pay for the job provided and anything thereafter will fall under 11.07.
10. The Union will be provided a list of Spare Board Employees and the hours worked on a monthly basis which will be sent to the Financial Secretary (only) upon submitting dues.

1.03

The Company recognizes that it is not the function of the persons listed in Article 1.01 to perform work which is normally performed by an employee in the bargaining unit, except under emergency conditions or for the purpose of instruction, safety, or experimentation. Where persons listed in Article 1.01 that perform work which is normally performed by an employee in the bargaining unit the Company will pay the Local Union a sum of \$250.00 for the first violation, \$500.00 for the second violation and \$750.00 for the third violation and thereafter. The escalating payments are based on violations by the same individual.

1.04

Contracting Out

- (a) The Company recognizes the Union's concern over the use of contractors to do the work that the bargaining unit employees normally perform and, as such, agrees to continue its practice to perform operations and maintenance work with its own employees provided it has the manpower, skills and facilities to do so.
- (b) The Company hereby assures the Union that it will continue its general operating policy of placing primary reliance on its own employees to perform operations and maintenance work. To this end, the Company agrees that operations and maintenance work currently performed by Quinsam Coal Corporation employees will continue to be performed by members of the bargaining unit.
- (c) No employee shall be displaced, laid off or have their rights to recall deferred as a result of contracting out, or as a result of a contractor's employees performing any work.

- (d) The Company and Union will establish a Joint Committee to review contracting out practices. The Joint Committee will be composed of two (2) representatives of the Company and two (2) representatives of the Union. The Joint Committee shall meet on a regular basis but not less than once every quarter of the year to discuss the following below:

The Joint Committee shall:

1. Review contracted work with a view to what other options may have been possible and practicable, and the objective of replacing contractors with Quinsam Coal Corporation bargaining unit employees doing work in-house.
 2. Preview work expected to be contracted out and explore possible alternatives, taking into consideration the efficiency of the operations, the urgency of work to be performed and the availability of equipment, skills, and manpower.
 3. Be provided by the Company within thirty (30) days of the completion of the sub-contracted work, the actual number of man hours required to complete the job.
- (e) All contractors working on or at Quinsam Coal Operations including Barge Terminal must sign-in and out and tag-in and tag-out. A copy of all contractor log books will be provided to the Local Union at the end of each month and throughout the year of the contract. All contractors as agreed to by the Company and the Committee will be required to pay dobie dues that will be submitted to the Local Union by the Company with each month's union dues. The Union agrees that contractors involved in major capital projects that extend or enhance the life of the mine will be exempt from paying dobie dues. The Union agrees that the coal haul between the mine and the Middle Point is also exempt from paying dobie dues. The amount of dobie dues is seventy-five dollars (\$75.00) per each worker per month. The dobie dues will be sent on a separate cheque to the Local Union's Financial Secretary with a statement of all contractors and their workers that worked in the month.
- (f) Should the Company not provide the Union Contracting Out Joint Committee with notice of work to be contracted out, that was contracted out, an Arbitrator can award a remedy to the Union for violation of this clause.

ARTICLE 2 - NO DISCRIMINATION OR INTIMIDATION

2.01 There shall be no discrimination or intimidation by either party of this agreement.

The Company will provide anti-discrimination training to all employees (including management) to be completed no later than April 30th, 2011.

Harassment

1. The Parties to this Collective Agreement are committed to the belief that all employees have right to work in an environment that is free from any form of harassment. According to the Human Rights Act of British Columbia, every employee has the right to freedom from harassment by any employee because of gender, race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, age, record of offences, marital status, family status, sexual orientation or disability.
2. Harassment for the purpose of this policy is defined as comment or conduct that is known to be unwelcome. It interferes with an individual's work or creates an intimidating or unpleasant work environment.
 - a. **Sexual Harassment** includes unwelcome sexual advances, requests for sexual favours, comments of a sexual nature made either directly to the employee or made to others in reference to the employee or other unwelcome sexual conduct.
 - b. **Personal Harassment** includes derogatory comments, taunts, threats, jokes or jeers about race, colour, national ethnic origin, religion, age, disability, citizenship, record of offences, marital or family status.
3. There is an initial responsibility on the part of the person who is allegedly being harassed to attempt to control the situation before proceeding further. Therefore it should be indicated to the harasser in a clear, direct and firm way that the comments or actions concerned are considered offensive.
4. If the activity or behaviour does not stop after the person has been approached, or the complainant does not feel comfortable speaking with the person directly, the complainant should raise the issue with Mine Manager or the Personnel Manager.
5. The complainant should keep a detailed written record of the event(s) including the name, place, date, time, witnesses (if any) and details of the offensive behaviour.
6. Management will take the following steps to resolve the complaint.
 - a. Assure the complainant that an objective examination of the complaint shall take place immediately.
 - b. Advise the person alleged to be responsible that a complaint has been lodged.
 - c. Interview the complainant and the person(s) alleged to be responsible as soon as possible.
 - d. Interview any witnesses.,

- e. Document the situation clearly and completely.
- f. Render a decision as soon as possible and advise the parties of the action to be taken, if any.
- g. Ensure that all information concerning the case be kept confidential.
- h. A record of a complaint will be kept in the complainant's file if it is determined that the complaint was frivolous or vexatious. Records relating to frivolous or vexatious complaints shall be removed from the respondent's file and any reference identifying the respondent shall be removed from the complainant's file.

7. If it is determined that a form of harassment has occurred, disciplinary measures, as appropriate, will be taken following consultation with the Mine Manager or Personnel Manager. Such measures may include: counseling, oral reprimand, written reprimand, transfer, suspension without pay for a period of time, demotion or termination.

The outcome, weather for the complainant or the respondent, will remain confidential.

8. Where either the complainant or the respondent, in conjunction with the Union, is not satisfied with the Company's decision, the Union will put the complaint, within thirty (30) days, before a mutually agreed upon, independent adjudicator who specializes in cases of personal harassment or sexual harassment. The adjudicator shall work with the parties to achieve a mutually acceptable resolution and if this is not achieved, the adjudicator shall have the right to:

- 1. dismiss the complaint; or
- 2. determine the appropriate level of discipline to be applied to the harasser;
- 3. make further recommendations as are necessary to provide a final and conclusive settlement of the complaint.

All fees and expenses of the adjudicator shall be shared equally between the Company and the Union.

ARTICLE 3 - MANAGEMENT

- 3.01** The Company has a right to manage its business including the right to locate, extend, alter, curtail or close operations; determine the number of employees; hire, direct, promote, demote, transfer, lay-off, suspend, discharge, or discipline employees for just and reasonable cause; assign work; determine job content and qualification of employees; determine methods, process, and means of production; make, alter, and enforce such reasonable rules and regulations as required to fulfil its responsibilities subject to the agreement and the applicable laws.

ARTICLE 4 - UNION SECURITY

4.01 All employees covered by the agreement and employed by the Company who are now members in good standing of the Union shall, as a condition of employment, remain members in good standing. All employees of the Company hired after the execution of this Agreement shall become and remain members in good standing of the Union. The Company shall deduct commencing with the first pay cheque of an employee, the initiation fee and the first month's dues and thereafter, the then prevailing monthly Union dues. Such dues deduction shall be made after the initiation fee and the first month's dues deduction, in respect of the second pay period in each month and shall be a condition of employment for each employee.

4.02 Membership

The Company agrees that all employees covered under this Agreement, and all new employees hired subsequent to the effective date of this Agreement shall, as a condition of their hiring or continued employment:

- (a) authorize the Company in writing to deduct union dues from their pay. The Union will provide a *Check-off Authorization* to the Company for this purpose, the "copy" portion of which is to be mailed by the Company to the servicing staff office of the United Steelworkers at #202 – 9292 – 200th Street, Langley, B.C. V1M 3A6 and a copy will also be sent to the Financial Secretary of the Local Union with the union dues report.
- (b) become members of the Union within thirty (30) days from their effective date of hire, and remain members of the Union in good standing.
- (c) complete and sign a Union Death Benefit card provided by the Union to the Company for such purpose, which will be mailed to the servicing staff office with the Union portion of the Check-off Authorization as per Article 4.01 (a).

4.03 Check-Off: Process and Procedures

- (a) The Company shall deduct from the pay of each member of the bargaining unit, an amount equivalent to the monthly dues, fees and assessments prescribed by the International Constitution of the United Steelworkers.
- (b) The Union will give reasonable notice to the Company of any changes in Union dues, fees or other amounts which the Company is required to deduct. All changes will coincide with the beginning of the Company's next pay period.

- (c) No later than ten (10) days following the last dues deduction of the month, the dues so deducted shall be made payable and remitted to:

United Steelworkers
P.O. Box 9083 Commerce Court Postal Station
Toronto, Ontario
M5L 1K1

- (d) The monthly remittance shall be accompanied by a completed **USW** R115 Form (a summary of the dues calculations made for the month, each month), as well as a statement showing the names of each employee from whose pay deductions have been made and the total deducted for the month. Such statements shall also list the names of the employees from whom no deductions have been made and the reason why, ie W.C.B., W.I., laid off, etc.
- (e) A duplicate R115 Form and employee deduction statement as in (d) above shall be forwarded by facsimile to:
- (i) e-mail or hard copy to President and Financial Secretary
- (ii) United Steelworkers, Servicing Staff Office
Attn: Earl Graham @ 604-513-1851
- (f) The Company agrees to print the amount of total deductions paid by each employee for the previous calendar year on their annual statement of Remuneration (T4 slip).
- (g) The Union agrees to indemnify and save the Company harmless against all claims or other forms of liability that may arise out of, or by reason of deductions made or payments in accordance with this Article.

