

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

R.M. McISAAC DRILLING

**A DIVISION OF MAJOR DRILLING GROUP
INTERNATIONAL INC.**

AND

UNITED STEELWORKERS

LOCAL UNION #7106

JANUARY 1, 2013 TO DECEMBER 31, 2022

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BETWEEN

R.M. MCISAAC DRILLING
A DIVISION OF MAJOR DRILLING GROUP INTERNATIONAL INC.

AND

UNITED STEELWORKERS
LOCAL UNION #7106

THIS AGREEMENT AS AT **JANUARY 1, 2013**
with hourly wage rates as set forth in
Article 25.01, effective as at **JANUARY 1, 2013**
between

R.M. MCISAAC DRILLING
A DIVISION OF MAJOR DRILLING GROUP INTERNATIONAL INC.

(Hereinafter called “The Company”)
OF THE FIRST PART

and

UNITED STEELWORKERS
LOCAL UNION #7106

(Hereinafter called “The Union”)
OF THE SECOND PART

WHEREAS by a certificate issued by the Manitoba Labour Board, dated January 5th, 1977 to be amended pursuant to a joint request by the parties hereto, the Union is certified as the properly chosen bargaining agent for all employees of R.M. McIsaac Drilling - A Division of Major Drilling Group International Inc., in its Flin Flon operations except those excluded by the Act.

NOW THEREFORE THE COMPANY AND THE UNION AGREE AS FOLLOWS:

ARTICLE 1 - PREAMBLE

- 1.01 In becoming partied to this Agreement, the signatories recognize a strong mutual interest in the safe and economic operation of the mines and plants with due care and attention for quality of output, protection of property and the maintenance of satisfactory wages, hours and standards.

It is further recognized that this Agreement will be the principal instrument by which are achieved the above aims, the disposition of disputes and the preservation of traditionally good relationships.

Both the Labour and Management representatives charged with the task of its administration request the active cooperation and continuing goodwill of each and every Company employee.

ARTICLE 2 - RECOGNITION

- 2.01 In accordance with "Certification MLB-3124", dated January 5, 1977, and subsequently amended, the Company recognizes the Union, therein named as the exclusive representative for the purpose of collective bargaining in respect of rates of pay, hours of employment and other conditions of employment, for the employees of the Company as designated therein. Such bargaining rights to apply to those designated employees in the Company's operations at Flin Flon, Manitoba.
- 2.02 Persons not in the bargaining unit shall not work on any jobs which are included in the bargaining unit except for purposes of instruction, experimenting, or in emergencies when regular employees are not available.

ARTICLE 3 - MANAGEMENT RIGHTS

- 3.01 The Union recognizes that it is exclusively the function and right of the Company to direct the working forces, to make and alter from time to time reasonable rules to be observed by the employees, to hire, promote, demote, transfer, suspend or lay off employees, and also the right of the Company to discipline or discharge any employee for just cause.
- 3.02 The Union further recognizes the right of the Company to operate and manage its business in accordance with its commitments and responsibilities. Without limiting the generality of the foregoing, it shall be the sole and exclusive prerogative of the Company to decide on the location and methods of operations, the techniques, machinery and equipment to be used and as to the number of employees required from time to time.
- 3.03 The Company agrees that the exercise of management rights and powers under this Article is subject to the terms of this Agreement, and any such exercise of rights in conflict with provision of this Agreement shall be subject to grievance procedure.

ARTICLE 4 - DURATION OF AGREEMENT

- 4.01 This Agreement shall become effective as of **January 1, 2013**, and shall remain in effect until **December 31, 2022**, and shall be automatically renewed thereafter for successive periods of twenty-four (24) months unless either party request the negotiation of a new Agreement by giving written notice to the other party not less than thirty (30) calendar days or not more than sixty (60) calendar days prior to the anniversary date of an automatic renewal of this Agreement.

ARTICLE 5 - NO DISCRIMINATION

- 5.01 The parties mutually agree that there shall be no discrimination by either of them or by any of the members of the Union against any employee by reason of membership or non-membership in any labour organization or by reason of sex, race, nationality, color, religion or age.

