

COLLECTIVE AGREEMENT

BETWEEN

VOISEY'S BAY NICKEL COMPANY LIMITED



**VOISEY'S BAY NICKEL
COMPANY LIMITED**

A subsidiary of Inco Limited

AND

LOCAL 9508

**UNITED STEEL, PAPER AND FORESTY, RUBBER,
MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND
SERVICE WORKERS INTERNATIONAL UNION**



SEPTEMBER 26, 2006

VOISEY'S BAY MINE AND CONCENTRATOR SITE

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Article 1 – General Purpose

- 1.01 The general purpose of this Agreement is to establish and maintain mutually satisfactory working conditions and to maintain harmonious relations between the Company, Union and employees covered by this Agreement. In the interests of industrial peace between the Company and the Union, we agree to abide by and observe the terms and conditions of this Agreement.
- 1.02 'Employee' or 'employees' means the employees of the Company in the bargaining unit covered by this Agreement pursuant to Article 2.01 of this Agreement.
- 1.03 'Union' means United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Local 9508, its local, union executive and other duly authorized representatives.

IBAs

- 1.04 The Employer is party to Impacts and Benefits Agreements (the "IBAs") with, respectively, the Nunatsiuvut Government, formerly Labrador Inuit Association (hereinafter referred to as "Labrador Inuit") and the Innu Nation (hereinafter referred to as "Labrador Innu"). Edited versions of the IBAs have been disclosed to the Union. The parties agree that the versions of the IBAs, as disclosed to the Union, shall be given precedence over this Agreement.

The IBAs do not limit either the Union's authority as bargaining agent for all employees in the bargaining unit covered by this Agreement, or the authority of an arbitrator appointed under this Agreement or governing legislation. The Union retains the right to file grievances and pursue them to arbitration in accordance with this collective agreement.

The IBAs with Labrador Inuit and Labrador Innu do not form part of this collective agreement.

The Employer shall save the Union harmless from any lawsuits, applications or claims of any kind arising from the Employer's application or interpretation of the IBAs provided that the Union does not take any position that is contrary to the IBAs in any lawsuits, applications or claims of any kind.

Adjacency

- 1.05 The Adjacency Principle shall be given precedence over this Agreement. For the purposes of this Agreement, after the IBA commitments have been met, the “Adjacency Principle” commits VBNC to employ and/or promote qualified individuals in the following order:
1. Residents of Labrador;
 2. Residents of the Island of Newfoundland; and
 3. Other residents of Canada.

Accordingly, where there are two or more equally qualified applicants for employment or promotion, preference shall be given to the applicant who ranks higher on the residency status list above.

For the purposes of this provision, a Labrador resident is a person who has been resident in Labrador for a period of six (6) months prior to commencement of employment with the Employer for work at the site, and Newfoundland and Canadian residents shall be defined similarly.

Article 2 – Recognition

- 2.01 The Company recognizes the Union as the exclusive collective bargaining agent for all employees of VBNC employed at the Voisey's Bay Site, Province of Newfoundland and Labrador, save and except office, clerical, sales, professional and technical, supervisors and those above the rank of supervisor, pursuant to the certification order of the Labour Relations Board dated August 4, 2005.

Work of the Bargaining Unit

- 2.02 Managers and supervisors shall not perform work which is normally done by employees in the bargaining unit except in cases of an emergency nature, where the employee's absence would stop work, protection of equipment, employee safety, or where qualified employees are not reasonably available to do such work. Nothing in this paragraph shall interfere with the normal performance of duties such as the carrying out of research, development and test programs, the necessary instruction or training of employees, the inspection of equipment, product or process by such non-bargaining unit employees.

Article 3 – No Discrimination or Harassment

- 3.01 Both the Employer, employees and the Union agree to be bound by the Newfoundland and Labrador Human Rights Code, which protects against discrimination on such prohibited grounds as age, race, religion, religious creed, political opinion, colour, or ethnic, national or social origin, sex, sexual orientation, marital status, physical disability or mental disability.
- 3.02 There shall be no discrimination by the Company or the Union or its members against any employee because of membership or non-membership in any lawful union, or because the employee has exercised or failed to exercise any right specifically provided under this Agreement.
- 3.03 The parties endorse a workplace environment, which is free from any form of sexual harassment. For the purpose of this clause, sexual harassment means:
- a. Unwanted sexually oriented attention, remarks or behaviour of a persistent or abusive nature, made by a person who knows or ought to reasonably know that such attention is unwanted;
 - b. Implied or expressed promise or reward for complying with a sexually oriented request;
 - c. Implied or expressed threat or reprisal, in the form of either of actual reprisal or the denial of opportunity, for refusal to comply with a sexually oriented request.

Article 4 – Management Rights

- 4.01 The Union agrees that the Company has the full and exclusive right and power to operate and manage its business and direct the working forces, which includes, but is not limited to the right to maintain order, discipline and performance; hire, promote, transfer, demote, assign, determine qualifications and competencies; issue, enforce, change policies and standards; determine the number of employees to perform the work, decide methods, processes and means of operation; and determine work schedules, hours, and work assignments, except as specifically abridged or modified by the express provisions of this Agreement. The Company agrees that any exercise of its rights and powers in conflict with any of the provisions of this Agreement are subject to the provisions of the grievance procedure.

- 4.02 It is agreed that management has the right to reassign for operational flexibility in a fly-in/fly out remote site and therefore an employee temporarily transferred or assigned to a position:
- a. with a higher rate of pay shall receive the higher rate for the duration of the work assignment, and
 - b. with a lower rate of pay shall continue to receive his/her regular hourly rate for the duration of the work assignment.

The Company will exercise its rights reasonably, non-arbitrarily and provided the work is done in a safe manner.

Article 5 – Union Security

- 5.01 The Company shall deduct Union dues including, where applicable, initiation fees and assessments, on a bi-weekly basis, from the total earnings of each employee covered by this Agreement. The amount of dues shall be calculated in accordance with the Union's Constitution.
- 5.02 Dues, initiation fees and assessments shall be remitted to the Union forthwith and in any event no later than 15 days following the last day of a four week pay period in which the remittance was deducted. The remittance shall be sent to the International Secretary Treasurer of the United Steelworkers, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers), AFL-CIO-CLC, P.O. Box 13083 Postal Station "A" Toronto, ON M5W 1V7 in such form as shall be directed by the Union to the Company along with a completed dues Remittance Form R-115. A copy of the Dues Remittance Form R-115 will also be sent to the Union office designated by the Area Coordinator. Mail to 236 St. George St., Suite 318, Moncton NB E1C 1W1.
- 5.03 The remittance and the R-115 form shall be accompanied by a statement containing the following information:
- a. A list of the name of all employees from whom dues were deducted and the amount of dues deducted;
 - b. A list of the names of all employees from whom no deductions have been made and reasons;
 - c. This information shall be sent to both Union addresses identified in Article 5.03 above, in such form as shall be directed by the Union to the Company.

- 5.04 The Union shall indemnify and save the Company harmless against all claims or other forms of liability that may arise out of any actions taken by the Company in compliance with this Article.
- 5.05 The Company, when preparing T-4 slips for the employees, will enter the amount of Union dues paid by the employee during the previous year.

Article 6 – Discipline and Discharge

- 6.01 The Company reserves the right to discipline employees for just cause.
- 6.02 The Company agrees that when an employee is to be disciplined, he/she may request to be accompanied by his/her Shop Steward. An employee shall suffer no loss of pay or other benefits while attending meetings under this article.
- 6.03 Any written warning, suspension or discharge given to any employee shall be given in writing, in duplicate, within seven (7) days of it being determined by the Company that there has been an infraction warranting discipline.
- 6.04 A discharged employee may contest his/her discharge as being in violation of this Agreement provided the written grievance is filed within seven (7) days of the date of discharge, or such further period as the parties may agree in writing. Such grievance shall be presented at the General Manager's level and a meeting convened within three (3) days after the grievance is received and the Management Representative shall give his/her decision in writing to the Local Union within three (3) days from the date of the meeting. If the decision is unsatisfactory, the Local union may, within thirty (30) days after the decision is given, refer the grievance to Arbitration and it shall be heard pursuant to the provisions of Article 8 within thirty (30) days of the reference to arbitration given by the Local Union.
- 6.05 The record of any disciplinary action on an employee's file shall not be referred to or used against an employee after a period of twelve (12) months in the case of a written reprimand and eighteen (18) months in the case of a disciplinary suspension.
- 6.06 An employee, upon request will be permitted to review his/her employment record but he/she shall not remove material from such record nor in any way attempt to alter the record except through the grievance procedure.