ARTICLE 5 - NO STRIKE - NO LOCKOUT

- 5.01** The Union agrees that during the life of this Collective Agreement, it will not authorize and sanction any strike.
- 5.02** The Company agrees that it will not engage in any lockout during the life of this collective agreement.

ARTICLE 6 - UNION REPRESENTATION

- 6.01** The Union shall have a right to appoint or elect stewards, including a Chief Steward and Grievance Committee, from bargaining unit employees whose duties shall be to assist the bargaining unit employees in the area the Stewards who are Grievance Committee members represent in presenting complaints or grievances to the Company under the grievance procedure.
- 6.02** The Union shall promptly notify the Company, by fax or e-mail, the names of the employees who have been elected or appointed as Stewards, Chief Stewards, and committee. The Company will not be required to recognize them until it has

been notified. The Company will recognize one Chief Steward and one Steward in each of the following department on each crew:

1. Underground Operations
2. Maintenance
3. Coal Preparation – Plant
4. First Aid/Warehouse
5. Surface Operation

6.03 The duties of the Stewards shall be to receive, investigate, and attempt to settle grievances as outlines in the Grievance Procedure.

6.04 If it is necessary for a Steward or other employee to take time off during his working hours in connection with a grievance, he will notify his immediate supervisor. Providing only brief matters are dealt with, the supervisor and Steward and/or other employee will make arrangements to do so at a time that will least interfere with the work.

The time spent in connection with such disputes or grievances during their working hours shall be paid at the employee's regular rate.

6.05 The President of Local 9347 of U.S.W. shall be an ex-officio member of all committees but shall not be counted as a voting member of that committee unless he replaces some other Union member of the Committee.

6.06 There shall be a Grievance Committee of five (5) members elected by the Union. Three (3) members shall form a quorum. One of the committee shall be a chairman and another secretary of the committee. The Company will be officially notified by fax or e-mail from a proper officer of the Union of the names of members of the Grievance Committee. There shall be no more than three members of a committee at a grievance.

6.07 Where the Company requests a meeting with a Union representative (including stewards) during the representative's working hours, he shall suffer no loss of pay as a result of attending such a meeting and any other employees required to attend said meeting will suffer no loss of pay.

6.08 When a problem arises through no fault of Union members and a meeting is called by the Company to deal with the problem, the said members attending (including officers or stewards concerned) will suffer no loss of pay. Employees on time off who are requested by the Company to attend will be paid at their regular base rate.

6.09 A joint meeting between the Company and the Union shall be held once a month unless otherwise agreed. The delegation of the Company and the Union shall not exceed eight (8) persons. (Four (4) from the Company and Four (4) from the Union). While attending such meetings, the Company agrees to pay wages at straight time.

6.10 All new employees shall be introduced to the Union where they will have one (1) fifteen minute paid union orientation prior to commencing their first scheduled

shift of work. It will be up to the Union President to appoint a union representative to do the orientation.

- 6.11** All employees have the right to request to have Union representation for any matters relating to discipline or counseling. If no steward is available then the Company will withhold any meetings until a Steward is available.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.01** If an employee has a question concerning the interpretation, application, or operation or any alleged violation of this agreement that he has been unable to settle with his immediate supervisor, the matter may be taken up in the following manner and sequence:

Stage 1 By the aggrieved employee or employees and a Steward in his department with the immediate supervisor. Failing a settlement within forty-eight (48) hours, then;

Stage 2 By the Grievance Committee and the department head, at which time the aggrieved employee or employees may be present. If settlement of the grievance has not been reached under Stage 1, then the grievance shall be submitted to Stage 2 within 48 hours after the answer was given at Stage 1. The written record of the grievance including the decision at Stage 1 must be presented. The decision shall be given in writing within seventy-two (72) hours after being heard at the Stage 2 grievance meeting, but in no event later than ten (10) days following receipt of the grievance.

Stage 3 Failing a satisfactory settlement under Stage 2, the Grievance Committee will submit the dispute to the Mine Manager and/or other person designated by him at which time there may be present the aggrieved employee or employees and a representative of the Union. If settlement of the grievance has not been reached at Stage 3, then the grievance shall be submitted to Stage 4 within seven (7) days after the answer was given at Stage 3. A grievance, at stage three (3) will not be considered abandoned until forty-eight (48) hours after the Company has provided written notice to the Union Grievance Committee that a grievance is outstanding.

Failing settlement within twenty-one (21) calendar days after the decision in Stage 3 is given of any difference between the parties arising from the interpretation, application, administration, or alleged violation of this Agreement, including any question as to whether a matter is arbitrable, the matter may be referred to arbitration by either party as hereinafter provided, and if no written request is resolved within such period, the matter shall be deemed to have been abandoned.

- 7.02** Grievances shall be presented during working hours whenever possible. In circumstances where the Steward or Grievance Committee member will not be available during his shift, a grievor's grievance may be presented and shall be processed under the terms of the grievance procedure during working hours.
- 7.03** Bargaining unit employees will be paid for attending any grievance meeting with the Company scheduled during working hours when such a grievor's attendance is requested by the Company.
- 7.04** The parties agree that the time limits herein have been predetermined in order to expedite the resolution of differences and as such are matters of substance, not mere technicalities. However, time limits in this Article may be extended by mutual agreement in writing between the parties.
- 7.05** Grievances relating to policies and grievances involving the discharge of an employee shall be presented at Stage 3.
- 7.06** Grievances filed by the Company or Union shall be submitted in writing at Stage 3 of this procedure. The same time limits and obligations that apply to the Union under this Article will apply to the Company.

ARTICLE 8 - ARBITRATION

- 8.01** When either party desires that any difference be submitted to arbitration as herein before provided, the following procedure shall be used.
- 8.02** Any matter referred to arbitration as provided in 8.01 hereof shall be submitted to a single arbitrator. Such arbitrator shall be selected from the following list of arbitrators:
- Colin Taylor
 - Vince Ready
 - David McPhillips
 - Christopher Sullivan
 - An arbitrator mutually agreed upon by the parties
- 8.03** The arbitrator shall hear and determine the difference and shall issue a decision which shall be final and binding upon the parties and upon any employee affected by it.
- 8.04** The first arbitration shall be heard by the first above-named arbitrator, if the arbitrators are named, and the arbitrators shall thereafter rotate on each subsequent arbitration, but should anyone be unable to act within thirty (30) calendar days, he shall be passed over to the next arbitrator on the list.

- 8.05** The arbitrator shall notify the Company in advance and after such notification, shall have the right to enter any premises where work is being done or has been done by the employees or in which the Employer carried on business or where anything is taking place or has taken place concerning any of the differences submitted to him and inspect and view any work, material, machinery, appliance, or article therein, and interrogate any person respecting any such things or any such differences.
- 8.06** If during the life of this Agreement, one of the arbitrators named in 8.02 hereof withdraws from the list if there is one, or dies, or becomes incapacitated, the parties shall appoint a replacement by mutual agreement in writing, and failing such agreement, the appointment shall be made by the Director of Mediation Services upon application of either party.
- 8.07** The Union and the Company shall each pay one-half of the remuneration and expenses of the arbitrator. Each Party shall pay all expenses incurred in connection with the preparation or representation of its own case, including the fees and expenses of its own witnesses.
- 8.08** Notwithstanding any sanction attaching to any violation of the time limits for processing a grievance from step to step up to and including arbitration, the arbitrator shall have the right to set aside any such sanctions and deal with any grievance on its merits provided that the delay complained of by the protesting party is reasonable and provided further that such delay has not prejudiced the party making the protest.

ARTICLE 9 - SENIORITY

- 9.01 (a)** New Full Time Permanent Employees shall be considered as probationary employees for their first seventy five (75) shifts worked or six hundred (600) hours worked whichever occurs first. The seventy-five (75) shifts or six hundred (600) hours referred to shall be accumulated within not more than one (1) year commencing with the first day worked. After completion of the probationary period, the employee's name shall be placed on the seniority list indicating the date and time he first commenced work for the Company. Spare Board Employees shall be considered as probationary employees for their first seventy-five (75) shifts worked or six hundred (600) hours worked whichever occurs first. Should a Spare Board Employee become a Full Time Permanent Employee, the shifts and/or hours worked as a Spare Board Employee shall be counted towards the probationary period as a Full Time Permanent Employee. A Spare Board Employee shall be placed on the seniority list indicating the date and time he first commenced work as a Full Time Permanent Employee provided he has completed the required number of shifts or hours. If a Spare Board Employee has been inactive for a period of six (6) consecutive months, he must begin the probationary period upon returning to work.
- (b)** Employees who do not complete probation will not be entitled to layoff notice, pay in lieu of layoff notice or severance pay.

9.02

There shall be three types of seniority, namely Company seniority, Departmental seniority and Spare Board seniority. The Company seniority of an individual means the length of his continuous service since the date of his last hiring by the Company; Departmental seniority means the length of an individual's continuous employment within a department as defined below. Spare Board seniority is based on the original date of hire with the Company and employees will be entitled to work based on their seniority date within a department.

Employees other than employees in "trades" positions will not be allowed to move between departments unless as a result of job posting or via layoff, bumping and recall procedures.