ARTICLE 6 - UNION SECURITY

- 6.01 Every employee covered by this Agreement, shall, as a condition of continuing employment, pay to the Union, an amount equal to the Union's constitutional monthly dues. The Company will deduct such amount from the employee's pay on the first payday of each month and remit same to the Financial Secretary of the Union. The Company will at the time of making each payment to the Financial Secretary of the Union, name the employees from whose pay such payment has been deducted.
- 6.02 The Union agrees that the Company will not be held responsible for the deduction or collection of monthly dues in those cases where an employee's earnings are insufficient to permit the deduction of Union dues in the normal deduction period.
- 6.03 The Union agrees that neither the Union nor its members shall, at any time, intimidate or coerce any employee, or solicit Union membership on Company premises during working hours, or conduct on Company premises during working hours, any Union activity other than that of collective bargaining, if so arranged with responsible Company officers, and the handling of grievances in the manner and to the extent herein provided.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.01 The parties hereto agree that an earnest effort shall be made to settle, as quickly and amicably as possible, any differences that may arise between the Company and the Union, as to the interpretation, application, administration or alleged violation of the provisions of this Agreement.
- 7.02 No grievance which usurps the rights and functions of management as defined in Article 3 shall be made subject to grievance procedure.
- 7.03 Grievances properly arising under the Agreement shall be dealt with as hereinafter provided:

Stage 1 The aggrieved employee shall present **their** grievance orally, or in writing to the Contract Foreman within ten (10) working days of the occurrence of the incident which gave rise to the grievance. **The employee** may, if **they** so desire, be accompanied on **their** presentation by a Union Steward or **Committee person** employed by the Company. The Contract Foreman shall give **their** answer to the employee within ten (10) working days of such presentation.

Stage 2 Should the employee feel that this grievance has not been satisfactorily settled at Stage 1, then **they** may, if **they** so desire, accompanied and represented by a Union Steward or a Local Union Officer, within ten (10) working days of the time **they** receive **their** answer from the Contract Foreman present **their** grievance in writing to the Superintendent of Operations concerned who shall give **their** decision in writing to the employee and to the Union within ten (10) working days of the time **they** receive such presentation.

Stage 3 Should the employee feel that **their** grievance has not been satisfactorily settled at Stage 2, then **they** may, if **they** so desire, present **their** grievance to the Union Grievance Committee who may present the grievance in writing to the Division General Manager, together with a request for a meeting, if necessary, to discuss the grievance. At such meeting, when arranged, a Local Union Officer or Staff Representative may attend. Presentation of a grievance at this Stage shall be made within ten (10) working days of the time when the Superintendent of Operations gave **their** decision to the employee and the Union at Stage 2.

The Division General Manager shall give a written decision to the Grievance Committee within ten (10) working days to the time when **their** review of the grievance is concluded.

Stage 4 Failing settlement of the grievance at Stage 3, either party may institute arbitration proceedings.

7.04 The time limits provided in this Article may be extended by mutual agreement between the parties.

7.05 The Company may appoint an alternate official to act on its behalf with full power to effect settlement, in any stage of the grievance procedure.

7.06 Any difference arising directly between the Company and the Union as to the interpretation, application, administration, or alleged violation of any of the provisions of this Agreement may be dealt with through grievance procedure, which procedure shall commence at Stage 2.

7.07 In the event that any employee may be discharged from **their** employment and believes that **their** discharge is without just cause or is in violation of the provisions of this Agreement, may be dealt with through the grievance procedure, which procedure shall commence at stage 2.

7.08 No grievance shall be submitted for arbitration without having been first carried through all necessary stages of grievance procedure.

7.09 Stage 1 of the grievance procedure shall normally occur during regular working hours.

However, any subsequent stages of grievance procedure and/or negotiations for the settlement of any grievance may take place outside working hours.

- 7.10 No employee, steward or other Union representative employed by the Company shall leave **their** job for the purpose of grievance procedure without first receiving permission from **their** Foreman.
- 7.11 There shall be no discussion of the grievance on the job site. Any discussion of the grievance procedure will be in a close door meeting with Union Representative, if employee desires.
- 7.12 Discipline will be removed from the employee's file after two (2) years, provided there have been no other incidents of discipline within the two (2) year period.

ARTICLE 8 - ARBITRATION

- 8.01 If the Company and the Union are unable to settle any grievance in the manner provided in Article 7, that grievance may be referred to a sole Arbitrator selected and agreed by the Company and Union.

Notwithstanding the foregoing, the Company and the Union may agree to the election of appointees and put the grievance before an Arbitration Board consisting of one (1) appointee of the Company, one (1) appointee of the Union and a third member to be selected from the above panel and that member shall be chairman of the Arbitration Board.

- 8.02 Unless otherwise agreed between the Company and the local Union concerned, arbitration hearings will be scheduled to be held in Flin Flon.
- 8.03 The Arbitrator shall render **their** decision as to the matter in dispute within thirty (30) calendar days of the arbitration hearing and shall remain seized as to the matter for a period of ninety (90) calendar days from the receipt of the award by the parties for questions of interpretation and clarification.
- 8.04 The Arbitrator or the Arbitration Board shall proceed with all dispatch to hear and determine the grievance.
- 8.05 The decision of the Arbitrator or the decision of the Arbitration Board shall be in writing and delivered to the parties hereto. The decision shall be final and binding upon the parties, subject to the condition that the decision shall not, without the consent and approval of the parties, rescind or amend any of the terms or conditions of this Agreement, but shall be in accord with the scope and terms hereof.
- 8.06 The Arbitrators, in giving their decision, shall state whether it is to have retroactive effect and from what date it shall take effect.
- 8.07 The Union and the Company agree that each party is responsible for the cost of its own appointee, if applicable, to the Arbitration Board, and further agree that the cost of the Arbitrator shall be shared equally by both parties.