Article 7 – Grievance Procedure

- 7.01 Any matter relating to or involving the interpretation, application, or administration of any provision of this Collective Agreement, or a violation or alleged violation of this Agreement, may be the subject of a grievance.
- 7.02 It is the preference of both parties that grievances be adjusted as quickly as possible and without resort to the formal grievance and arbitration procedure. It is also the intention of both Parties to have the appropriate representative engaged in the applicable stage of the grievance process to endeavor to settle the grievance.
- 7.03 The employee shall discuss with his/her on site supervisor the nature and subject matter of the complaint within six (6) days of the occurrence of the event giving rise to the complaint, with a shop steward if requested by the employee. The supervisor shall give a decision within four (4) days of the matter being raised.

If the matter remains unresolved, the employee and/or shop steward shall address a grievance according to the following process:

- a. If, after registering the complaint with the supervisor and it is not settled as outlined above, the grievance shall be submitted in writing to the manager (or acting designate in manager's absence) either directly or through the Union within twelve (12) days of the occurrence of the event giving rise to the grievance. The manager shall meet with the shop steward and employee within five (5) days of the receipt of the grievance in an attempt to resolve the grievance. The manager shall within a further five (5) days answer the grievance in writing and return it to the Union.
 - b. If, after registering the grievance with the manager and it is not settled as outlined above, the grievance shall be submitted to the General Manager or their acting designate within a further five (5) days and a meeting may be held in a further attempt to resolve the grievance. The grievor may be present at this meeting if requested by either Party. The General Manager shall within a further five (5) days give his/her decision in writing to the Union.
- 7.04 If, after registering the grievance with the General Manager and it is not settled as outline above, then the grievance shall be referred in writing to arbitration as provided in Article 8, Arbitration, at any time within thirty (30) days of the General Manager's written decision to the Union.
- 7.05 Both parties shall agree to a single arbitrator within five (5) days of the referral to arbitration, or one of the parties or both may apply within a

further five (5) days to the Minister of Employment and Labour Relations to appoint one as per the Labour Relations Act.

- 7.06 With respect to individual grievances only, the reference to “day” above shall mean the working day(s) of the person (employee or management, as applicable) referenced in the applicable stage of the procedure above. In all other cases, it shall mean calendar days.
- 7.07 When two or more employees wish to file a grievance rising from the same alleged violation of this Agreement, such grievance may be handled as a Group Grievance and presented to the manager at that stage in the grievance procedure.
- 7.08 The Union shall have the right to initiate a policy or grievance of a general nature; a grievance may also be filed by the Company. Such grievances shall be filled at the General Manager’s level (Local Union President in the case of a Company grievance) and all provisions of the Grievance and Arbitration Procedures shall apply to such grievances.
- 7.09 Where no written decision has been given within the time limit specified, the grievance may be submitted to the next step of the grievance procedure, including arbitration. The time limits provided in this Article may be extended by mutual agreement between the Parties in writing.
- 7.10 During the grievance procedure, the parties may consult with and obtain information from necessary witnesses and relevant records as it relates to the subject matter of the grievance in an effort to resolve the grievance.

Article 8 – Arbitration

- 8.01 When either Party to this Agreement requests that a grievance be submitted for Arbitration, it shall make such request in writing addressed to the other Party to this Agreement.
- 8.02 All correspondence between the parties with respect to grievances and arbitration shall be delivered in person, by mail or facsimile, and/or to an agreed upon designated email address.
- 8.03 The arbitrator shall endeavor to commence hearing the grievance within thirty (30) calendar days of his/her appointment and shall endeavor to issue the award within thirty (30) calendar days of hearing completion.
- 8.04 The decision of the arbitrator on the matter at issue shall be final, binding and enforceable on both Parties.

- 8.05 The arbitrator shall not have the power to change this Agreement or to alter, modify or amend any of its provisions in any respect or make any decision inconsistent with this Agreement.
- 8.06 Each party shall pay its own costs and the fees and expenses of its witnesses. The Parties hereto will bear jointly the expenses of the Arbitrator on an equal basis.
- 8.07 Arbitration hearings will be held at Goose Bay unless otherwise mutually agreed.
- 8.08 Time limits under this Article may be extended by mutual consent in writing of both Parties.
- 8.09 Prior to proceeding to arbitration, the parties may avail of the services of a mediator to attempt to resolve the grievance or where the parties agree, the matter may be referred to the Provincial Preventive Mediation program. Additionally an Arbitrator may act as a mediator prior to the commencement of a hearing with the Agreement of the parties. Both parties will equally share the cost of the mediator. It is agreed that information exchanged and attempts to settle shall be without prejudice and shall not be referred to at arbitration. Both parties retain access to the complete arbitration process where either party does not agree to the Mediation.

Expedited Arbitration

- 8.10 The Expedited Arbitration Procedure can only be used by mutual agreement of the parties to the collective agreement.

Grievances referred to expedited arbitration must be scheduled to be heard within thirty (30) days from the date of referral, unless the hearing is delayed by mutual agreement between the Parties or by the Arbitrator.

The Parties shall make every reasonable attempt to proceed by admission and minimize the use of witnesses.

The purpose of developing this expedited arbitration system is to both save cost and time while ensuring fair and reasonable decisions. To that end, presentations made in expedited arbitration should be short and concise and should include a comprehensive opening statement.

Where practical, hearings are to be held in Company or Union facilities to reduce costs. The parties agree that lawyers will not be used to represent either side. The Local Union shall appoint one of its officers or the Union

Staff Representative to represent the grievor, and the Company shall appoint one of the management staff or another person to represent the Company.

All decisions of the expedited arbitrator are limited in application to that particular dispute. The award of the expedited arbitrator sets no precedent and is not to be referred to by either party in any subsequent proceeding. The award will be final and binding.

Whenever possible, the Arbitrator shall deliver the decision orally at the conclusion of the hearing, giving a brief summary of the reasons for the decision and then confirm these conclusions in writing within ten (10) days of the date of the hearing. When it is not possible to give an oral decision at the conclusion of the hearing, the Arbitrator shall render it in writing with a brief summary of the reasons. The Arbitrator must render the written decision as soon as possible but at all times within ten (10) days of the date of the hearing. The award in written form should be a one to two page award setting out briefly the reasons for the decision.

Such decisions may not be used to alter, modify or amend any part of the Collective Agreement, nor should any decision be incompatible with the provisions of the Collective Agreement.

Article 9 – Probationary Employee

- 9.01 The probationary period shall normally be for a period of three (3) months consisting of three consecutive worked rotations, and may be extended upon request of the Company for up to an additional three consecutive worked rotations, which consent will not be unreasonably denied.
- 9.02 The Employer, Union and employee may mutually agree to extend the probationary period for an agreed upon period.
- 9.03 Upon successful completion of the probationary period, the employee's seniority shall be determined and shall include the probationary period.
- 9.04 The Employer shall apply for a formal evaluation procedure in evaluating and providing feedback to a probationary employee. The termination of a probationary employee for reasons of unsuitability as determined solely by the Employer shall not be subject to the grievance and arbitration procedure.

Article 10 – Health and Safety & Workplace Environment

General

- 10.01 The Company and Union acknowledge their common interest for maintaining a healthy and safe working environment and agree to cooperate and participate in their pursuit of progressive health and safety standards in the workplace. In the interest of an effective health and safety program for employees at work it is agreed that joint and co-operative methods shall be encouraged.
- 10.02 The Company and employees shall comply with all applicable provisions of health and safety legislation and regulations, in addition to those rules established by the Company.
- 10.03 The Company shall continue to make provisions for the health and safety of its employees and shall continue utilizing safety devices and practices for the protection of employees, subject to such improvements or changes as may be introduced by the Company from time to time.
- 10.04 The Union and Company recognize April 28th as the annual day of remembrance for workers who died on the job. Any flags flown at the workplace on that day will be lowered to half mast and those working on that day will observe a minute of silence in memory of those who died on the job.

JOSHE Committee

- 10.05 A Joint Occupational Safety, Health, and Environment (JOSHE) Committee will be established in accordance with the Occupational Health and Safety Act for the Province. For the purposes of this Article, reference to environment shall mean the occupational health and safety issues in the workplace environment.
- 10.06 The JOSHE Committee shall consist of up to four (4) bargaining unit employees appointed or elected by the Union and up to four (4) non-bargaining unit representatives employed and appointed by the Company. Time spent in meetings is to be considered time worked.
- 10.07 The Committee shall meet monthly, and at such other times as are agreed. The Committee will be provided monthly with a summary of injuries and incidents for review and discussion by the Committee. Minutes of the meetings shall be sent to the Company and the Union. An

employee member of the Committee shall be notified of a fatality or critical injury as soon as possible.