1. Underground Operation – Underground production and construction crews.
2. Maintenance – All trades
3. Coal Preparation Plant – Coal processing and handling and Middle Point.
4. First Aid/Warehouse – First Aid
5. Surface – Open pit operations

9.03

The seniority of an employee shall be lost and his employment shall be terminated for any of the following reasons:

1. Voluntary termination or resignation.
2. Discharged and not reinstated through the grievance or arbitration procedure.
3. Absent from work for three (3) consecutive working days without notifying the Company and giving satisfactory reason of absence. In this event, the Company shall notify the employee of his discharge by registered mail, to his last address on record with the Company.
4. Recalled to work following a layoff by registered mail and fails to contact the Company within five (5) calendar days of the date notice of recall was received and/or fails to report to work within ten (10) calendar days of the date notice of recall was received.
5. Layoff for a period longer than:
 - (i) six (6) months with less than two (2) years of Company seniority at the time of layoff;
 - (ii) twelve (12) months with two (2) to five (5) years Company seniority at the time of layoff.
 - (iii) eighteen (18) months with more than five (5) years to ten (10) years of Company seniority at the time of layoff.
 - (iv) Employee with more than ten (10) years of Company seniority or more will have recall rights as follows:

- Nineteen (19) months with more than ten (10) years Company seniority at the time of layoff;
 - Twenty (20) months with more than eleven (11) years Company seniority at the time of layoff;
 - Twenty-one (21) months with more than twelve (12) years Company seniority at the time of layoff;
 - Twenty-two (22) months with more than thirteen (13) years of Company seniority at the time of layoff;
 - Twenty-three (23) months with more than fourteen (14) years of Company seniority at the time of layoff;
 - Twenty-four (24) months with more than fifteen (15) years Company seniority or more at the time of layoff.
- (v) leaves the bargaining unit to act as Supervisor for three (3) months in any calendar year. Extensions may be granted upon agreement between the Company, Local Union and employee. Such extensions will not be unreasonably withheld.
- (vi) as per the provisions of Article 9.05

9.04 Seniority shall be maintained and accumulated during absence due to layoff until seniority provisions of the Agreement are fulfilled.

9.05 Seniority shall be maintained and accumulated and all benefits will continue on the following basis:

1. Absence due to an occupational accident or illness which occurred while the employee was performing work for the Company will maintain seniority for a period of 3 years. This three (3) year period may be extended if the employee is able to perform work on a regular basis in a reasonable foreseeable future.
2. Absence due to illness or accident a period of three (3) years. This three (3) year period may be extended if the employee is able to perform work on a regular basis in a reasonable foreseeable future..
3. Authorized leave of absence for a period of three (3) years.

9.06 In all cases of promotion, demotion, layoff, decrease of workforce, bumping, and recall after a layoff, the Company shall consider the following factors:

1. Seniority Principle

The Parties recognize that job opportunity and seniority should increase in proportion to length of service. It is agreed that the term "seniority" as used herein shall have reference to an employee's right to a job based upon his length of service with the Company; competency considered.

2. Competency will be considered after an employee has been given fifteen (15) working days of training or familiarization period.
3. All promotions, transfers, filling of vacancies, layoffs, termination, and rehiring after layoffs or termination will be done strictly in accordance with the principles set forth in 9.06 (1) (2).

9.07

In the event of a layoff or decrease of the workforce:

1. An employee affected may apply his Company seniority to displace another employee with less Company seniority provided he has competency. Employees wishing to displace a junior employee will be entitled to a fifteen (15) working day training and familiarization period. He must exercise his seniority within five (5) working days of being informed of such displacement or he will be deemed to have made an election under (2).
2. An employee affected may elect to accept a layoff status rather than to exercise seniority to replace a less senior employee. Once having made this decision, he shall be eligible for recall only on the job from which he was laid off.
3. An employee who bumps, or who is displaced as a result of a bump, or laid off and is subsequently recalled to work must return to the position held immediately prior to any such bump or layoff.

9.08 (a) **Layoff Notice Or Pay In Lieu Of Notice**

In the event of a shutdown or layoff (temporary or otherwise) at the Company's operation resulting in the loss of employment the Company will provide, but not as a result of inevitable accident:

1. Notice of two (2) weeks if the lay-off is for one (1) to four (4) weeks in length, or pay of up to two (2) weeks where notice of two (2) weeks is not given.
2. Notice of three (3) weeks if the lay-off is for four (4) to six (6) weeks in length or pay of up to three (3) weeks where notice of three (3) weeks is not given.
3. Notice of four (4) weeks if the layoff is for six (6) to eight (8) weeks in length, or pay of up to four (4) weeks where notice is not given.

If the layoff extends beyond the predicted length of time, an employee's amount of pay in lieu of notice will be extended to one (1) week of pay for every year of service rounded up to the next year.

Example

If an eight (8) year employee is laid off for a seven (7) week period and is given four (4) weeks notice he would receive no pay in lieu of notice.

If an eight (8) year employee is laid off for a seven (7) week period and is given no notice of lay-off that employee will receive four (4) weeks pay.

If an eight (8) year employee is laid off for a seven (7) week period and was given proper notice and then the lay-off is extended that employee will receive one (1) week pay for each additional week of lay-off to a total pay-out of one week per year of service, in this case eight (8) weeks.

If an eight (8) year employee is laid off for a seven (7) week period and is not given notice that employee will receive four (4) weeks pay in lieu of notice. Furthermore, if the lay off is extended beyond the seven (7) week period the employee will receive one (1) additional week of pay for each additional week of lay-off to a total of eight (8) weeks pay-out. This eight (8) weeks of pay-out in this case will include the four (4) weeks of pay at the time of lay-off when proper notice was not given.

Effective March 1, 2002, if there is a shutdown or layoff (temporary or otherwise) as a result of an inevitable accident at one of the Company's customer's operations the employees affected will be given two (2) weeks' notice of layoff or two (2) weeks' pay in lieu of notice. Or a combination of pay and notice equaling two (2) weeks.

9.09 When a layoff is for more than eight (8) weeks employees will receive notice of layoff equal to one (1) week per year of service rounded up to the next year. In any event there shall be no less than two (2) weeks notice of lay-off or pay in lieu of notice.

Failing such notice the Company will provide the employee with pay, at an employee's regular rate of pay an amount equal to one (1) week of pay per year of service rounded up to the next year or a combination of notice and pay equal to the employee's years of service rounded up to the next year.

9.10 Employees who are recalled for vacation relief or to replace an employee who is ill or injured will receive notice of layoff or pay in lieu of notice on the following basis:

1. Employees recalled from layoff for vacation relief will be notified prior to returning as to how long the employee they are replacing will be on vacation. This will also serve as their notice of layoff.
2.
 - (i) Employees recalled from layoff to replace an employee who is ill or injured will receive one (1) week's notice of layoff or pay in lieu of notice if their return to work is for less than eight (8) weeks.
 - (ii) Employees recalled from layoff to replace an employee who is ill or injured will receive two (2) week's notice of layoff or pay in lieu of notice if their return to work is for a period of more than eight (8) weeks.
3. Employees who are recalled for vacation relief or to replace employees who are ill or injured and are subsequently laid off, but not as a result of employees returning to work from vacation, illness or injury, their layoff

notice or pay in lieu of notice will fall under the terms and conditions of Article 9.08.

- 9.11** Seniority lists shall be posted within sixty (60) days of the signing of this Agreement and quarterly thereafter, with a copy of the posted seniority list being sent to the Union office. With respect to the order of seniority when employees are hired on the same day, placement on the seniority list will be determined by lottery. Employees' names will be drawn by a member of the Union Executive under the supervision of a Company member, and placed on the seniority list in the order drawn.
- 9.12** The provisions of Articles 9.06 and 9.07 do not apply to layoffs considered by the Company to be of a temporary nature of a week or less.
- 9.13** An employee who is temporarily reassigned from his regular job shall be paid the standard hourly rate of the job and applicable premiums to which he is transferred providing such rate is not less than that of his regular job. If the rate of the job to which he is temporarily reassigned is less than the rate of his regular job, he shall be paid the rate of his regular job and applicable premiums during the period of such temporary reassignment. A temporary reassignment will not prevent the posting of temporary or permanent jobs.

ARTICLE 10 - JOB POSTING

- 10.01** There shall be two (2) types of job postings:
- (i)** Permanent job vacancy – A full time permanent job vacancy.
 - (ii)** Non-permanent or temporary vacancy – this is a vacancy in which the regular full time employee is absent for longer than thirty (30) working days.
- An employee who wishes to be considered for a job vacancy will fill out a duplicate form with the original going to the Company and one copy going to the Union.
- 10.02** When a permanent job vacancy or temporary vacancy in 10.01 **(i) & (ii)** occurs, the job will be posted on the Company and Union notice boards throughout the mine site for seven (7) consecutive days.
- 1.** Senior full-time employees with the most Company seniority will be awarded and given the first opportunity to fill the vacancy. If the employee who applied is not competent they will be given a fifteen (15) day training period.
 - 2.** In the case of a first aid posting, applicants must possess the required certification.
 - 3.** If no fulltime employee applies then spare board employees that applied will be awarded the job based on their spare board seniority and also given the fifteen (15) day training period if needed. In the case of a first aid posting, applicants must possess the required certification.