ARTICLE 9 - SENIORITY

9.01 The parties recognize that job opportunity and security should increase in proportion to length of service. The parties agree therefore that promotions, demotions, lay-offs and rehiring after lay-off shall be based upon the following factors: seniority, ability, skill, experience and the capability of performing the normal requirements of the job in an acceptable manner.

9.02 The Company shall post seniority lists showing seniority, ranking and classification of all hourly-rated employees. It shall maintain such lists, and revise and post them every three (3) months, and shall forward to the Union in Snow Lake and Flin Flon a copy thereof forthwith upon each such revision.

9.03 The seniority of an employee shall be established after **their** completion of service as a probationary employee and shall date from the employee's hiring date.

The words "probationary employee" or "probationary employees" shall mean, wherever used in this Agreement, an employee having less than thirty (30) days continuous service with the Company immediately following the date of **their** latest hiring. Seniority shall start from the employee's first day of work.

9.04 Seniority of each employee shall be maintained and accumulated during absence due to:

- (a) Lay-off for a period up to, but not exceeding twelve (12) months.
- (b) Accident occurring during the performance of duties assigned by the Company, until such time as a qualified practicing medical doctor shall certify either:
 - (i) that the employee is fit in all respects to return to the job position **they were** holding at the time **they** sustained such accident, or
 - (ii) that the employee is unfit ever to return to the job position **they were** holding at the time **they** sustained such accident.
- (c) Any other case of sickness or accident.
- (d) Authorized leave of absence
- (e) Promotion out of the bargaining unit and subsequent return thereto after an interim period of unbroken service with the Company provided that the absence from the bargaining group does not exceed six (6) months.

9.05 During any period of absence under Section 9.04 an employee will be required to assume direct responsibility for **their** normal fixed pay deductions.

9.06 An employee shall lose **their** seniority rights in the event that **they**:

- (a) Voluntarily terminate **their** employment.
- (b) Is discharged, and such discharge, if submitted to grievance procedure and arbitration, is sustained by a Board of Arbitration.

- (c) Fails to return to work after lay-off, in accordance with the Provisions of Article 9.04 hereof.
 - (d) Fails to return to work on termination of a vacation or authorized leave of absence unless a reason acceptable to the Company is provided by such employee.
- 9.07 When vacancies occur the Company will post notice of such vacancies for five (5) working days on the special bulletin boards supplied for Union purposes in a convenient place at each shift.
- An employee desiring to apply for such position must make application in writing to the Company within ten (10) working days from the initial posting. The Company shall make a selection from such applicants in accordance with the provisions of Article 9.01 of this Agreement.
- 9.08 It is agreed that employees transferred or hired within Flin Flon and Snow Lake areas shall be entitled to all accumulated seniority, vacation, and pension credits.

ARTICLE 10 - REDUCTION AND RESTORATION OF WORKING FORCES

- 10.01 The parties hereto recognize that the Company, in carrying on business as a contract diamond driller, is subject to the direction of third parties, its customers, and the Company may be required to alter its drilling program on very short notice. The Union recognizes and agrees that the Company cannot and shall not be bound to give to the employees any longer notice of any reduction or restoration of forces or reduction or increase of hours than the Company may itself receive from such third parties.
- 10.02 Subject to Article 10.01 the Company shall give at least five (5) working days notice, to the employees concerned, of any necessary reduction of forces or reduction of hours, excepting in cases of temporary reduction for reasons of breakdown, accident, Acts of God, other circumstances beyond the control of the Company or other emergency, including lack of notice to the Company by third parties, making the giving of such notice by the Company to its employees impossible.
- An Employee can exercise **their** bumping rights in the form of a layoff on the next scheduled shift as long as it is in the working group of that specific mine, where applicable.
- 10.03 Employees who are laid-off for lack of work who have retained seniority pursuant to Article 9 shall be entitled, subject to Article 9.01 to recall before other permanent employees are hired.
- 10.04 The Company shall give notice of rehiring to the employees concerned by whatever means it may deem to be most expeditious, directed to the employee at **their** last address of record with the Company. Such notice shall be confirmed in writing, with a copy to be sent to the Union.
- 10.05 (a) In giving the employee such notice, the Company shall designate that an

employee must report for work within fourteen (14) days of receiving such notice except where the requirements of such third parties necessitate that the Company restore its work force within a time shorter than fourteen (14) days, in which event the employee shall report for work within such shorter period as may be reasonably agreed upon between the Company and the employee.