- 10.08 A union member of the Committee is entitled to accompany the Inspector from the Health and Safety Division of the Government of Newfoundland and Labrador on his/her inspection of the workplace. Time spent is to be considered time worked.
- 10.09 In making any changes affecting employees with respect to either the Health and Safety Program or a Personnel Protective Program, such changes will be discussed with the Health and Safety Committee in order to give the Committee an opportunity to review the changes and make suggestions for revisions.

Article 11 – Leaves of Absence

Sick Leave

- 11.01 Employees who are sick and unable to work will be permitted up to five (5) paid, non-cumulative sick days per year. Up to three (3) of those sick days may be used for an employee to attend a specialist physician appointment that cannot be scheduled on the employee's rotation out from site.

The Company reserves the right to require an acceptable medical certificate for any period of sick leave.

While at the worksite an employee must first be certified as sick by the medic before being entitled to such sick leave.

Union Leave

- 11.02 Upon written request from the Local Union given with as much notice as possible and at least one (1) week in advance, the Company will during each year of the term of this Agreement grant leave of absence, without pay, to the employees named in the request for the purpose of attending union courses, conferences, conventions and Local Union business. It is recognized that operational requirements may be taken into consideration in granting such requests and leave is not to be arbitrarily denied.

Maternity, Parental and Adoption Leave

- 11.03 VBNC will grant Maternity, Parental and Adoption Leave of Absence in accordance with applicable legislation.

In the event that an employee is unable to perform or return to the normal duties of her job owing to either a pregnancy or delivery related illness and this is confirmed by a medical report satisfactory to the Company's medical representative, the Company will endeavor to find employment suitable in accordance with the medical advice. If the employee does not receive a new work assignment, he/she will be entitled to apply for and, if eligible, receive short term disability benefits.

The Company may grant an extension of unpaid maternity leave for a further period of up to six (6) months upon request by the employee.

Election Leave

- 11.04 Upon written request by the individual concerned, the Company may grant leave of absence without pay to any employee elected to, campaigning for his/her election to or acting as the campaign manager for an individual's election to any municipal, provincial or federal government office. Such leave shall be for a maximum period of two (2) months.

Jury Duty and Crown Witness

- 11.05 Should an employee be required to report on their regular work day for jury duty or as a witness due to being subpoenaed as a crown witness in any court of law and produces a satisfactory statement that he/she did so report, the employee will be paid the difference between pay for the regularly scheduled shift on that date at the employee's applicable rate of pay and the jury duty pay or witness pay and/or conduct money received by the employee for that day.

Bereavement Leave

- 11.06 A maximum bereavement leave of absence of five (5) consecutive days, including the day of the funeral, will be granted to an employee upon a death in the employee's immediate family. Where any such day occurs on a regularly scheduled working day for the employee, the employee shall be paid on the basis of the standard number of hours which otherwise would have been worked at the employee's application rate of pay. To

qualify for bereavement leave, the employee shall notify his/her immediate supervisor as soon as possible following the bereavement. This clause shall not require the payment of bereavement leave for any period of leave during which the employee would not have been scheduled to work. The Employee will travel out from site and/or to site, as applicable, at the earliest opportunity. 'Immediate family' shall mean Mother, Father, Spouse, Spouse's parents, Son, Daughter, Sibling, Grandmother, Grandfather, Grandchild. Bereavement leave shall be three (3) consecutive days, including the day of the funeral, upon the death of the employee's spouse's brother or sister, or brother in law or sister in law. If the death in the immediate family occurs and the bereavement leave begins while the employee is on vacation, the employee will be allowed to extend his/her vacation in an amount equal to the number of bereavement days during such vacation.

Compassionate Leave

- 11.07 Compassionate leave of up to three (3) days unpaid leave may be provided to an employee in urgent personal circumstances. Such leave may be granted at the Employer's discretion.

Article 12 – Seniority

- 12.01 Seniority shall mean length of service from the first day of work with the Employer, upon successful completion of the probationary period. In the event two more employees have the same seniority start date, it shall be determined by employee payroll number with the lowest number being more senior.
- 12.02 The seniority list will be posted on the Bulletin Boards in April and October of each year. A copy of the list shall also be provided to the Union. Employees shall have thirty (30) days after posting to protest in writing any errors or omissions. The onus of proof of any claims of error lies with the employee however, the Company will cooperate with the employee in providing records and all proven inaccuracies will be corrected.
- 12.03 An employee shall forfeit his/her seniority and be removed from the seniority list and be considered terminated for the following reasons:
- a. the employee voluntarily terminates his/her employment;
 - b. the employee is discharged and is not reinstated pursuant to the grievance and arbitration procedure

- c. the employee is recalled to work from layoff and does not return to work within five (5) calendar days, or fourteen (14) days if employed elsewhere, of telephone notice or of when the notice would have been delivered to the last known address;
- d. the employee fails to return to work upon expiration of a leave of absence granted by the Company or any mutually agreed upon extension; or
- e. the employee is laid off in excess of thirty-six (36) months.

Filling of Vacancies

- 12.04 When a vacancy occurs or a new position is created within the bargaining unit, and the Company decides to fill such vacancy or new position, it shall be posted internally for a period of sixteen (16) calendar days, during which time applications may be received. These provisions do not apply with respect to job progressions.
- 12.05 The Employer shall award the position to the candidate meeting the Standards for the position in the Order of Preference. Where the preference status of candidates is equal, the senior employee shall be awarded the position.
- 12.06 The Standards established by the Employer for the position shall include qualifications, work experience, skill, ability, and training.
- 12.07 The Order of Preference to be followed in awarding positions to candidates meeting the Standards for the position is as follows:
 - a. Innu and Inuit candidates who are members of the VBNC bargaining unit,
 - b. Innu and Inuit external candidates who are employed at the Voisey's Bay site (new hire),
 - c. Innu and Inuit candidates who are external applicants (new hire),
 - d. Labradorian candidates who are members of the VBNC bargaining unit,
 - e. Labradorian external candidates who are employed at the Voisey's Bay site (new hire),
 - f. Labradorian candidates who are external applicants (new hire)

- g. Other candidates who are member of the VBNC bargaining unit;
- h. Other external candidates who are employed at the Voisey's Bay site (new hire)
- i. Other candidates who are external applicants (new hire).

For greater certainty, persons who occupy preference status (b), (c), (e), (f), (h) and (i) and who are identified above as "new hires" shall enter this bargaining unit as new employees and shall not be entitled to seniority credit for the time they may have spent in other Steelworker bargaining units.

- 12.08 Competency training to expand an employee's work scope within a job progression will be offered at each progression level in Order of Preference within the bargaining unit, subject to the employee being able to perform the work required.
- 12.09 Apprenticeship positions will be filled in accordance with the provisions for filling vacancies.
- 12.10 Employees appointed to a new position shall be subject to a trial period in the new position of two full working rotations at Site. In the event that the Employee proves unsatisfactory in the position during the trail period, or if the employee is unable to perform the duties of the new position, he/she shall return to his/her former position, wage or salary rate and without loss of seniority. Any other employee promoted or transferred because of the rearrangement of positions shall also be returned to his/her former position, wage or salary rate and without loss of seniority. The parties may mutually agree, in writing, to extend the trial period. Where an employee fails to successfully complete a trail period, or voluntarily reverts to his/her former position prior to completion of the trail period, the employee will not be permitted to be considered for the same position for a period of at least twelve (12) months.

Layoff and Recall

- 12.11 Layoffs shall be done by position or grade levels in a progression within each Division, as applicable, beginning with the most junior employee in the position or those in the lowest progression level. Such layoffs shall be done in reverse Order of Preference within the bargaining unit. Where the preference status of the affected employees is equal, it shall be done in reverse order of seniority.