- 10.03** If no applications are received, or if none of the applicants possess the required ability and qualifications, the Company may hire a qualified person to fill the vacancy.
- 10.04** When the job has been filled, a notice specifying the name and seniority date of the person filling the job shall be posted for a period of seven (7) calendar days.
- 10.05** For the purpose of the job posting, the departments of the Company shall be:
1. Underground Operations
 2. Maintenance
 3. Coal Preparation – Plant
 4. First Aid/Warehouse
 5. Surface Operation
- 10.06** A successful job applicant shall be released to his new job as soon as possible, but in any event, not later than thirty (30) calendar days after the closing of the job posting. For temporary postings, successful job applicants will be released after the closing of the job posting.
- 10.07** Non-permanent or temporary vacancies in existing permanent positions lasting no longer than thirty (30) calendar days need not be posted.
- Within the Surface Department or Coal Preparation Plant Department, vacancies will be filled based on seniority, competency.
- Within the First Aid Department, applicants must possess the required certification.
- 10.08** Within the Underground Department, vacancies will be filled within the section or from the Spare Board based on employees' competency to fulfill the job requirement. Should there be no one available within the section or spare board, management will assign the workforce.
- 10.09** Non-permanent or temporary vacancies in existing permanent positions lasting longer than thirty (30) calendar days must be posted. The job will be posted on the Company and Union notice boards throughout the mine site for seven (7) consecutive days. Postings will be awarded in accordance with 10.02 above.
- The vacancy created by the successful applicant to the job posting will be filled as per 10.02 above but can be verbally done by asking the most senior employee who must initial their intention to the second non-permanent or temporary vacancy and so on until it reaches the spare board employees.
- When the regular full time employee returns, the successful applicant will return to their previous position.
- 10.10** When an employee is successful in obtaining a job for which he/she has applied, he/she will not be permitted to make application for other posted jobs for a period of six (6) months unless it is for a higher pay rate job. If an employee accepts a job, and asks to return to his/her previous job within thirty (30) shifts, he/she is not eligible to bid on another job for six (6) months.

- 10.11 Departmental seniority shall mean the length of continuous service in the department.
- 10.12 Duplicate copies of all posting must be given to the Local Union for their records. This would include pre-posted postings and awarded postings.

ARTICLE 11- HOURS OF WORK AND OVERTIME

11.01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as any guarantee of work or pay or hours of work per day or per week, or of days of work per week.

11.02 The standard work day will be eight (8) hours and the work week for all employees shall be forty (40) hours per week unless they are working one of the agreed upon work schedules as per 11.03 and 11.04 below. The work week shall begin and end at 12:01 a.m. Sunday except for agreed work schedules.

The work day shall be the period beginning at an employee's regularly scheduled start time and terminating twenty-four (24) hours thereafter.

All employees shall commence his/her shift from deployment area of the mine dry and end his/her shift at deployment area of the mine dry.

All employees are entitled to fifteen (15) minutes of paid shower or clean-up time prior to the end of their scheduled shift. However no employee is entitled to leave the premises of their employment until the end of their scheduled shift.

11.03 The normal scheduled hours of work shall be:

Day Shift	7:00 a.m. to 3:00 p.m.
Afternoon Shift	3:00 p.m. to 11:00 p.m.
Night Shift	11:00 p.m. to 7:00 a.m.

Ten (10) Hour Shift

Day Shift	7:00 a.m. to 5:00 p.m.
Afternoon Shift	4:00 p.m. to 2:00 a.m.

Twelve (12) Hour Shift

Day Shift	7:00 a.m. to 7:00 p.m.
Night Shift	7:00 p.m. to 7:00 a.m.

Start and stop times of the approved schedules may be adjusted by one hour after consultation with the Union.

Approved Schedules

Underground:

4x4 Ten Hour (Production Shift)

Ten (10) hour day – rotating 7 day week shift not more than forty (40) hours per work week. All employees working this schedule will be paid an additional 3% premium (of their straight time hourly rate) on each hour worked. For this shift only the following will apply when working overtime.

Example – regular rate \$30.00 plus 3% premium = \$30.90.

Overtime 1 ½ \$45.00 plus \$0.90 = \$45.90
 2 x \$60.00 plus \$0.90 = \$60.90

4x3 Ten Hour (Production Shift)

Four (4) consecutive ten (10) hour shifts, between Monday and Friday with three consecutive days off.

5x2 Utility (Belt Crew/Night Shift/Special Projects)

Eight (8) hour shift, five (5) days per week, Monday to Friday. The utility shift will not be scheduled to rotate.

Surface/ CPP:

4x4 12 Hour

4x3 10 Hour – Monday to Friday

5x2 8 Hour

Eight (8) hour shift, five (5) days per week, Monday to Friday.

All employees during their lunch periods shall receive one-half (1/2) hour pay as though worked. CPP Employees on continuous operations, where necessary, shall continue to monitor all necessary machinery. Employees in CPP that are directed to work during their lunch period(s) while monitoring will receive overtime rates of pay for time worked. No other operations within the mine are considered as a continuous operation and are not required to work during their lunch break.

An employee who works twelve (12) hour shifts are entitled to two thirty (30) minute paid lunch breaks on Company time during which the employee shall continue to monitor all necessary machinery. If directed to work they will receive overtime rates as per the paragraph above.

11.04

The Company may establish other work schedules averaging not more than forty-two (42) hours per week. The Union agrees to jointly apply with the Company for any necessary governmental approval of schedules in excess of forty (40) hours per week. Before implementing any major change of schedule, the Company will discuss and agree to the proposed schedule with the Union prior to implementation. The Company will provide the Union with thirty (30) days written notice to discuss any major changes between the approved schedules affecting a department above in 11.03.

- 11.05**
- (a) 4x4 shifts will consist of twelve (12) consecutive hours in any twenty-four (24) hour period based on a work cycle which is eight (8) consecutive weeks (four shifts on, four shifts off) averaging forty-two (42) hours per week commencing with the start of the work cycle. Employees shall be paid at straight time for the first forty (40) hours and overtime for the additional two (2) hours (averaged over the work cycle).
 - (b) An employee on 12 hour (4x4 shifts) shall commence his shift from employment (foreman's office) and end his shift of deployment (foreman's office). There shall be two (2) thirty (30) minute lunch breaks on Company time during which the employee shall continue all necessary supervision of machinery and maintenance services.
 - (c) Underground employees on 10 hour (4 x 4 shifts) shall commence his/her shift from deployment and end his shift from deployment.
- 11.06**
- (a) Underground schedules shall be arranged to provide approximately eight (8) hours for 5 days (Monday to Friday) on 2 days off schedules, (Belt Crew/Night Shift/Special Projects ONLY) or ten (10) hours for 4 days on 4 days off – seven (7) day week averaging 35 hours per week, or four (4) days on three (3) days off schedules (Production) from tag-in and tag-out, but variations from such schedules not exceeding fifteen (15) minutes, which do not occur consistently, shall be disregarded. Any delay greater than fifteen (15) minutes in transporting employees from underground, which is due to necessary repair work or safety consideration, or causes beyond the Company's control, shall be paid for on the basis of straight time only, but such time shall not be considered to be time worked.
 - (b) CPP schedules shall be arranged to provide approximately eight (8) hours for 5 days on 2 days off schedules, or twelve (12) hours for 4 days on 4 days off schedules, or four (4) days on three (3) days off ten hour shifts between Monday to Friday from tag-in and tag-out, but variations from such schedules not exceeding fifteen (15) minutes, which do not occur consistently, shall be disregarded.
 - (c) The tag-in and out will be at the mine dry.
- 11.07**
- One and one-half (1½) times the base rate will be paid for all hours worked by an employee for any of the following reasons:
1. Hours worked on scheduled days off.
 2. Hours worked before or after an employee's regular shift. (This applies to eight (8) and ten (10) hour shifts).
 3. Hours worked beyond forty (40) hours straight-time hours in the work week.

4. The first two (2) hours of overtime will be paid at one and a half times (1½) the employee's regular job rate and all hours beyond the first two (2) hours will be paid at double time (2x) the employee's regular job rate.
5. Double time will be paid for the second and other consecutive scheduled days off provided the employee has worked one (1) scheduled shift prior to another one (1) of their days off. This includes any employees that have more than two consecutive days off, eg. Four (4) on four (4) off. On the four (4) off, if an employee does not work their first day off but works their second day off then the third (3rd) and fourth (4th) day off, if worked, will be paid at double time (2x) the employee's regular rate of pay.
6. Double time will be paid for the second scheduled day off provided employee works first scheduled day off.
7. All overtime will be distributed as equitably as possible among the employees in a particular job classification.

11.08 Overtime shall not be paid more than once for the same hours worked and there shall be no pyramiding of overtime or other premium pay.

11.09 An employee who reports for work on his regular shift, without having been notified that no work is available, shall be paid four (4) hours' pay at his regular rate of pay.

11.10 If an employee is called out to work, he will receive a minimum pay of four (4) hours at one and one-half (1½) times his basic rate.

11.11 If an employee is given less than forty-eight (48) hours' notice of a change of his shifts, or if a change of his shifts provides twelve (12) or less hours of rest between shifts, the employee shall receive one and one-half (1½) times his basic rate for all hours worked on the first shift of the change. A shift change occurs when an employee's start and finish times are both changed.

11.12 Employees working unscheduled overtime for two (2) hours or more beyond their normal shift shall be entitled to a twelve dollar (\$12.00) meal allowance.

A premium of twelve dollars (\$12.00) will be paid to employees that miss showers due to mechanical or electrical failures or act of God.