- (b) If the employee refuses to report to work after being laid off, **they** will have up to one (1) year to inform them whether **they** want to report back to the Company. It is understood that if **they** do not come back within fourteen (14) days after being called **they** will only be allowed to come back when there is an opening within the one (1) year time period. It is understood after the first contact by management that it is the Employee's responsibility to inform the Company and Union in writing within the year in order to return to work. It is the responsibility of the employee to inform the Company if **they have** moved.

ARTICLE 11 - TERMINATION OF EMPLOYMENT AND DISCIPLINARY PROCEDURE

11.01 The employment of an employee shall be terminated whenever the employee voluntarily terminates **their** employment, or is discharged and shall also be deemed terminated whenever any of the following shall occur:

- (a) **they are** absent without leave for four (4) or more consecutive working days unless excused by **their** Foreman.
- (b) **they** fail to report to **their** foreman or to the office of the Company on the expiration of an authorized leave of absence.
- (c) **they are** laid-off for lack of work (other than a lay-off considered by the Company to be temporary).

11.02 An employee shall be advised immediately of any suspension or discharge, with confirmation in writing following, as promptly as possible, of the reason or reasons for such suspension or discharge. A copy of the written confirmation will be forwarded to the Union.

11.03 If it is subsequently determined through grievance procedure or by arbitration that an employee has been unjustly suspended, disciplined, demoted or discharged **they** shall be immediately reinstated to this former position without loss of seniority and shall be compensated for all normal time lost in an amount equal to **their** average earnings during the pay period next preceding such discharge or suspension, less any money earned by the employee during the period of such suspension, discipline or demotion or discharge.

11.04 (1) A shift will be consider "blown" if an employee fails to report on **their** scheduled shift without any prior notice to the Company or the submission of an acceptable reason.

- (2) Repetitive "blowing" of shifts compounds the problems involved, and will be dealt with on the following basis:

- (a) First Incident - A verbal warning may be made.
- (b) Second Incident – A written warning may be issued.
- (c) Third Incident - A written warning, plus suspension equal to the number of shifts missed in this incident may be issued.
- (d) Fourth Incident - Will result in discharge.

Each shift “blown” will be considered as one “incident.” The number of incidents is accumulative but only during a period of twelve (12) months prior to the date of the most recent incident.

ARTICLE 12 - LEAVE OF ABSENCE

- 12.01 Upon written application by an employee, or by the Union showing cause of circumstance satisfactory to the Company which shall include leave to attend the Annual Conventions of the Union, it may, when conditions permit, grant such employees a leave of absence not exceeding thirty (30) days, subject to the following conditions:
- (a) Application for a leave of absence must be made in writing to the Company stating full particulars, including length of leave required and the reason.
 - (b) The Company will not grant a leave of absence to enable an employee to accept temporary employment or maintain seniority status in some other plant or industry. Any employee who utilizes a leave of absence for any such purpose shall be deemed to have voluntarily terminated **their** employment with the Company.
- 12.02 The Company shall have the right in its absolute discretion to renew any leave of absence granted pursuant to Article 12.01 for as many successive thirty (30) day periods as it may deem proper.
- 12.03 Employees required to service on jury duty shall be paid the difference between the straight-time day shift earnings they would have earned and the amount they received for jury duty subject to the following provisions:
- (a) Employees must notify their Supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty or on **their** next regularly scheduled shift.
 - (b) Any employee called for jury duty who is temporarily excused from attendance at court must report to work as soon as possible.
 - (c) In order to be eligible for such payment the employee must furnish **their** Supervisor with a written statement from the appropriate public official showing the date, time serviced and the amount of pay received.
- 12.04 (i) 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 **their**

immediate family in order to arrange for and attend the funeral. For each day of such leave of absence, which is a regularly scheduled working day for the employee, **they** shall be paid **their** regular rate of pay for eight (8) hours. To qualify for bereavement leave, the employee shall notify **their** immediate Supervisor as soon as possible following the bereavement. "Immediate Family" shall mean spouse, son, daughter, mother, father, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law or grandparents, and includes any relative permanently residing in the employee's household or with whom the employee resides.

- (ii) It is further understood and agreed that bereavement leave relative to the demise of an employees spouse or child shall be increased by an additional period of five (5) days.
- (iii) If consecutive days of leave include a Saturday or Sunday which is not a regular working day, the leave will be extended by an additional day or days.

ARTICLE 13 - NO STRIKES - NO LOCKOUTS

13.01 In view of the orderly procedures established by this Agreement or the settlement of disputes and the handling of grievances, the Union agrees that, during the duration of this Agreement, it shall not declare, authorize or engage in any strike, sit-down or any suspension of work, nor shall the Company engage in any lockout.