- 12.12 All layoffs are subject to the requirement that the remaining employees have the qualifications, work experience, skill, ability, and training to perform the work.
- 12.13 The employee to be laid off may elect to bump the most junior employee in a job progression in another Division, subject to the following:
- a. the employee has the qualifications, work experience, skill, ability, and training to perform the work, or to acquire same within seven (7) work days of on-the-job familiarization and training;
 - b. the employee is more senior; and
 - c. it does not violate the Order of Preference within the bargaining unit.
- The displaced employee will be laid off.
- 12.14 Recall shall be done according to the Order of Preference within the bargain unit and where preference status of the employees to be recalled is equal; it shall be done in order of seniority. The recall of any employee is subject to the employee having the qualifications, work experience, skill, ability, and training to perform the work.
- 12.15 The Company may recall employees through notification by phone. Inability to make contact by phone requires the Company to provide notice by registered mail to their last known address. It is the responsibility of the employee to keep the Company informed of his/her current address and telephone number.
- 12.16 An employee who refuses a recall to work full time in his/her original position shall be deemed to have resigned voluntarily, shall lose his/her seniority and his/her name shall be removed from the seniority list.
- 12.17 For the purposes of this Article, the Division shall include Mill Operations, Mine operations, Mine Maintenance, Warehouse, Power plant, and Camp Services.

Article 13 – Promotions Outside the Bargaining Unit

- 13.01 Any employee promoted to a VBNC position outside the bargaining unit shall maintain his/her seniority for a period of up to six (6) months cumulatively in any eighteen (18) month period, during which he/she shall continue to pay union dues. If the employee returns to the bargaining unit within that period, he/she shall be reinstated with seniority unaffected. If

the employee does not return within that period, such promoted employee shall lose all bargaining unit seniority.

Article 14 – Hours of Work

- 14.01 The Site normally operates 365 days per year, 24 hours per day, currently with two twelve (12) hour shifts comprised of day and night shifts. It is hereby expressly understood that the provisions of this Article are intended to provide a basis of calculating time worked and shall not be construed to be a guarantee neither as to the hours of work per week nor as to working schedules, which shall be determined by the Company.
- 14.02 In the event the Company changes the operational requirements that impact on the normal hours of work, then the hours of work and schedule may be revised and shall also be used to determine the threshold for payment of overtime.
- 14.03 Based on the current schedule, employees work a 168 hour rotation normally comprised of twelve (12) hours a day.
- 14.04
- a. All employees will given two (2) breaks and one (1) meal period during each shift not to exceed one (1) hour; this one (1) hour does not include reasonable travel and wash up time which will be kept to a minimum. All workers will be provided a suitable place with washroom facilities determined and approved by the Employer in order for them to take their breaks and meals. The break time will be approximately $\frac{1}{4}$ and $\frac{3}{4}$ of the way through their shift; their meal period will be approximately $\frac{1}{2}$ way through their shift, with some reasonable allowance for maintaining operations.
 - b. Any employee not able to, due to the nature of the job as determined by the Employer, take their break or meal period, or any employee asked and agreed to work through these times will be paid at the overtime premium for that time.
 - c. Break and meal period scheduled during an employees shift, including related travel and wash up time, will be considered worked time.
 - d. Time worked will be calculated in units by rounding up to the next one-half ($\frac{1}{2}$) hour.
- 14.05 The schedule may provide for flexible starting times of work. Scheduling of daily working hours shall be made by the Company and may be

changed from time to time to suit varying conditions of business, inclement weather and aircraft availability.

- 14.06 Employees are to commence and complete their shift at the Employer's designated work area.
- 14.07 Employees shall report to work within one hour of security check-in following arrival at site. Any employee delayed beyond that period for reasons beyond his/her control shall not lose regular pay.
- 14.08 Based on the current rotation, day shift employees' regular hours shall begin at the scheduled shift commencement on Day 1 (which also is the travel day into site), and shall continue for fourteen (14) consecutive shifts, ending on Day 14.
- 14.09 For night shift employees, regular hours shall begin at the scheduled shift commencement on the night of Day 1 and shall continue for fourteen (14) consecutive shifts, ending on the morning of Day 15.
- 14.10 If operating conditions require, an employee's day/night shift schedule may be altered by the Supervisor during the employee's current rotation. Alterations will be arranged in a reasonable manner and every effort will be made by the Supervisor to keep such alterations to a minimum consistent with operating requirements.
- 14.11 If an employee, while returning to work from leave, is detained for any reasons beyond the Employer's control upon arrival at the Company designated employee pick up point (e.g. inclement weather), the Employer shall pay the employee for all waiting time commencing with the employee's normally scheduled time to report to work at Site and thereafter based on the employee's regular daily work schedule.
- 14.12 Night shift employees are entitled to a six (6) hour rest period from security check in prior to reporting to work on Day 1 for his/her regular rotation.
- 14.13 For Day 15, when his/her turnaround occurs, any hours required to be worked by the employee following completion of his/her regular rotation at site shall be paid overtime. The company allows all employees two (2) hours unpaid preparation time to clean up and be at the plane departure point.
- 14.14 Travel time is not considered time worked, which provision shall not be interpreted to conflict with any express term in this agreement.

Overtime

- 14.15 Overtime shall be approved and scheduled by the Employer.
- 14.16 Overtime shall be calculated in increments of one-half (1/2) hour periods
- 14.17 Overtime at the rate of time and one-half (1.5) the employee's regular rate shall be paid for all hours worked in excess of:
- a. twelve (12) hours per day,
 - b. one hundred and sixty eight(168) hours per two week rotation, and
 - c. any hours required to be worked by the employee on Day 15 pursuant to Article 14.13 above.
- 14.18
- a. An employee not given notice prior to arrival on site that they are on night shift will be paid the first shift at the overtime rate.
 - b. An employee required by the Employer to change his/her schedule for the remainder of a rotation from days to nights or nights to days without having eight (8) hours rest between shift change will be paid that first shift at the overtime rate. The employee so required to leave their shift to rest the required eight (8) hours between this shift change will receive their regular base pay for the shift not completed.
- 14.19 Time worked on a call out shall be paid for work performed at one and one-half (1 ½) times his/her applicable hourly rate, or at least four (4) hours at his/her hourly rate, whichever is the greater.
- 14.20 In recognition of an employee's reporting obligations for his/her night shift on Day 1 following arrival at site, the last five (5) hours of the employees regular night shift on Day 1 shall be paid at the rate of time and one half the employee's regularly hourly rate.
- 14.21
- a. Scheduled overtime means overtime not resulting from a call-out, which shall be offered equitably in rotation to currently qualified divisional employees at Site. An employee who declines overtime will be credited with the time for purposes of determining "equitable". The Employer will maintain a record of scheduled overtime distribution that may be reviewed by the shop steward on request. Overtime shall be reviewed monthly by the Employer to monitor equitable distribution, and shall be reset to zero at the start of each calendar year.

- b. In the event no employee wishes to perform the overtime, the Employer may assign the overtime to currently qualified divisional employees at Site in reverse order of seniority.
- c. In the event the Employer makes a mistake in overtime distribution that would lead to a grievance that would be deemed valid, the only remedy shall be a remedy-in-kind consisting of the next overtime opportunity being made available to the individual in question.

14.22 There shall be no pyramiding of any premiums, except as expressly stated in the Agreement.

Article 15 – Wages & Benefits

- 15.01 Employees shall be paid the applicable wage rates as shown in Appendix “A” attached to and forming part of this Agreement.
- 15.02 Wages shall be paid bi-weekly and in accordance with the smoothing practice.
- 15.03 Employee wages shall be paid by direct deposit to the employee’s choice of financial institution.
- 15.04 A statement of hours worked, earning and deductions shall be provided to the employee.
- 15.05 When an employee is laid off or terminated the Company shall pay the employee at the end of the next regular pay period, all wages earned by the employee, excluding authorized deductions.

Cost of Living

- 15.06 A cost of living allowance will, if applicable, be paid to each employee as set out below. This allowance will be based on the Consumer Price Index (all items – base: 1992 = 100) published by Statistics Canada (hereinafter referred to as the “CPI”) and will be calculated as follows:
 - a. The CPI published for March 2006, shall be compared with the CPI published for Dec. 2005, and effective the pay period immediately following the publication of the March 2006 CPI, the allowance shall be one (1) cent per hour worked for each zero point zero seven seven (0.077) point increase by which the March 2006 CPI exceeds the December 2005 CPI.