11.13 Banking of Overtime

The Company agrees to give the individual employee the option to receive overtime pay as specified in Article 11 or to receive Banked time off as follows:

Examples

(a) An employee who works ten (10) hours on a weekday would have the option of:

(i) eight (8) hours straight time plus two (2) hours overtime, or

- (ii) eight (8) hours straight time plus three (3) banked hours.
- (b) An employee who works eight (8) hours on a Saturday or Sunday would have the option of:
 - (ii) eight (8) hours overtime, or
 - (ii) twelve (12) hours banked
- (c) If double time is applicable the employee would be entitled to:
 - (i) eight (8) hours pay at double time or,
 - (ii) sixteen (16) hours of banked time

An employee may accumulate up to a maximum of one hundred and twenty (120) banked hours in each year of the agreement. If an employee has banked one hundred and twenty (120) hours and removes forty (40) he/she cannot replace the banked hours until the following contract year. An employee cannot have more than one hundred and twenty (120) hours in their bank at any time. The Company must approve any request to use banked days prior to the requested days off.

Employees can use up to forty (40) hours of their banked hours for illness in any calendar year of the agreement. In doing so an employee must fill out a requisition form, with medical documentation, which must be handed in no later than one day before the payroll cut-off period.

Employees can also request a pay out of some of their banked time. In doing so, they must fill out a requisition form and request this pay no later than five (5) working days before the payroll cut-off period.

There will not be any more than one (1) employee off from each department at any one time on banked hours unless agreed to by the Company.

Days off will be awarded on a first come first serve basis. If more than one (1) person requests banked time at the same time then seniority will prevail.

ARTICLE 12 - APPRENTICESHIP PROGRAM

- 12.01** The Company will sponsor an apprenticeship training program in accordance with the laws of the Province of British Columbia when the Company deems it necessary.
- 12.02** An apprentice shall be paid his regular base rate for time spent in school. Any subsidy paid by the government other than transportation or living away allowance will be deducted from wages paid. The Company agrees to pay for all materials required by the apprentice including tuition.
- 12.03** The Company agrees that apprentices will be eligible for Union membership and come under the terms and conditions of this Agreement.

12.04 An apprenticeship committee will be formed (two Company representatives and two Union representatives) which will meet from time to time to discuss problems that may arise in the apprenticeship program.

12.05 Apprenticeship vacancies will be posted and will be evaluated and selected in the condition of the following:

1. Departmental and Company seniority;
2. Previous related apprenticeship training in the applicable trade;
3. Previous related experience or training in applicable trade;
4. Education qualifications;
5. Successful completion of the pre-apprenticeship examination.

12.06 Apprentice wage scale:

1st year	75% of certified tradesman
2nd year	80% of certified tradesman
3rd year	85% of certified tradesman
4th year	90% of certified tradesman

12.07 First Aid - The Company agrees to pay the cost of Level 3 First Aid Tickets, books, tuition and all lost time for those required to have Level 3 tickets. The above cost will be paid once every two years or as required by legislation to renew existing Level 3 tickets for a First Aid Attendant only.

ARTICLE 13 - STATUTORY HOLIDAYS

13.01 Employees shall receive eight (8) hours pay at the basic straight-time rate and employees on 4X4 12 hour shifts will be paid 12 hours basic straight-time rate, and employees on 4x4/4x3 10 hour shifts will be paid 10 hours basic straight time rate for each of the following holidays subject to the provisions set out below:

New Year's Day	Labour Day
Family Day	Thanksgiving Day
Good Friday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day
BC Day	1 Floater Day*

and any other day declared a Statutory Holiday by the Provincial and/or Federal Government.

* **Note:** Employee must have six (6) month's service to be eligible for the floater day.

***Note:** Floaters must be used in the employee's anniversary year or they will be paid out with their excess vacation pay.

*** Note:** If an employee is absent for the entire calendar year they will not be entitled to the Floater Holiday for that year.

***Note:** All employees are entitled to not work on any of the statutory holidays and will not be disciplined for not working the said holidays. If the Company would like to run any part of the operations, it will be on a voluntary basis for all employees and the company will post a sign up sheet.

13.02 For work performed on a Statutory Holiday, an employee shall be paid at one-and-one half (1½) times his basic hourly rate of pay in addition to the amount payable under 13.01 above.

13.03 In order to qualify for Statutory Holiday Pay, an employee must have worked his last scheduled shift prior to, and his next scheduled shift after, such holiday except for reasons acceptable to the Company.

13.04 To qualify for the Statutory Holiday Pay, the employee must have been on the Company's payroll continuously for a period of thirty (30) days prior to the holiday.

13.05 When a Statutory Holiday falls within an employee's vacation, his vacation will be extended by an equivalent number of days as are designated as Statutory Holidays and he shall receive pay for those days according to 13.01. The vacation may be extended immediately prior to or immediately on termination of his vacation.

13.06 If a statutory holiday falls on a Saturday, all 5x2 shift employees will observe the day on the preceding Friday. If a statutory holiday falls on a Sunday, all 5x2 shift employees will observe the day on the following Monday.

ARTICLE 14 - VACATIONS

14.01 For the purpose of this section, the vacation year shall be the employee's anniversary date.

Years of Continuous Service	Vacation Time	Vacation Pay
1 to less than 3 years	112 hours	5% of gross pay
3 to less than 5 years	144 hours	7% of gross pay
5 to less than 7 years	156 hours	8% of gross pay
7 to less than 14 years	176 hours	9% of gross pay
14 to less than 20 years	200 hours	11% of gross pay
20 years +	240 hours	13% of gross pay

***NOTE:** On an employee's anniversary date he or she will receive the increase in hours and % of gross pay at the beginning of years 3, 5, 7, 14 and 20.

- 14.02** (a) Regular vacations shall not be accumulated, but must be taken within the current vacation year, unless under special circumstances that both employee and Company agree to.
- (b) Vacations between Canada Day to Labour Day must be scheduled and approved by May 15th. Vacation between December 15 and January 15 must be scheduled and approved by November 15th.
- (c) Vacation can be taken in multiples of one week or per set. (eg. 4x4). All earned vacation must be taken. The Company and the Union agree that an employee can use five (5) days of the vacation time for single or multiple days off.
- 14.03** An employee who leaves the employment of the Company for any reason shall receive accrued vacation pay based on the employee's vacation entitlement.
- 14.04** Employees will be allowed to take any and all vacation upon approval.
- 14.05** Vacation pay will be noted and paid on the bi-weekly pay during vacation. Any unused vacation pay will be paid on the regular bi-weekly pay following the employee's anniversary date.
- 14.06** The following shall be considered as days actually worked for determining vacations with pay for an employee after one (1) continuous year of employment.
- (a) Absence due to bereavement leave in accordance with the terms and conditions of Article 17.
- (b) Absence due to time served on jury duty, including Coroner's jury, or time served as a Crown witness or Coroner's witness in accordance with the terms and conditions of Article 16, 16.05.
- (c) Any other absence duly approved by the Employer in writing shall be credited towards entitlement for annual vacation, but time spent on such leaves of absence shall not be counted in computing vacation pay.

ARTICLE 15 - SAFETY & HEALTH

- 15.01** The Company and the Union recognize the benefits to be derived from a safe and healthy place of employment and also the shared responsibility placed upon the Company, the Union, and each individual employee by the Health & Safety Act of British Columbia and other applicable legislation. It is agreed that the Company and the employees, Union Stewards and Officers, and all levels of supervision shall co-operate fully to promote safe work practices, healthy conditions, and shall encourage compliance with safety rules and procedures.
- 15.02** The Occupational Health and Safety Committee shall be composed of management and an equal or greater number of workers representatives, and such committee shall have (1) two or more worker representatives, chosen by the workers, and (2) two co-chairpersons, one of the worker representatives and the other a management representative, and they may alternate chairing the meetings.

1. Underground Operations
2. Maintenance
3. Coal Preparation – Plant
4. First Aid/Warehouse
5. Surface Operation

The Union and the Company will appoint one person on the Joint Health & Safety Committee to act as co-chairman for that committee. The Company and the Union will ensure that the representatives appointed to the committees have such qualifications as to enable them to complete inspection tours and report as required by any relevant legislation or Government directives. The inspection shall be conducted in each area by any one of the representatives of each party. The meetings of the Committee, again consisting of any one of the representatives from each side, shall be held at least once per month. Prior to the meeting, the inspection tour of operations will be conducted. The inspection tour report will be discussed at the monthly meeting. The Committee shall also discuss:

- (1) Any reportable accidents or reportable incidents as required by the B.C. Occupational Health & Safety Division that occurred in the previous month, the causes and preventative measures;
- (2) Any safety & health complaints;
- (3) Any proposed changes in the safety and health procedures or rules;
- (4) Results of any tests or surveys pertaining to the health and safety of the employees.

15.03 The Company accepts any standards now or hereafter set down by the Department of Labour, Occupations Health & Safety Division, Mines Branch, or similar relevant government authority with respect to maximum permissible levels of toxic materials or contaminants in its operations.

15.04 Mine inspections shall be done monthly prior to the Safety Meeting. When the Mines Inspector is carrying out any mine inspection, he will be accompanied by the Union co-chair or his designate of the Occupational Health & Safety Committee, if requested.

15.05 A Union member of the relevant Joint Health & Safety Committee shall be notified immediately and shall conduct, on behalf of the Union, a thorough investigation of any reportable accident or reportable incident as required by the B.C. Occupational Health & Safety Division.