ARTICLE 14 - VACATION WITH PAY

14.01 The Company shall, during each year of this Agreement, grant each employee whose first or any subsequent anniversary of employment falls within such year a vacation in accordance with the Article.

- 14.02 (a) In this Article the expression "date of employment" shall mean an employee's date of last hiring.
- (b) In this Article, subject to paragraph (c) hereof the expression "anniversary of employment" shall mean the anniversary of an employee's date of employment, provided however that when January 2nd occurs for the second time since an employee's date of employment, that January 2nd shall be deemed to be **their** second anniversary of employment for the purpose of this Article, and thereafter so long as **they have** not ceased to be an employee for reasons other than lay-off, **their** anniversary of employment shall be deemed to be January 2nd in each year, for the purpose of this Article.
- (c) In this Article, in the case of any employee whose date of employment is subsequent to February 28th, 1973, when January 2nd occurs for the first time since **their** date of employment, that January 2nd shall be deemed to be **their** first anniversary of employment for the purposes of this Article, and thereafter so long as **they have** not ceased to be an employee for reasons other than layoffs, **their** anniversary of employment shall be deemed to be January 2nd in each year for the purposes of this Article.

- (d) Vacation will be booked by seniority.
- (e) Vacation must be booked by February. Employer will give notice of approval by the end of February in writing to each Employee.

14.03 Subject to Clause 14.04, the length of vacation granted to each employee under this Article shall be according to **their** anniversary of employment as follows:

<u>Vacation Anniversary</u>	<u>Hourly Rated Employees' Vacations Due With Pay</u>
<u>Date</u>	
1st	10 working days
2nd	11 working days
3rd	12 working days
4th	13 working days
5th	15 working days
6th	15 working days
7th & 8th	16 working days
9th & 10th	17 working days
11th & 12th	18 working days
13th & 14th	19 working days
15th to 19th incl.	21 working days
20th	22 working days
21st	23 working days
22nd	24 working days
23rd and over	25 working days

Vacation will be based on forty (40) hours per week and eight (8) hours per day and will be prorated as such when taking vacation.

14.04 In the case of an employee whose date of employment is subsequent to January 31st, 1994, the length of vacation granted to **them** on **their** first anniversary of employment:

- (a) shall be according to the month of **their** date of employment as follows:

<u>Month of Date of Employment</u>	<u>Length of Vacation</u>
January	10 work days
February	10 work days
March	9 work days
April	8 work days
May	7 work days
June	6 work days
July	5 work days
August	4 work days
September	3 work days
October	2 work days
November	1 work day
December	0 work days

Provided however, that where the date of employment is the first day of January, the month of date of employment shall be deemed to be December for the purpose of the foregoing table.

VACATION PAY

14.05 The vacation pay for each day of vacation granted to an employee under Clause 14.03 shall be the greater of:

- (a) four-tenths of one percent (.4%) of **their** regular earnings from the Company under this contract in the twelve (12) months preceding **their** applicable anniversary of employment, and;
- (b) four-tenths of one percent (.4%) of the total of:
 - (i) **their** basic rate multiplied by the number of hours **they** worked in the twelve (12) months immediately preceding **their** applicable anniversary of employment, plus;
 - (ii) **their** basic rate for eight (8) hours multiplied by the number of regular work days, not exceeding one hundred and thirty (130) regular work days in total, on which, in the twelve (12) months immediately preceding **their** applicable anniversary of employment, **they were** absent from work on account of illness or accident for which satisfactory medical evidence has been presented to the Company, for each work day of vacation, less any amount which may have been therefore paid to **them** by way of vacation pay computed having regard to any portion of **their** earnings from the Company during such period.

At the employee's request, vacation pay may be paid at the start of the vacation as an advance, or at the end of the vacation, or as regular ongoing pay on normal paydays.

14.06 The vacation pay for each work day of vacation granted to an employee under Clause 14.04 shall be equal to **their** basic rate for eight (8) hours, or four-tenths of one percent (.4%) of regular earnings with the Company under this contract, or whichever is the greater.

14.07 In the case of an employee whose date of employment is prior to January 1st, 1989 no amount paid to **them** as vacation pay for a vacation granted to **them** on the anniversary of **their** date of employment shall be deducted under Clause 14.05 for the purpose of computing the vacation pay for the vacation granted to **them** on **their** second anniversary of employment.

14.08 An employee whose employment is terminated shall be paid vacation pay as follows:

- (a) if **their** date of employment is less than twelve (12) months prior to the date of termination or if **their** last anniversary of employment was less than a fifth anniversary of employment, **they** shall be paid four percent (4%) or
- (b) if **their** last anniversary of employment was a fifth or subsequent anniversary of employment **they** shall be paid six percent (6%) of **their** earnings from the Company in the period since **their** date of employment or of **their** last preceding anniversary of employment, whichever shall be later, up to the date of termination less any amount which may have been theretofore paid to **them** by way of vacation pay computed having regard to any portion of **their** earnings

from the Company during such last mentioned period.