- b. Such allowance, if any, shall continue until the publication of the CPI for June 2006 at which time the June 2006 CPI shall be compared with the CPI published for March 2006, and effective the pay period immediately following the publication of the June 2006 CPI, the allowance shall be adjusted by one (1) cent per hour worked for each zero point zero seven seven (0.077) point increase by which the June 2006 CPI exceeds the March 2006 CPI.
- c. A similar comparison and adjustment shall be made thereafter on the basis of the CPI published every three (3) months apart as follows:

**FOLLOWING THE RELEASE
OF THE CPI FOR:**

September 2006
December 2006
March 2007
June 2007
September 2007
December 2007
March 2008
June 2008
September 2008
December 2008

**BASED ON THE
COMPARISON OF:**

June 2006 with September 2006
September 2006 with December 2006
December 2006 with March 2007
March 2007 with June 2007
June 2007 with September 2007
September 2007 with December 2007
December 2007 with March 2008
March 2008 with June 2008
June 2008 with September 2008
September 2008 with December 2008

- d. Wages rates effective March 1, 2007 and March 1, 2008 will be increased by any Cost of Living Allowance in effect on those dates and the Cost of Living Allowance will be reduced by the same amount.
- e. If there is a decrease in the CPI on the basis of the quarter to quarter comparison, the allowance shall be adjusted downward, but using the formula mentioned above but an employee's applicable hourly rate shall not be affected by any downward adjustment.
- f. No adjustment retroactive or otherwise shall be made due to any revision which may later be made in any Consumer Price Index published by Statistics Canada.
- g. The continuance of the cost of living allowance shall depend upon the availability of the CPI calculated on its present basis and in its present form. Should this occur, the parties will meet and agree upon an appropriate alternative conversion of the CPI.

Back to Work / Retention Bonus

- 15.07 VBNC will pay a back to work / retention bonus to Voisey's Bay Nickel Company employees in the bargaining unit for remaining employed with

VBNC. The bonus payment will be a lump sum payment to each employee who returns to work as scheduled upon resumption of operations and who also remains employed on the subsequent payment day, payable as follows:

- a. Four thousand dollars (\$4,000) upon return to work; and
- b. \$2,000 November 1, 2007

The above payments are not considered pensionable earnings.

Retirement Savings Plan

- 15.08 The employees covered by this Agreement will continue to receive the benefits of the Voisey's Bay Nickel Company Retirement Savings Program.

Health Plan

- 15.09 The employees covered by this Agreement will receive effective January 1, 2007 the benefits of a Group Term Life Insurance Plan, a Group Accidental Death and Dismemberment Plan, a Group Short Term Disability Plan and a Group Long Term Disability Insurance Plan and Employee and Family Assistance Program as described below.
- 15.10 The Group Term Life Insurance Plan for employees covered by this Agreement will provide coverage for term life insurance in the amount of \$45,000.
- 15.11 The Group Non-Occupational Accidental Death and Dismemberment Insurance Plan for employees covered by this Agreement will provide for coverage in the amount of \$30,000.
- 15.12 The Company will provide for a Group Short Term Disability Plan for employees covered by this Agreement, which will become effective January 1, 2007. The Group Short Term Disability Plan will provide a weekly indemnity of six hundred and twenty-five dollars (\$625) to a maximum of 52 weeks if the employee has less than one year of service and to a maximum of 104 weeks if the employee has more than one year of service. Such weekly benefit will apply for payment on or after January 1, 2007.

With respect to the limitation on weekly indemnity benefit under the Group Short Term Disability Plan which provides that no payment will be made

for disability directly or indirectly due to or resulting from any cause which entitles the employee to indemnity or compensation under the Workplace Health & Safety Compensation Act, it is agreed that where an employee is otherwise entitled to weekly indemnity benefit and a determination has been made under the Workplace Health Safety & Compensation Act he/she is not entitled to indemnity or compensation under that Act, that he/she will not be denied weekly indemnity benefit on account of the above mentioned limitation.

All of the foregoing shall be conditional upon the employee concerned complying with all reasonable requirements of the case manager and the Company including without limitation all requirements as to the furnishing of any necessary proofs and information whether as to age, change of status or otherwise, and the filing of any necessary applications and claims.

Notwithstanding anything herein before contained, it is understood and agreed that the obligation of the Company hereunder shall be limited to taking all reasonable steps to continue in effect the above mentioned Plans as aforesaid and to pay the premiums therefore, and without limitation, the obligation of the Company shall in no manner whatsoever extend to the performance of the obligations under the plan of the insurer or any employee or any person other than the Company.

In consideration of improved employee benefits paid for by the Company, the Union for the employees releases the Company from any obligation it might hereafter have to pay to employees any Unemployment Insurance rebate available because of the existence of a wage loss plan (Group Short Term Disability Plan).

- 15.13 The Group Long Term Disability Insurance Plan will provide a monthly income of \$1,500 for all employees who have completed one year of service and who are eligible to received benefits as per defined in the Group Long Tem Disability Insurance Plan upon completion of a maximum of 104 weeks of Group Short Term Disability Plan coverage for any one continuous period of disability.

All of the foregoing shall be conditional upon the employee concerned complying with all requirements under the said Plan and the said Act and all reasonable requirements of the Company, including without limitation all requirements as to the furnishing of any necessary proofs and information, whether as to age, change of status or otherwise and filing of any necessary applications and claims.

- 15.14 The Company will continue to provide an Employee and Family Assistance Program for the benefit of employees covered by this Agreement and for their dependants.
- 15.15 During the term of this Agreement the Company agrees to pay the premiums payable in respect of all employees under the above plan.

Traditional / Traditional Choice Plan Program

- 15.16 The Company will provide effective January 1, 2007 a Traditional / Traditional Choice Plan. Employees will be enrolled in the Traditional Plan, excepting those employees who may elect Traditional Choice provided he/she can demonstrate that he/she has and maintains alternative health coverage. The Traditional Plan will have both a Traditional Health Plan and Traditional Dental Plan for all employees covered by this Agreement. The Traditional Health Plan will include: Prescription Drugs, Semi-Private Hospitalization, Major Medical, Optical. The employee who opts for the Traditional Choice Plan and elects to opt out of Traditional Health Plan and/or Traditional Dental Plan as long as the employee can provide proof of Health coverage from other sources.
- 15.17 Prescription Drugs will cover drugs legally prescribed (five dollars deductible) including some lifestyle drugs, generic rider and a pay direct drug card.
- 15.18 Semi-Private Hospitalization will provide for 100% reimbursement for semi-private room and board in a public general hospital or contracted private hospital.
- 15.19 Major Medical Plan will cover the following paramedical services: physiotherapist*, chiropractor, podiatrist, osteopath, psychologist, speech therapist, registered massage therapist*, occupational therapist, naturopath and acupuncturist. *Doctor's referral will be required for these services. The plan will have a deductible of \$25 per year for single coverage and \$50 for family coverage. The plan will pay 100% of the fees for service provided to a maximum of \$400 for combined services per year.

Major Medical will cover 100% medical services and supplies as defined in the plan. Hearing aids will be covered at 100% up to \$400 every 5 years. Orthotics and orthopedic shoes will be covered at 100% up to \$500 lifetime maximum. Ambulance will be reimbursed at 100% level to a maximum of \$100 per event and the Plan will also cover Private Duty Nurse to a maximum of \$5,000 per year to a maximum lifetime of \$25,000.

Major Medical will cover emergency out-of-country that include the fees of a physician or surgeon for emergency treatment, but not hospital charges, while traveling outside of Canada to a lifetime maximum of \$1,000,000 per person.

- 15.20 Optical will provide coverage for vision care for a maximum of two hundred and fifty dollars (\$250.00) in each two (2) years period.
- 15.21 The employee who opts for the Traditional Choice Plan and opts out of the Traditional Health Plan which covers the benefits under article 15.10, 15.11, 15.12 and 15.13 will receive the value of the health plan for the annual rate for single coverage for an annual amount of \$640 or family coverage for an annual amount of \$1,050.
- 15.22 The Traditional Dental Plan will provide for basic dental care at 90% plus coverage for endodontics, periodontics at 80% and major restorative at 50% and for dental coverage of orthodontics (50% of fees, maximum \$1,500). The applicable fees will be at the level of the 2005 Newfoundland and Labrador Dental Association Schedule of Fees for Dental Services provided by General Practitioners in 2006. Effective January 1, 2007, the applicable fee schedule will be the 2006 Newfoundland and Labrador Dental Association Schedule of Fees for Dental Services provided by General Practitioners. Effective January 1, 2008, the applicable fee schedule will be the 2007 Newfoundland and Labrador Dental Association Schedule of Fees for Dental Services provided by General Practitioners. Effective January 1, 2009, the applicable fee schedule will be the 2008 Newfoundland and Labrador Dental Association Schedule of Fees for Dental Services provided by General Practitioners. Upon completion of any necessary enrolment forms, the Dental plan will cover employees on the first day of the month following the month in which the employee has acquired seniority or on Renewal Date (January 1st each year).
- 15.23 The employee who opts for the Traditional Choice Plan and elects to opt out of the Traditional Dental Plan, which covers the benefits under article 15.22, will receive the value of the dental plan for the annual rate for single coverage for an annual amount of \$400 or family coverage for an annual amount of \$700.
- 15.24 For greater certainty, if employee opts out and receive value of the benefits for article 15.21 and article 15.23, value of benefits will be pro-rated for partial year entitlement.
- 15.25 The employee who elects to opt out for the Traditional Choice Plan as described in article 15.21 and in article 15.23 may receive the value of these options by transfer to his/her RRSP account under the Voisey's Bay

Nickel Company Retirement Program spread through the year, and/or in a cash payment through payroll payment spread through the year and/or transfer to a Health Spending Account.