15.06 In the case of a fatality arising from an accident or condition at work, the Local Union shall be notified and two of its representatives shall conduct a full investigation into the fatality. The Union can also request the assistance from the District 3 Staff Representative or the District 3 Safety Co-ordinator or his designate to participate in the investigation.

15.07 After receiving permission from the Manager or his designated representative, the Union representative shall be permitted entry to the Company's operations in order to carry out their required inspection.

15.08 The following items of personal protection equipment and apparel shall be supplied by the Company on a loan basis and the employee will be required to sign for them and return them in good condition for wear and tear expected. If the employee fails to do so, he shall be charged with their replacement charges.

Safety Supplies

- | | |
|---|-------------------------------|
| * Welding Shields (air flow) | * Prescription Safety Glasses |
| Face Shields | * Ear Muffs |
| * Safety Glasses | Hair Nets |
| Safety Goggles | * Safety Vests (traffic) |
| Dust Masks | * Self Rescuers |
| Dust Filters | * Miners' Lamp Belts |
| Respirators | * Hard Hats |
| Ear Plugs | * Winter Liners |
| Protective Clothing: fire, chemical, etc. | |

* These items will be issued on a replacement basis.

Note: The Company will maintain a supply of insulated coveralls for employees who require them.

15.09 Employees who require corrective lenses must possess safety lenses and safety frames prior to signing of this Agreement (also new employees). The Company will pay the cost of an employee's original safety lenses and safety frames with side shields and thereafter will replace safety lenses and/or safety frames when an employee can substantially claim they were damaged at work. The Company will not be responsible for costs under this section that may be recoverable from other sources such as Health Plan or Workers' Compensation.

15.10 Employees' Right to Refuse

- (a) **(1.10.1)** A person shall not carry out any work or operate any equipment, tool, or appliance if he has reasonable cause to believe that to do so would create an undue hazard to the health or safety of any person.
- (b) **(1.10.2)** A supervisor shall not knowingly perform or permit a worker to perform work which is, or could create, an undue hazard to the health or safety of any person.
- (c) **(1.10.3)** A person who refuses to carry out any work or operate any equipment, tool, or appliance, in compliance with section 1.10.1, shall forthwith report the circumstances to his supervisor.
- (d) **(1.10.4)** The supervisor receiving a report under section 1.10.3 shall forthwith investigate the matter and ensure that any hazardous condition

is remedied without delay; or if, in his opinion the report is not valid, he shall inform the person who made the report.

(e) (1.10.5) If the procedure provided for in section 1.10.4 fails to resolve the issue and the person continues to refuse to carry out the work, the supervisor or other management representative shall forthwith make an investigation in the presence of the person who made the report, together with another person having knowledge of the work in question and who is

(i) a worker representative or designate of the OHSC if available, or

(ii) designated by the local union to represent the person refusing to carry out the work, or

(iii) a co-worker selected by the person refusing to carry out the work.

(f) (1.10.6) If the person still refuses to carry out the work after his supervisor and the other person have investigated the issue in accordance with section 1.10.5, and are both of the opinion that no undue hazard exists and that

(i) the refusal is considered to be justifiable for reasons peculiar to that particular person and,

(ii) there is no justification for an alternate person to refuse to carry out the work in question then, the supervisor, after informing the alternate person of the reason for the refusal, may have him perform the work.

15.10 (g) (1.10.7) If the procedures in sections 1.10.4, 1.10.5 and 1.10.6 fail to resolve the issue, the manager shall

(i) conduct an investigation and either develop a plan that is acceptable to the persons who will do the work and which will allow the work to proceed safely, or suspend further work and,

(ii) if the work is suspended or allowed to proceed, submit a report to the OHSC, local union, and an inspector, that describes the incident, shows compliance with the code and describes any remedial actions taken.

15.11 (a) The OHSC Co-Chairpersons or their designates shall participate in the investigations of reportable accidents, dangerous occurrences and any other unusual accident or unexpected event which had the potential to result in serious injury.

(b) The OHSC Co-Chairpersons or their designates shall be informed as soon as possible, but within four (4) hours of the event, or accidents that cause injuries which require medical aid and, if they deem it necessary, they shall participate in the investigation.

- (c) The manager and all persons working at the mine shall cooperate fully with the OHSC by:
 - (i) providing it with every reasonable facility for carrying out its inspections and investigations;
 - (ii) allowing it access to all reports, plans, and records pertinent to the work of the OHSC; and
 - (iii) correcting the safety hazards noted in the OHSC minutes within thirty (30) days or by the date agreed by the OHSC committee.

ARTICLE 16 - LEAVE OF ABSENCE

- 16.01** An employee may be granted leave of absence without pay for personal reasons provided:
- (1) A request is made, in writing, at least seven (7) days in advance; and
 - (2) The leave is for a reason(s) acceptable to the Company.
- 16.02** A leave of absence may be extended if there is a good reason to do so. The employee must request the extension, in writing, prior to the expiration of his initial leave.
- 16.03** Employees, to a maximum of six (6) provided production is not affected, who have been elected or appointed by the Union to attend Union conventions, conferences, education or other Union business, not to exceed fifteen (15) days, may be granted a leave of absence without pay by the Company. The Union shall notify the Company, in writing, as early as possible prior to the start of the leave, but not less than fourteen (14) calendar days, of the names of the members requiring leave. Seniority shall accumulate during such period. For the purposes of allowing four (4) to six (6) employees off at any one time it will only be for officers or union training where the Union must give the Company not less than four (4) weeks' notice.
- 16.04** The Company shall grant one (1) employee a leave of absence without pay for up to one (1) year to work in an official capacity of the Union, provided such a request is made by an authorized representative of the Union. This leave will be extended in yearly increments upon request by the Union.
- 16.05** An employee called for jury duty, or as a subpoenaed witness in a criminal proceeding before the court, shall be paid each day of jury service or subpoenaed witness on which he was scheduled to work, the difference between his regular straight time rate of pay and the payment he received for jury service. The employee will present proof of service and the amount of pay received.
- 16.06** Pregnancy and Parental leave shall be granted in accordance with the Employment Standards Act of the Province of British Columbia.

ARTICLE 17 - BEREAVEMENT LEAVE

17.01 In the event of a death in an employee's immediate family, the employee, with the approval of his supervisor, is eligible for twenty-four hours paid bereavement leave within the province and forty-eight (48) hours for out-of-province provided the leave is taken or agreed upon between the employee and the Company supervisor within thirty (30) calendar days of the death. Depending upon the circumstances, leave may be extended through a formal request for leave without pay or by combining with vacation time owing. Request for extended leave must be approved by the employee's supervisor. Members of the employee's immediate family are defined as the employee's spouse (common-law status included), mother, father, brothers, sisters, sons, daughters, mother-in-law, father-in-law, sons-in-law, daughters-in-law, stepchildren, step-parents, grandparents, grandchildren and same sex partner.

Notwithstanding the above, in the event of the death of an employee's spouse and/or children, the employee will be entitled to forty (40) hours bereavement leave within the province without loss of pay.

Note: Employees will qualify for 48 hours only if they attend the funeral out of province.

ARTICLE 18 - EMPLOYEE BENEFITS

18.01 (a) Group Life Insurance

Employee Life Insurance

The level of benefit is equal to three (3) times the employee's regular annual rate (2080 hours X employee's regular rate), rounded to the nearest \$1000.

Dependent Life Insurance

- Spouse's coverage - \$10,000
- Child's coverage - \$5,000

(b) Accidental Death & Dismemberment

The level of benefit is equal to three (3) times the employee's regular annual wage (2080 hours X employee's regular rate), rounded to the nearest \$1000.

(c) Weekly Indemnity

Weekly benefit of five hundred ten dollars (\$510.00) on May 1st, 2007 per week to a maximum of 52 weeks. There is no waiting period for disabilities resulting from accidental injury or from the first day of hospitalization. Benefits are paid from the 4th day due to sickness.

Weekly benefit increased to five hundred twenty dollars (\$520.00) on May 1st, 2008 and to five hundred and thirty dollars (\$530.00) on May 1st, 2009.

The amount of Weekly benefit is the amount of which employee is insured at the time disability starts. The amount of Weekly benefit may be reduced by payments from other sources.

Employees will be eligible for weekly benefits while appealing W.C.B. decisions as agreed by the Company and Union and must be paid back if appeal is successful.

Employees hired after ratification of this Agreement will be eligible for coverage upon completion of their probationary period.

(d) Long Term Disability

This benefit provides 66 2/3% of employee's regular monthly wage. Regular monthly wages are computed as 2080 hours X employee's regular rate divided by twelve.

Benefits commence on completion of the Weekly Indemnity program and continue thereafter for the period of total disability, but not beyond a two (2) year period as per group insurance from the insurance carrier.

(e) Extended Health Benefits

Extended Health benefits include drugs and semi-private hospital coverage, ambulance charges, out of Canada expenses, and hearing loss expenses.

Survivor's benefits of 12 months.

(f) Medical Services Plan

The Provincial B.C. Medical Services Plan provides coverage for all B.C. residents.

(g) Vision Care

100% reimbursed in any 24 consecutive month period for adults and 12 consecutive month period for children. Maximum of five hundred dollars (\$500.00) in a twenty-four (24) month period for adults and five hundred dollars (\$500.00) in a twelve month period for children. Coverage can be portable towards laser eye surgery.