LENGTH OF VACATION SUBSEQUENT (year or less)

14.09 In addition to the vacation pay as described in Clause 14.02, or Clause 14.01, there shall be added to the vacation pay of any employee in the amount of seventeen dollars (\$17.00) (travel allowance) for each work day under Clause 14.03, or Clause 14.04.

Employer will advance a document to each employee at the beginning of the year that should explain how the vacations monies are dealt with.

TIME OF VACATION

14.10 Each employee will be granted and shall take **their** vacation for each year of the term of this agreement at such time as the Company finds most suitable considering the seniority ranking of the employee, the wishes of the employees and the efficient operations of the plant. Vacation dates may be changed by the Company in cases where it considers it necessary for efficient operation.

A vacation list will be posted, as soon as is practicable after vacations for the employees have been scheduled, the said list to show the name and number of each employee and the date of **their** scheduled vacation. After five (5) years of service, up to three (3) splits will be allowed. No split to be less than one (1) week.

OPTIONAL LEAVE WITHOUT PAY

14.11 Where the number of work days of vacation to which an employee is entitled under paragraph (a) of Clause 14.04 is less than ten (10) and **they** request additional time off from work, the Company will, subject to the requirements and efficiency of operations, grant **them** not more than four (4) days off without pay, provided however, that the total of:

- (a) the number of work days of vacation to which **they are** entitled under Paragraph (a) Clause 14.04 plus
- (b) the number of days off without pay granted to **them** under this Clause 12.01 shall never exceed ten (10).

ARTICLE 15 - SPECIAL VACATIONS

15.01 During the life of this Agreement, the Company shall continue to provide three (3) weeks of Special Vacation (with pay) for employees who have completed three (3) or more years of continuous service or will do so during the term of this Agreement, and an additional three (3) weeks of Special Vacation (with pay) upon completing each additional three (3) year period of continuous service, in accordance with Clause 16.02.

Effective January 1, 2005.

15.02 (a) Each employee who completes the first three (3) years of continuous service shall become entitled to three (3) weeks of Special Vacation (with pay) in addition to

all vacation with pay to which **they are** entitled under the provisions of Article 14 of the Agreement.

- (b) All other employees who complete an additional three (3) years of continuous service since last becoming entitled to a Special Vacation (with pay) under any previous Collective Agreement between the Company and the Union shall thereupon similarly become entitled to three (3) weeks of Special Vacation (with pay).
- (c) In determining the length of Special Vacation, a week shall mean seven (7) consecutive days including Saturdays and Sundays. When a general holiday occurs during a Special Vacation, it shall be lengthened by one (1) work day.
- (d) The allocation of vacations with pay under the provisions of Article 14 hereof shall have priority over the allocation of Special Vacation (with pay) hereunder.
- (e) In order to minimize interference with the normal operations of the Company, Special Vacations will be granted only at such times as the Company in its discretion may determine but subject thereto due consideration will be given to the wishes of the individual employee. It is anticipated that, in most cases, an employee's Special Vacation will be taken within the three (3) year period following the date on which **they** become entitled to it and it is hoped early in that period.
- (f) It is understood and agreed that Special Vacation periods shall accrue on the basis of three (3) weeks after three (3) years, and be accumulative to a maximum period of six (6) weeks.

ARTICLE 16 - GENERAL HOLIDAYS

- 16.01 (a) An employee shall receive an amount equal to **their** basic rate for eight (8) hours or
- (b) **their** average daily earnings exclusive of overtime for days on which **they** worked during thirty (30) calendar days immediately preceding the general holiday when not required to work on New Year's Day, Good Friday, Victoria Day, Canada Day, August Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day, Boxing Day, and the second Monday in June, and one day as selected by the employees and mutually agreed by the Company, in each year of this Agreement, provided that they comply with the regulations of this Article 16.
- 16.02 All hourly-rated employees other than those referred to in Article 16.04 required to work on the twelve (12) general holidays listed in Article 16.01 shall be paid for the first eight (8) hours or less of such work at the rate of one and one-half (1½) times **their** regular rate of pay and in addition **they** shall be paid holiday pay in an amount equal to **their** regular rate of pay for eight (8) hours and **they** shall be paid at the rate of two and one-half (2½) times **their** regular rate of pay for all hours in excess of eight (8) hours worked by **them** on that general holiday.
- 16.03 No hourly-rated employee is entitled to pay for any general holiday as specified in Article