- 15.26 During the term of this Agreement the Company agrees to pay the premiums payable in respect of all employees under the above plans.
- 15.27 All of the foregoing shall be conditional upon the employee concerned complying with all reasonable requirements of the insurer and the Company including without limitation all requirements as to the furnishing of any necessary proofs and information whether as to age, change of status or otherwise, and the filing of any necessary applications and claims.

Optional Life Insurance and Optional Accidental Death and Dismemberment

- 15.28 The Company will provide the employee the option to buy optional life insurance through payroll deduction up to four times their base salary based on the premium provided by the life insurance company based on their age and smoking status.
- 15.29 The Company will provide the employee the option to buy additional coverage Accidental Death and Dismemberment up to four times their base salary based on the premium provided by the life insurance company based on their age.
- 15.30 All of the foregoing shall be conditional upon the employee concerned complying with all reasonable requirements of the insurer and the Company including without limitation all requirements as to the furnishing of any necessary proofs and information whether as to age, change of status or otherwise, and the filing of any necessary applications and claims.

Article 16 – Holidays

- 16.01 The following days are recognized as Holidays:
1. New Year's Day
 2. Good Friday
 3. Victoria Day
 4. National Aboriginal Day
 5. Canada Day
 6. Civic Holiday (1st Monday in August)
 7. Labour Day

8. Thanksgiving Day
9. Remembrance Day
10. Christmas Day
11. Boxing Day

For Purposes of calculating hours worked on a holiday, the holiday shall start on the dayshift and run for a twenty-four (24) hour period.

- 16.02 Employees who work on a designated statutory holiday shall receive, in addition to their regular pay for the shift, one and one-half (1.5) times their regular pay for all hours worked on the statutory holiday.
- 16.03 Employees who are traveling out on Day 15 or are already on a rotation out from site when a statutory holiday occurs shall receive one (1) days regular pay.
- 16.04 An Employee will not be paid for a holiday if he/she:
 - a. is on leave of absence without pay;
 - b. is scheduled to work on a paid holiday and fails to report for and perform the work;
 - c. is collecting Worker's Compensation benefits or any disability benefit for non-occupational sickness or injury; or.
 - d. is on layoff

Article 17 – Union Access at Site

- 17.01 Up to two (2) duly authorized staff representative of the Union shall have reasonable access, upon request, to the Voisey's Bay Site for the purposes of adjusting grievances, discussion of disputes and administering the terms of this Agreement. The staff representatives shall notify the Company's Site human resources representative of his/her intended presence with as much notice as reasonably possible and shall be subject to all rules when at the Site. The staff representatives shall contact the Company's Site human resources representative prior to his/her arrival to make arrangements for access and shall be subject to travel and accommodation availability. The Union agrees and affirms that the duties and productivity of the employees shall not be interfered with or impeded by reason of the staff representatives' presence at the Site.

Article 18 – Training & Apprenticeship

- 18.01 Individuals employed as apprentices by the Company will be trained and upgraded in the manner customary for the Company. They will be given an opportunity for training in as many branches of their trade as the Company's facilities reasonably permit in accordance with operational requirements. Such apprentices must maintain good standing in the apprenticeship program as a condition of continued employment.
- 18.02 Apprentices may take and successfully complete such study courses during their apprenticeship as are appropriate to assist them to qualify in their respective trades during which time they will be laid off. As much advance notice of the scheduled attendance at the course will be provided to the Company and permission to attend will not be unreasonably denied. The Company agrees that upon the successful completion of each such course it will reimburse the apprentice for the registration fees of the course and pay a training completion award provided:
- a. That the taking of each course by an apprentice shall, prior to the commencement of such course and during the currency of this Agreement, have been approved in writing by the Company; and
 - b. The apprentice returns to the employ of the Company at the time of successful completion of such courses unless he/she shall otherwise at such time have been laid off by the Company.

Article 19 – Personal Protective Equipment

- 19.01 Where the nature of the work or working conditions requires an employee to have Personal Protective Equipment (PPE), the Employer will provide and the employee shall wear or use the PPE which is determined by the Employer as required to safely perform the work. A list of such PPE provided as required in accordance with this article is attached in Appendix B.
- 19.02 Safety footwear and prescription safety eyeglasses will be reimbursed in the amount of one hundred and fifty dollars (\$150) for safety footwear and one hundred percent (100%) coverage for prescription safety glasses subject to the provision of receipts.
- 19.03 Supervisor approval is required prior to procurement and replacement of PPE provided by the Company.

19.04 It shall be the responsibility of the Employee to care for the PPE issued, and to return all PPE to the Employer upon termination of his/her employment.

Article 20 – Establishment of New Departments

20.01 It is understood that during the currency of this Agreement the Company may establish a new Department or Departments. Such new Department or Departments may include employees employed in other existing Departments. Discussion with the Union will take place before any new Department is established.

20.02 In the event of a new position or progression is established that falls within the scope of the bargaining unit, the Company and the Union will meet to discuss the applicable wage rate. If agreement cannot be reached on the wage rate to be applied, the matter may be submitted to arbitration for a determination.

Article 21 – Union Office

21.01 The Company agrees to continue the provision of a furnished office for the Union. The Union is responsible for all long distance charges incurred.

Article 22 – Vacation

22.01 The vacation year is the calendar year, January 1st through December 31st.

22.02 Vacations are granted on a seniority basis.

Vacation requests are to be submitted by the end of November and the vacation schedule posted by the end of December for the coming year. Any vacation requested after the end of December will be done on a first come, first serve basis.

22.03 A copy of the posted vacation schedule will be forwarded to the union office.

22.04 Vacation Entitlement shall be as follows:

0-3 years of service	84 hours	7 days
3+ years of service	168 hours	14 days
20+ years of service	252 hours	21 days

Article 23 – Steelworkers Humanity Fund

- 23.01 The Steelworkers Humanity Fund is a charitable organization, which provides emergency food aid and assistance in response to international humanitarian disasters, supports food banks in Canada, and funds international development projects and development education.
- 23.02 The Company agrees to deduct one dollar (\$1.00) each pay period from the wages of all employees in the bargaining, and prior to the 15th day of the following month to remit the amount deducted to the “Steelworkers Humanity Fund” at the United Steelworkers, National Office, 8th Floor, 234 Eglinton Avenue East, Toronto Ontario, M4P 1K7.
- 23.03 The Company agrees to provide the Humanity Fund with the names of all employees for whom deductions have been made, together with the amount deducted. The Company agrees to report the amount of the employee contribution on the employee’s annual T-4 as a charitable contribution.
- 23.04 It is understood and agreed that participation by any employee in the program of deductions for the Humanity Fund may be discontinued by an employee after the receipt by the Company and the local union of a written statement from the employee.

Article 24 – Community & Education Fund

- 24.01 The Company agrees to contribute a lump sum amount of fifteen thousand dollars (\$15,000) to a Community and Education Fund to be administered by the Union. Such contribution shall be made January 1 of each year.

Article 25 – Contracting

- 25.01 It is the Company’s intention and desire to manage its business in a manner that provides continuous employment for employees at Site. The Company will not use contractors for the sole purpose of reducing the compliment of employees within the bargaining unit.

Article 26 – No Strike or Lockout

- 26.01 In view of the orderly procedures established by this Agreement for the settlement of disputes and the handling of grievances, the Union agrees that during the life of this Agreement, neither the Union nor any employee(s) shall in any way, declare, encourage, authorize or engage in

any strike, sit-down, or any suspension of work of any kind, nor shall the Company engage in any lockout of employees.

Article 27 – Bulletin Boards

27.01 A bulletin board will be provided by the Company in each of the following areas: Concentrator, Mine and one glass covered, lockable type in the Accommodations Complex, each for the posting of union notices, subject to reasonable and respectful standards.