The Company agrees to pay for one eye examination in a twenty-four (24) month period for adults and a twelve (12) month period for children under the age of eighteen (18)

(h) **Dental Benefits**

This program provides 100% coverage of basic services and 60% coverage of restorative services, based on the current year fee of the College of Dental Surgeons schedule of your province of residence. Orthodontic services are payable at 50%.

(i) **EAP**

The Company shall enroll all employees in the "Upper Island Assessment Referral Service" (January 1, 1998)

Qualification Periods:

Employees shall be eligible for (a) Life and (b) A.D. & D. benefits following thirty (30) calendar days of employment. Employment and eligible dependents will be able to participate in the remaining programs following sixty (60) calendar days of employment.

This is a summary of the benefits provided by Quinsam Coal Corporation. These benefits may be subject to limitations and administrative procedures. The employee's rights and benefits are governed by the terms of the group insurance policy, plan document, of plan text providing the group benefits.

All of these benefits are provided for the employees and his eligible dependents at no cost.

- (j) The Company will pay the full cost of the Health and Welfare benefits and full coverage will continue for six (6) months from the employee's last date of layoff, with the exception of Long Term Disability Benefits which shall cease on the date of the layoff. Furthermore, the Company will continue to pay and provide the Group Life Insurance and the Accidental Death & Dismemberment provisions for two thirds (2/3) of the employee's recall rights.

- (k) The Company must provide the plan text for all benefits to all employees.

18.02

Qualification Periods for Spare Board Employees:

Spare board employees shall be eligible for MSP, Extended Health, Dental and \$50,000 Group Life benefits if they meet the following criteria:

- (1) Sixty (60) calendar days of employment; and
- (2) Work ninety-six (96) hours in the previous month

i.e. if a spare board employee works ninety-six (96) hours in July 2010 then they would qualify for benefits in August 2010.

Spare board employees working at least 48 hours and less than 96 hours per month can purchase these benefits at 50% of the cost by notifying the company in advance.

Benefits will cease the last day of the month of their last day of employment.

Spare board employees that work 1152 hours in two consecutive years will then qualify for regular full time benefits for all years going forward while they are still in the company's employ.

Underground Operation Spare Board Employees will receive full benefits upon completing of their probationary period.

ARTICLE 19 - SEVERANCE PAY

19.01 The Company will also provide severance pay of five (5) days equal to forty (40) hours of pay per year of service rounded up to the next year:

- (i) At the employee's option this severance pay may be taken at the time of lay-off or at the expiry of an employee's recall rights or at any time between the time of lay-off and the expiry of recall rights. It is understood that if an employee chooses to take severance pay then his recall rights are automatically expired;
- (ii) The Company agrees to pay out severance pay within **seven (7) days** of the employee's request.

ARTICLE 20 - WAGES

UNDERGROUND	May 1/13 2%	Nov 1/13 \$1.50 for Journeyman	May 1/14 2.5%	Nov 1/14 \$1.00 for Journeyman	May 1/15 3.5%
Certified Journeyman	35.55	37.05	37.98	38.98	40.34
Continuous Miner Operator	34.83		35.70		36.95
Face Miner	32.60		33.42		34.59
General Miner	30.92		31.69		32.80
Underground Trainee – 6 months	27.17		27.85		28.82
SURFACE					
Lead Hand	31.88		32.68		33.82
Heavy Equipment Operator	29.79		30.53		31.60
Truck Driver	28.12		28.82		29.83
Labourers (Security & Yardmen)	24.34		24.95		25.82
COAL PREPARATION PLANT					
Lead Hand	31.88		32.68		33.82
Plant 1 Operator	29.79		30.53		31.60
Plant 2 Operator	28.12		28.82		29.83

Labourer	24.34		24.95		25.82
MAINTENANCE					
Certified Journeyman	32.74	34.24	35.10	36.10	37.36
Repairman 1 st Class	29.79		30.53		31.60
Serviceman	27.68		28.37		29.36
Maintenance Helper	23.17		23.75		24.58
Labourer	24.34		24.95		25.82
ADMINISTRATION					
First Aid Warehouse 1	29.09		29.82		30.86
First Aid Warehouse 2	30.07		30.82		31.90

First Aid/Warehouse 1 rate applies to spare board employees.
First Aid/Warehouse 2 rate applies to full-time employees.

*All security, yard jobs are positions in the bargaining unit. Yard and Security employees will be grandfathered to their positions. Seniority date will be May 1, 2010 and wage rates will be the same as labourer rate.

*Underground Premium \$1.00 – November 1, 2013

*Plant 2 Operator:

Capable of:

- Operating one piece of equipment, i.e. Haul Truck or Loader

*Plant 1 Operator

- Running the Wash Plant
- Driving the Haul Truck
- Operate the Loader including loading Lomak Trucks

*The Company agrees the framework for progression to Plant 1 Operator will be included in the training agreement.

ARTICLE 21 - PREMIUMS AND ALLOWANCES

21.01 #2 Continuous Miner Operator Premium shall receive \$0.92 per hour in addition to their classified rate for all hours worked underground.

21.02 Boot and clothing allowance will continue as per present arrangements

21.03 A shift differential of eighty cents (\$.80) shall be paid for each hour worked between 3:00 p.m. and 11:00 p.m. and a shift differential of one dollar (\$1.00) shall be paid for each hour worked between 11:00 p.m. and 7:00 a.m.

- 21.04** Weekend premium of \$ 1.50 shall be paid for each hour worked on scheduled shifts Saturday and Sunday.
- Shift and weekend premiums are not paid for hours an employee works on overtime rates.
- 21.05** All tradesmen to receive five hundred dollars (\$500.00) yearly tool allowance upon proof of purchase. Apprentices may purchase their tools through the Company (at cost) by payroll deduction and if requested, it may be paid back over one year, interest free. Employees must have proper set of tools.
- 21.06** Employees working unscheduled overtime for two (2) hours or more beyond their normal shift shall be entitled to a twelve dollar (\$12.00) meal allowance.
- 21.07** A premium of twelve dollars (\$12.00) will be paid to employees that miss showers due to mechanical or electrical failures or act of God.
- 21.08** Effective November 1, 2013 all underground workers shall receive a premium of one dollar (\$1.00) per hour worked.

ARTICLE 22 - DISCIPLINE

- 22.01** (a) In the event an employee receives a Stage 1,2, or 3 warning, or suspension, and said employee does not receive any further written warning, suspension, or discharge within one (1) year from the date of said warning or suspension, then the last original warning or suspension shall be removed from the employee's file and will not be used against him at any future time.
- (b) When appropriate, a letter of discipline regarding warning, suspension, or discharges shall be given to the employee in a meeting held by the Company with a Union Representative in attendance.
- (c) All suspensions and terminations will be processed through the Grievance Procedure at Stage 3.

ARTICLE 23 - GENERAL PROVISIONS

- 23.01** The Company agrees to provide the Union with enclosed bulletin boards that can be locked. These boards will be used for Union materials only.
- 23.02** The Union recognizes the Company's rule prohibiting the unauthorized distribution or posting of pamphlets, handbills, or other publications on the premises of the Company and agrees that no pamphlets, handbills, or other publications shall be distributed or posted by the Union or its representatives or members on the premises of the Company without the Company's approval.

23.03 Except where otherwise provided, any notice which either party desires to give to the other may be given by registered mail as follows:

To the Company:
Quinsam Coal Corporation
P.O. Box 5000
Campbell River, B.C.
V9W 5C5

To the Union:
United Steelworkers
Local Union 9347
#202 – 9292 – 200th Street
Langley, B.C. V1M 3A6

23.04 Any notice under this Agreement sent by registered mail shall be deemed given and received as of the date of the letter as “backstamped” in the Campbell River Post Office.

23.05 **Humanity Fund**

For the purpose of International Aid and Development, the Company agrees to deduct twenty dollars (\$20.00) from each employee on October 1st of each year and forward to the United Steelworkers Humanity Fund.

United Steelworkers
National Office Humanity Fund Dept.
234 Eglinton Avenue E., 7th Floor
Toronto, Ontario
M4P 1K7

and to advise in writing both the Humanity Fund at the aforementioned address and the Local Union that such payment has been made, the amount of such payment and the names of all employees in the bargaining unit on whose behalf such payment has been made.

The first Humanity Fund deduction as aforesaid shall be for the fifth (5th) week following ratification of this Agreement.

It is agreed that the total for each employee's yearly deduction will be entered in Box 46 (Charitable Contribution) of the Revenue Canada T4 slip for the year it has been deducted. For this purpose, the payroll department will note the following Charitable Donation number for the “Humanity Fund”: R119172278 RR 0001.

23.06 **Education Trust Fund**

- (a) The Company shall contribute to the Union the sum of five cents (\$.05) per hour per employee for each hour worked for education and training of Union members.
- (b) The money shall be made payable to the Financial Secretary of Local Union 9347 Education and Trust Fund, and mailed to their home address on the 15th of each month for the previous month and the Company shall provide necessary information regarding amounts paid for each employee. (ie name of employee and hours worked).

23.07 Pay Slips

The Employer shall remit to the employee an electronic/hard copy pay slip with all the information to allow him/her to check the computation of his/her wage. This pay slip shall contain the following data, specifically:

1. The Employer's name
2. The Employee's last and given name
3. The Employee's classification
4. The payment date and its corresponding work period
5. The number of hours paid at the applicable rate during the hours of the regular work week.
6. The number of overtime hours paid at the applicable overtime rate and banked hours and pay available
7. The nature and amount of premiums, indemnities or allowances issued.
8. The wage rate
9. The amount of gross wages
10. The nature and amount of deductions made
11. The amount of take-home pay
12. Accumulated vacation pay and money paid out.

*The Employer will have sixty (60) days upon ratification to have Article 23.07 in place within their payroll system.

ARTICLE 24- TECHNOLOGICAL CHANGE

- 24.01** Where the Company intends to introduce new technological equipment that shall result in decreased hours of work or layoff, the matter shall be discussed with the Union in advance to review the implementation process and discuss any other implications.

ARTICLE 25 - PENSION FUND ALLOWANCE

- 25.01** Effective May 1, 2010, the Company will contribute one dollar (\$1.00). Effective May 1, 2014, the Company will contribute one dollar and twenty-five cents (\$1.25). Effective May 1, 2015 the Company will contribute one dollar and fifty cents (\$1.50) per hour worked to the Vancouver Steelworkers Pension Plan ("the Steelworkers Pension Plan") on behalf of each employee who is a Pension member of the Steelworkers Pension Plan for each pay period.

The Employer will continue to pay pension contribution for all employees that are off on WCB/Weekly Indemnity only if their seniority would have allowed them to work. (The amount paid will only be to a maximum of three hundred and fifty dollars (\$350.00) per year.

- 25.02** The contributions shall be delivered by mail (or such other method as may be agreed to) to the Steelworkers Pension Plan by the Company within 15 days after the end of each calendar month in which the pay period ends, or as soon as reasonably possible thereafter.

- 25.03** Upon reasonable request by the Trustees of the Steelworkers' Pension Plan (the "Trustees"), the Company shall provide all information necessary to satisfy the Trustees that the Company is properly calculating and remitting contributions in accordance with this article. Such information will include, but may not be limited to:
- i) a complete list of all employees in the bargaining unit in a given month, inclusive of employees who were hired after the commencement of the month and employees who were laid off or whose employment was terminated prior to the expiry of the month; and;
 - ii) or each employee listed, a list of the hours worked and social insurance number for each employee.
- 25.04** The Company shall provide to the Trustees such information as is necessary to enable the Trustees to properly administer the plan, including, without limiting the generality of the foregoing, all documentation and information as may be reasonably requested and which is necessary to calculate pension entitlements for beneficiaries and to enable the Trustees to comply with the Pension Benefits Standards Act.
- 25.05** The Union agrees that other than making contributions to the Steelworkers Pension Plan and providing information to the Trustees as required by articles 25.03 and 25.04 above, the Company has no other obligations with respect to the Steelworkers Pension Plan whatsoever.
- 25.06** The Steelworkers Pension Plan and the Trust Agreement do not form part of this Collective Agreement and are not incorporated by reference into this Collective Agreement.
- 25.07** The Union and the Company agree that the Company's obligations contained in this article, including the Company's obligations to the Trustees, may be enforced at the instance of the Union pursuant to the grievance and arbitration procedures of this Collective Agreement.

ARTICLE 26- DURATION OF AGREEMENT

26.01 This Agreement shall be for the period from and including May 1, 2013, and from year to year thereafter subject to the right of either party to the Agreement within four (4) months immediately preceding the date of expiry of this Agreement which is April 30, 2016, or immediately preceding the last day of April, in any year thereafter, by written notice to require the other Party to the Agreement to commence collective bargaining.

26.02 Should either Party give written notice to the other Party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall give notice of strike or the Employer shall give notice of lockout or the Parties shall conclude a renewal or revision of this Agreement or a new Collective Agreement, whichever shall first occur.

26.03 The operation of Section 50 (2) and (3) of the Labour Relations Code is hereby excluded.

Dated this APRIL 22nd, 2014.

Signed on Behalf of:

THE COMPANY



Jennifer Shire-Smith
Human Resource Manager

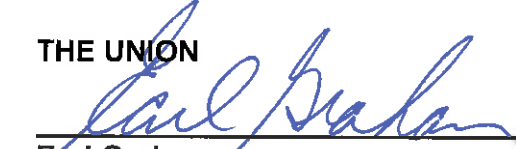


John McCormac
Mine Controller



Norm Johnson/Gary Gould
General Manager

THE UNION



Earl Graham



Jim Parnell



Hazen Duff



John Dunn



Ian Breland

LETTER OF UNDERSTANDING #1

BETWEEN: **QUINSAM COAL CORPORATION**
 (hereinafter called "the Company")

AND: **UNITED STEELWORKERS**
 ON BEHALF OF LOCAL UNION 9347
 (hereinafter called "the Union")

RE: **Company Transportation Policy**

Every employee is responsible for ensuring they report to work in a timely manner. To assist employees in their travel from Campbell River(no further south than Ocean Grove store) to the Quinsam Coal Mine site, the company will subsidize the cost of utilizing the vanpool services offered by the Jack Bell Society. The Company will pay the kilometer charge for 90 kilometers pre scheduled round trip.

The Union will provide a transportation coordinator to assist the company in maintaining the service. The transportation coordinator will supply the company with a list of passengers in each van. The driver of each van will maintain a log of all trips on sheets provided and submit to the company at the end of each month. (The log books will be supplied by the Company).

The Union will take the necessary steps to advise their members to respect the vehicles. In doing so they will ask each driver to ensure that all members remove their personal items and garbage each time they are dropped off at their residence at the end of each working day.

The drivers are responsible to ensure that routine maintenance and minor repairs are scheduled and carried out by the Jack Bell contracted repair shop.

The drivers are responsible to report all insurable damage promptly to ICBC.

The users are responsible to keep the vehicle clean and comply with all rules as per the contract with the Jack Bell Society and Quinsam Coal Corporation.

The Company and the Union agree that each round trip should not exceed ninety (90) kilometers. If for some reason there are trips over the ninety (90) kilometers the company and the union will sit down with the driver to figure out why the kilometers are so high. Furthermore, if the company has any concerns with respect to a vehicle they will meet with the union to discuss their concern. At the end of any such meeting if there are some legitimate concerns the union will help the company address them with the appropriate persons involved. Any costs incurred by unauthorized personal use will be borne by the employee. Continued violation of the spirit of this letter of understanding will result in the employee being disqualified from the service and be responsible for his own transportation to and from work.

The use of the service is on a voluntary basis. Employees wishing to use the service must sign a letter of intent on a quarterly basis. This letter must be signed one month in advance of the upcoming quarter. For example: Sign up December 1 to use the service for January to March, sign up March 1 for service from April to June, sign up June 1 for service from July to September, sign up September 1 for service from October to December.

The cost to the employee for using this service will be as follows:

Effective date of ratification two dollars (\$2.00) per day, which will be a payroll deduction. All funds collected will be transferred to a "Transportation Account" which will be used to pay the driver of each van (which must be transporting 2 or more passengers) five dollars (\$5.00) per round trip. To ensure vans are properly scheduled, the fund will also pay five dollars (\$5.00) per day to a transportation co-coordinator.

The amount charged by the Jack Bell Society is based on a standard number of kilometers per day. The company and union will agree on the number of kilometers to be used as the standard. Employees using the service will be responsible for any charges arising from excess kilometers.

The company agrees to implement this service on a six-month trial basis. At the end of the six-month period the company will evaluate the success of the program. If the program is deemed not successful, the company will find another transportation service under the same terms.

Dated this APRIL 22ND, 2014.

Signed on Behalf of:

THE COMPANY



Jennifer Shire-Smith
Human Resource Manager




John McCormac
Mine Controller



Norm Johnson/Gary Gould
General Manager

THE UNION



Earl Graham



Jim Parnell



Hazen Duff



John Dunn



Ian Breland

LETTER OF UNDERSTANDING #2

BETWEEN: **QUINSAM COAL CORPORATION**
(hereinafter called "the Company")

AND: **UNITED STEELWORKERS**
ON BEHALF OF LOCAL UNION 9347
(hereinafter called "the Union")

RE: **Insurance Carriers**

It is agreed that the Company and the Union will review the benefit levels and policy restrictions of each Insured Benefit. The Company also agrees that the Union may request the change of carriers providing the premium cost is not greater than the existing policy, there are no additional costs to the company and finally there is an enhancement in benefit level for the employees. The company shall not unreasonably withhold its consent.

Dated this APRIL 22nd, 2014.

Signed on Behalf of:

THE COMPANY



Jennifer Shire-Smith
Human Resource Manager



John McCormac
Mine Controller



Norm Johnson/Gary Gould
General Manager

THE UNION



Earl Graham



Jim Parnell



Hazen Duff



John Dunn



Ian Breland

LETTER OF UNDERSTANDING #3

BETWEEN: QUINSAM COAL CORPORATION
(hereinafter called "the Company")

AND: UNITED STEELWORKERS
LOCAL UNION 9347
(hereinafter called "the Union")

RE: Northwest Pozzolan

The Company hereby agrees to grant voluntary recognition to the United Steelworkers, Local 9347 at the processing plant of Northwest Pozzolan should the plant be built.

Dated this APRIL 22nd, 2014.

Signed on Behalf of:

THE COMPANY



Jennifer Shire-Smith
Human Resource Manager



John McCormac
Mine Controller



Norm Johnson/Gary Gould
General Manager

THE UNION



Earl Graham



Jim Parnell



Hazen Duff



John Dunn



Ian Breland