Article 28 – Authority

28.01 United Steelworkers and its officers agree that they have authority from the members of the said Union to enter into this Agreement and agree that this Agreement shall be binding upon its members.

28.02 This Agreement is entered into by the Union on its own behalf and on behalf of all employees.

Article 29 – Complete Agreement

29.01 This Agreement is the complete and entire agreement between the Parties and supersedes or replaces any past practices contrary to the terms of this Agreement.

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

Article 30 - Duration

30.01 This Agreement shall be effective from September 26, 2006 and remain in force to March 1, 2009.

30.02 This Agreement shall automatically renew itself from year to year unless notice is given by one party to the other not more than one hundred and twenty days (120) and not less than ninety (90) days prior to its expiry or anniversary date of its expiry, of a desire to amend this Agreement.

DATED at St. John's Newfoundland and Labrador this 23rd day of September, 2006

FOR THE COMPANY

Larry Pittman

Jennifer Follett

Denis Mahoney

Wayne G. Scott

Heather White

Joe Holmes

Tom Paddon

FOR THE UNION

Gerald Saunders

Darren Cove

Eitenne Andrew

Steve Brown

Boyd Bussey

Ken Dawson

APPENDICES

Appendix “A” Wages

Positions and Progression by Division

Mill Operator Progression Plan (listed highest to lowest)

- Mill Operator 1
- Mill Operator 2
- Mill Operator 3
- Mill Operator 4
- Process Helper
- Mill Labourer position

Mine Maintenance Positions

- Maintenance Technician 3
- Maintenance Technician 2
- Maintenance Technician 1
- Tire Technician
- Maintenance Apprentice 4
- Maintenance Apprentice 3
- Maintenance Apprentice 2
- Maintenance Apprentice 1
- Maintenance Assistant 1
- Maintenance Assistant 2

Mine Operations Progression Plan (listed highest to lowest)

- Mine Operator 1
- Mine Operator 2
- Mine Operator 3
- Mine Operator 4
- Pit Service Crew

Warehouse Positions

- Senior Warehouse
- Warehouse Technician
- Warehouse Technician Trainee

Power Plant Positions

- Senior Power Plant Operator
- Power Plant Operator

Camp Services Positions

- Camp and Facility Handyperson

Note: Positions are not part of VBNC progression plan

Appendix "A" Wages

Position	Current Salary	Current Hrly Rate (2184)	Effective Return to Work				Add COLA @ 2.5%		Annual Sal Mar. /08
			Salary	Yr 1	Yr 2	Yr 3	Mar. 1/07	Mar. 1/08	
Mill Operator 1	\$62,100	\$28.43	\$64,962	\$29.74	\$29.94	\$30.14	\$30.43	\$31.03	\$67,779
Mill Operator 2	\$52,785	\$24.17	\$58,750	\$26.90	\$27.10	\$27.30	\$27.59	\$28.19	\$61,567
Mill Operator 3	\$47,610	\$21.80	\$54,316	\$24.87	\$25.07	\$25.27	\$25.56	\$26.16	\$57,133
Mill Operator 4	\$45,540	\$20.85	\$52,307	\$23.95	\$24.15	\$24.35	\$24.64	\$25.24	\$55,124
Mill Process Helper	\$42,950	\$19.67	\$48,048	\$22.00	\$22.20	\$22.40	\$22.69	\$23.29	\$50,865
Mill Labourer	\$40,000	\$18.32	\$46,803	\$21.43	\$21.63	\$21.83	\$22.12	\$22.72	\$49,620
Mine Operator 1	\$52,785	\$24.17	\$58,968	\$27.00	\$27.20	\$27.40	\$27.69	\$28.29	\$61,785
Mine Operator 2	\$49,680	\$22.75	\$56,784	\$26.00	\$26.20	\$26.40	\$26.69	\$27.29	\$59,601
Mine Operator 3	\$47,610	\$21.80	\$54,600	\$25.00	\$25.20	\$25.40	\$25.69	\$26.29	\$57,417
Mine Operator 4	\$45,540	\$20.85	\$52,307	\$23.95	\$24.15	\$24.35	\$24.64	\$25.24	\$55,124
Pit Service Crew	\$44,000	\$20.15	\$48,048	\$22.00	\$22.20	\$22.40	\$22.69	\$23.29	\$50,865
Maintenance Technician 1 (1 JP)	\$61,065	\$27.96	\$63,325	\$29.00	\$29.20	\$29.40	\$29.69	\$30.29	\$66,143
Maintenance Technician 2 (1 JP + 1 Appr.)	\$64,170	\$29.38	\$66,504	\$30.45	\$30.65	\$30.85	\$31.14	\$31.74	\$69,322
Maintenance Technician 3 (2 JP)	\$67,300	\$30.82	\$69,810	\$31.96	\$32.16	\$32.36	\$32.65	\$33.25	\$72,627
Tire Service Technician	\$56,925	\$26.06	\$56,918	\$26.06	\$26.26	\$26.46	\$26.75	\$27.35	\$59,735
Maintenance Apprentice 4	\$55,000	\$25.18	\$57,010	\$26.10	\$26.30	\$26.50	\$26.79	\$27.39	\$59,827
Maintenance Apprentice 3	\$51,905	\$23.77	\$53,828	\$24.65	\$24.85	\$25.05	\$25.34	\$25.94	\$56,645
Maintenance Apprentice 2	\$48,900	\$22.39	\$50,669	\$23.20	\$23.40	\$23.60	\$23.89	\$24.49	\$53,486

Appendix "A" Wages

Position	Current Salary	Current Hourly Rate (2184)	Effective Return to Work Salary				Add COLA @ 2.5%		Annual Sal Mar. /08
				Yr 1	Yr 2	Yr 3	Mar. 1/07	Mar. 1/08	
Maintenance Apprentice 1	\$45,795	\$20.97	\$47,485	\$21.74	\$21.94	\$22.14	\$22.43	\$23.03	\$50,302
Maintenance Assistant 1 (Fuel Lube)	\$45,540	\$20.85	\$51,188	\$23.44	\$23.64	\$23.84	\$24.13	\$24.73	\$54,006
Maintenance Assistant 2 (Shop Helper)	\$43,000	\$19.69	\$46,956	\$21.50	\$21.70	\$21.90	\$22.19	\$22.79	\$49,773
Warehouse Technician Trainee	\$41,500	\$19.00	\$48,048	\$22.00	\$22.20	\$22.40	\$22.69	\$23.29	\$50,865
Warehouse Technicians	\$45,540	\$20.85	\$55,692	\$25.50	\$25.70	\$25.90	\$26.19	\$26.79	\$58,509
Senior Warehouse Technicians	\$52,474	\$24.03	\$58,750	\$26.90	\$27.10	\$27.30	\$27.59	\$28.19	\$61,567
Senior Power Plant Operator	\$64,170	\$29.38	\$64,953	\$29.74	\$29.94	\$30.14	\$30.43	\$31.03	\$67,770
Power Plant Operator	\$61,065	\$27.96	\$61,910	\$28.35	\$28.55	\$28.75	\$29.04	\$29.64	\$64,727
Camp & Facility Handyperson	\$59,000	\$27.01	\$58,991	\$27.01	\$27.21	\$27.41	\$27.70	\$28.30	\$61,808
Summer Student				\$14.00	\$14.20	\$14.40	\$14.69	\$15.29	
Work Term Student				\$15.10	\$15.30	\$15.50	\$15.79	\$16.39	
JRTP Trainee				\$22.00	\$22.20	\$22.40	\$22.69	\$23.29	

Appendix “B” Personal Protective Equipment

- Hardhat
- Safety glasses
- Face shield
- Earplugs
- Earmuffs
- High visibility vests
- High visibility light coveralls
- High visibility heavy coveralls
- High visibility winter coveralls
- Safety rubber boots
- Safety winter boots
- Rain slick great – jacket/pants
- Gloves
- Respirator (half face, full face, supplied air)
- Facemask
- Life jacket
- Mono goggles
- Bug jacket/repellent
- Welding helmet with required hood attachments
- Skin barrier creams/hand lotions
- Fall protection equipment
- High voltage gloves

LETTERS OF UNDERSTANDING

Letter of Understanding – EBC & Nickel Price Bonus

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

RE: LETTER OF UNDERSTANDING – EBC AND NICKEL PRICE BONUS

This will confirm our agreement with respect to the payment of either EBC or Nickel Price Bonus to employees, as set out below.

A.EARNINGS BASED COMPENSATION PLAN

All employees will receive earnings based compensation (EBC) calculated and paid in the following manner:

1. EBC will be based upon the Operating Earnings of the Ontario Operations of the Company published/reported in U.S. dollars by the Company quarterly (the "Operating Earnings") for the periods ending in March 31, June 30, September 30 and December 31 in each year and will be payable quarterly.
2. If the Ontario Operations has Net Pre-Tax Operating Earnings for the quarter that are positive and the payment of EBC for the quarter will not put Net Pre Tax Operating Earnings at zero or below zero, each employee will receive a lump sum payment in an amount based on the following: for every \$10 million in Operating Earnings published/reported in a quarter, each employee will earn 25 cents for each hour worked by the employee, including regular vacation, in that quarter (the Ratio). If the quarterly Operating Earnings are greater or lesser than \$10 million, the amount earned by the employee will be adjusted using the Ratio. By way of example, if the Operating Earnings for the quarter are \$53.5 million and the employee works 475 hours in the quarter, the EBC payment for that quarter will be $475 \times 5.35 \times \$0.25 = \635.31 Canadian.

The EBC payment for any quarter will not be less than the Nickel Price Bonus payment for the quarter. If EBC is paid for a quarter, Nickel Price Bonus will not be paid for the same quarter.

B. NICKEL PRICE BONUS

This Bonus will be based on the average realized price per pound of nickel, in U.S dollars, including intermediates, published by the Company in its Quarterly Reports for periods ending March 31st, June 30th, September 30th and December 31st (hereinafter called the 'Average Realized Price').

If the Average Realized Price for any Quarter in which the Company has net earnings is \$2.25, each employee will receive a lump sum payment in an amount equal to the number of hours work him in that Quarter multiplied by ten cents (10¢) Canadian. If the Average Realized Price exceeds \$2.25, the multiplier used to calculate the lump sum payment will be increased by one cent (1¢) Canadian for each one cent (1¢) U.S by which the Average Realized Price exceeds \$2.25.

All payments will be made in the second pay period following the publication of a Quarterly Report containing an Average Realized Price of \$2.25 or greater.

A handwritten signature in dark ink, appearing to read "Wayne G. Scott", with a stylized flourish at the end.

Wayne G. Scott
Manager, Human Resources

Letter of Understanding – Students

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING RE: STUDENTS

This letter sets out the terms and conditions governing Cooperative/Work Term Placement and Summer students who are employed by VBNC to perform work covered by the VBNC production and maintenance bargaining unit (Students). All other terms of the collective agreement not expressly included in this letter shall not apply to Students.

Work Periods

Cooperative / work term placement student periods of work corresponds to the co-op term or other applicable university/college requirement for the program. Summer student periods of work normally occurs when the student is on break from school, e.g. summer break, Christmas.

Recruitment Priority

With respect to preferential order of hiring, and subject to the commitments under the IBAs and Adjacency, students who are children or stepchildren of persons employees with VBNC will be given preference before other students in attendance at a school, university or college in Newfoundland and Labrador or an educational institution acceptable to VBNC.

Terms and Conditions

Students in a co-operative or work term placements are to be paid the VBNC Work Term Student Rate, plus 4% vacation pay. Summer Students will be paid the VBNC Summer Student Rate, plus 4% vacation pay.

Students are covered for workers' compensation, Core Life, Core Accidental Death and Dismemberment Insurance and Travel Accident Insurance.

Hours of work and overtime provisions in Article 14 of the collective agreement shall apply.

Personal Protective Equipment & Safety Footwear are provided to all Students in accordance with the collective agreement.

Students are included in the bargaining unit and union dues payable pursuant to Article 5 of the collective agreement.

A handwritten signature in dark ink, appearing to read "Wayne G. Scott". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Wayne G. Scott

Manager, Human Resources

Letter of Understanding – Job Readiness Training Program

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING RE JOB READINESS TRAINING PROGRAM

Pursuant to the Company's Job Readiness Training Program (JRTP), the Company may hire temporary trainees and provide orientation and training to assist those persons in becoming employable for future regular employment. For the duration of the training period, trainees will be governed by the following terms and conditions:

- a. Such training will be for a period of up to six (6) months;
- b. The number of trainees shall not exceed six (6) in any calendar year;
- c. Trainees shall be included in the bargaining unit and union dues to be paid;
- d. Trainees will not be eligible for seniority or seniority related issues, e.g. bumping, recall rights.
- e. In the event the trainee is hired as a regular employee, he/she will not be required to complete a probationary period pursuant to Article 9;
- f. The wage rate payable for trainees is (to be negotiated); and
- g. The benefits to be provided to trainees are (to be negotiated).

It is also agreed that the four (4) mill and the one (1) warehouse contract employees currently employed will be considered to be grandfathered under the above terms and conditions for the duration of their current employment.

The parties agree that this language is in compliance with the Employer's obligations as set forth in the IBAs regarding on the job training and workplace experience. In the event it is determined or agreed by the Employer that it is required to employ more than six trainees, either due to the IBA requirements or otherwise, all trainees (in addition to those six) shall be bound by the terms of this letter.



Wayne G. Scott
Manager, Human Resources

Letter of Understanding – 3/3 Christmas Stagger

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING – 3/3 CHRISTMAS STAGGER

VBNC recognizes that on a 2 week in/2 week out rotation individual employees may be scheduled to work through the Christmas holidays every year for a prolonged period. To ensure that there is an equitable Christmas schedule for employees the Employer will require that, on an annual basis, employees work one 3 week-in/3 week-out rotation. The regular 84 hours of time worked time during the third week will not be eligible for overtime; otherwise the normal overtime provisions in Article 14 will apply.

The schedule change will occur by departments/divisions; the timing of this rotation will be decided by the department manager and communicated to employees no later than 31 December of the preceding year.

The rotation change will be completed by August 31 each year.

A handwritten signature in dark ink, appearing to read "Wayne G. Scott", with a stylized flourish at the end.

Wayne G. Scott
Manager, Human Resources

Letter of Understanding – Transportation

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING – TRANSPORTATION

Weather Delays – If an employee, while returning to site from leave, is detained for any reason beyond the employee's control upon arrival at the employee's Pick up Point, the Employer shall pay the employee for all waiting time commencing with the employee's normally scheduled shift start time at Site and thereafter based on the employee's regular daily work schedule.

En Route – In the event of delays between a Point of Origin and a Pick up Point the Employer will pay the following rates in respect of accommodations, meals and incidentals for employees living more than one hundred (100) kilometers from the airport.

En Route

Meals and Incidentals

\$25 dollars in the event of a delay exceeding four (4) hours.

\$50 dollars in the event of flight cancellation.

Hotels – reimbursement for hotel room to a maximum of \$120.00

Travel expense – The Employer will be responsible for the scheduling of air transportation between Points of Origin / Pick up Points and the mine site. The Employer will cover all costs of travel between Pick up Points and the mine site. Employees traveling between Points of Origin and Pick up Points will pay the current rate for the cost for such travel.

Point of Origin – locations from which the company Charter aircraft travels.

Pick up Points – locations from which the Company provides residents of Labrador transportation to and from the Site. Current Pick up Points include:

Goose Bay
Wabush
Nain
Natuashish
Hopedale
Makkovik
Postville
Rigolet
Cartwright
Port Hope Simpson
Blanc Sablon

A handwritten signature in dark ink, appearing to read "Wayne G. Scott". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Wayne G. Scott
Manager, Human Resources

Letter of Understanding – Provisions

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING - PROVISIONS

The Company will continue to provide all on site meals and accommodations.

Internet and phone to be installed in each room.

A handwritten signature in dark ink, appearing to read "Wayne G. Scott", with a stylized flourish at the end.

Wayne G. Scott

Manager, Human Resources

Letter of Understanding – Job Evaluation and Employee Development

September 23, 2006

United Steelworkers Local 9508
Attention: Mr. Gerald Saunders, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING – JOB EVALUATION AND EMPLOYEE DEVELOPMENT

The Company is prepared to meet and consult with the Union's appointed representative upon its request to discuss the Company's positions and/or progression plan. The Union representative may request to visit the Site for the purpose of meeting with employees to obtain information about positions and progressions as set out in the Wage Appendix. The provisions of Article 17.01 in respect of arrangements to travel to the site apply.

A handwritten signature in dark ink, appearing to read "Wayne G. Scott", with a stylized flourish at the end.

Wayne G. Scott
Manager, Human Resources