- 16.01 unless they have worked or was on paid vacation during the thirty (30) calendar days immediately preceding the general holiday.
- 16.04 No hourly-rated employee is entitled to pay for any general holiday as specified in Article 16.01 if a general holiday occurs in the first thirty (30) days of employment. Any such employee required to work on such general holiday shall be paid at a rate of one and one-half (1½) times their regular rate of pay for the time worked. Notwithstanding anything to the contrary stated herein, upon completion of the first thirty (30) consecutive days of continuous employment with the Company, the said employee shall receive all unpaid general holiday pay for any general holiday that occurred during the first thirty (30) days of employment.
- 16.05 No hourly-rated employee is entitled to pay for any general holiday as specified in Article 16.01 if they fail to work their last regularly scheduled shift prior to the holiday and their first regularly scheduled shift after the holiday.
- 16.06 No employee is entitled to pay for any general holiday, as specified in Article 16.01 on which they did not report for work after being scheduled to work on the general holiday.
- 16.07 Where a general holiday falls on an employee's regularly' scheduled day off and they are not required to work that day, they shall, subject to the provisions of this Article 16, be granted a holiday without pay immediately preceding the time off and in conjunction with their next annual vacation.

ARTICLE 17 - HOURS OF WORK

- 17.01 (a) This Article provides the basis for the calculation of any payment for overtime, and shall not be read or construed as a guarantee of hours of work per day or a guarantee of days of work per week. A week means the period between midnight on Saturday and midnight on the immediately following Saturday. A day means a period of twenty-four (24) consecutive hours.
- (b) The work day is any day an employee is normally at work according to their assigned work schedule commencing at the time they are scheduled to commence work and ending twenty-four (24) hours later.
- 17.02 (a) Standard rates, as defined in Article 26 of this Agreement, shall be paid to all hourly-paid employees on a basis of a forty-hour week as agreed between the Company and the Union. A standard work day is eight (8) hours with time and one-half being paid for all overtime, except that hours worked in excess of eight (8) per day or forty (40) per week to accomplish the regularly scheduled change of shifts or work schedules will not be considered overtime. If an employee is required to make a change of shift in a pay period other than those necessary for regularly scheduled change of shifts or work schedules, in which the interval is eight (8) consecutive hours or less, the hours worked during that change of shift shall be paid at overtime rates.
- (b) Any work performed in excess of eight (8) hours in a work day at overtime rated will not be considered as time worked in the forty (40) hour work week for the purposes of determining the payment of further overtime.

17.03 Time worked will be calculated in units of one-half (1/2) hours.

Employees shall be granted a thirty (30) minute lunch period paid for by the Company.

17.05 The starting and ending time of working shifts shall be determined in accordance with hoisting and lowering schedules that may, from time to time, be in effect, recognizing that the Company does not have control over such schedules.

ARTICLE 18 - OVERTIME

18.01 The regular straight-time rate means an employee's straight hourly base rate as defined in Article 26 of this Agreement.

18.02 The Company shall give notice of overtime as far in advance as is practical. All overtime work shall be voluntary. Opportunities for overtime work shall be as equitable as possible distributed among those normally performing the work.

18.03 (a) Hours worked in excess of eight (8), the Company shall pay an employee one and one-half (1½) times **their** regular straight hourly base rate for all hours **they are** required to work over eight (8) hours a day.

(b) Any hours worked in excess of the forty-hour work week are, for the basis of payment, subject to Article 17.02(b) of this Agreement.

(c) Statutory holidays not worked shall be considered as time worked for the purpose of calculating weekly overtime.

18.04 Overtime worked will be calculated in units of one-half (1/2) hour except that the first ten (10) minutes after the end of any shift shall not attract overtime pay. Should the overtime be the result of conditions beyond the control of the Company, i.e. cage delays, payment at overtime rated will apply only if approved by the customer.

18.05 The Company agrees to allow employees to bank any overtime hours worked at a rate of 1½ times/hour. Time taken in lieu of overtime must be mutually agreed by the Company and the employee.

ARTICLE 19 - REPORTING TIME

19.01 An employee who reports for work on **their** regularly scheduled shift without notice of the contrary from the company and not being offered eight (8) hours work at **their** regular rate shall be paid on the basis of the following schedule:

POTENTIAL WORK HOURS	ACTUAL WORKED AND PAID	REPORTING TIME PAY	TOT. HRS. PAID
0	0 hours	4 hours	4 hours
1	1 hours	4 hours	5 hours
2	2 hours	4 hours	6 hours
3	3 hours	4 hours	7 hours

4	4 hours	4 hours	8 hours
5	5 hours	3 hours	8 hours
6	6 hours	2 hours	8 hours
7	7 hours	1 hours	8 hours
8	8 hours	0 hours	8 hours

When on a 10 hour shift schedule, reporting time hours will be as follows:

0	0 hours	5 hours	5 hours
1	1 hours	5 hours	6 hours
2	2 hours	5 hours	7 hours
3	3 hours	5 hours	8 hours
4	4 hours	5 hours	9 hours
5	5 hours	5 hours	10 hours
6	6 hours	4 hours	10 hours
7	7 hours	3 hours	10 hours
8	8 hours	2 hours	10 hours
9	9 hours	1 hours	10 hours
10	10 hours	0 hours	10 hours

When on a 12 hour shift schedule, reporting time hours paid will be as follows:

0	0 hours	6 hours	6 hours
1	1 hours	6 hours	7 hours
2	2 hours	6 hours	8 hours
3	3 hours	6 hours	9 hours
4	4 hours	6 hours	10 hours
5	5 hours	6 hours	11 hours
6	6 hours	6 hours	12 hours
7	7 hours	5 hours	12 hours
8	8 hours	4 hours	12 hours
9	9 hours	3 hours	12 hours
10	10 hours	2 hours	12 hours
11	11 hours	1 hours	12 hours
12	12 hours	0 hours	12 hours

It being understood and agreed that reporting time hours paid shall not be considered as working time for the purpose of applying the overtime provisions of Article 18.

ARTICLE 20 - CALL OUT TIME

20.01 An employee called out for work after the completion of **their** complete regular shift shall be paid at one and one-half (1½) times **their** regular rate for all hours so worked, provided however that **they** shall receive pay for a minimum of four (4) hours at **their** basic rate whichever is the greater.

ARTICLE 21 - MISCELLANEOUS

21.01 It is agreed between both parties that one of the purposes of this Agreement is to promote harmonious and pleasant relationships in the future and the Union agrees that before filing a complaint against the Company with any government board or agency a

conference with Management will be requested by the Union for the purpose of discussing such matters in an effort to arrive at an amicable settlement.

- 21.02 Any employee desiring to raise any questions with the Company in respect of **their** wages shall do so within seven (7) days from the time **they** receive **their** pay cheque for the period in which the events giving rise to such questions occurred. Such questions may include those relative to the amount of incentive units used in the calculation of such payments.

Failing mutual satisfactory settlement of such questions they may, if desired, be subject to Grievance Procedure as set forth in Article 7 of this Agreement.

- 21.03 The Company will supply or replace at no cost to the employee the following safety equipment: hard hats, hearing protection, safety glasses, first pair prescription safety glasses if required to a maximum of \$250.00, and web belts, and slickers. The Company will issue thirty-six (36) pairs of rubber gloves to each employee at the beginning of each year. Slickers and additional rubber gloves will be available at Company cost less fifty (50%). The Company will issue three (3) pairs of coveralls at no cost per year to each employee. Additional coveralls will be issued at Company cost less fifty (50%) percent. The company will issue either:

- (i) 4 pairs of mucker boots per year at Company cost.
- (ii) 2 pairs of mucker boots and one pair of Gore-Tex work boots per year at Company cost.
- (iii) 2 slicker pants and 2 slicker jackets per year at Company cost.
- (iv) Jackets will be provided at no cost to employees where conditions warrant. One per year.

- 21.04 The Company shall provide a lock for the toolbox on each drilling site.

- 21.05 The Company will provide each employee with the following tools:

- (a) a crescent wrench
- (b) pliers
- (c) screwdriver and in addition, to each employee classified as a Runner
- (d) degree rule

Each of which shall be charged to such employee at the cost thereof to the Company, provided that such charge will be regarded as a deposit only, refundable on termination upon return to the Company of a set of tools in reasonable condition, normal wear and tear excepted. The Company shall provide such employees with replacements against return of the broken parts of any tool.

- 21.06 Whenever and so often as any Driller shall be designated acting Charge-Hand on a particular shift, **they** shall be paid in compensation for so acting, and in addition to all monies to which **they** may be otherwise entitled, two (2) hours pay at overtime rates, provided that acceptance of assignment as acting Charge-Hand shall always be voluntary.

- 21.07 An employee who is held at work after completing **their** regular shift and subsequently

works more than two (2) hours overtime shall be provided with a lunch by the Company. Should such employees work for more than five (5) hours overtime, they shall be provided with an additional lunch by the Company, which lunch or lunches may be eaten in a lunchroom.

The Company will use its best efforts to supply a hot lunch to any such employees where practicable.

- 21.08 Drill Helpers required to work on two drills during the course of a normal shift shall be allowed two (2) additional hours for that shift, 2½ additional hours on a 10 hour shift, and 3 additional hours on a 12 hour shift, payable at one and one-half (1½) times their basic hourly wage rate. It being understood and agreed that the hours so paid shall not be utilized for the purpose of applying the overtime provisions of Article 18.
- 21.09 Any rights enjoyed by the employee prior to the execution of this Agreement shall be continued and no change shall be put into effect unless mutually agreed to by the Company and the Union.
- 21.10 The Company will replace prescription safety glasses.
- 21.11 The Company will protect the rate for those employees classified as a Driller that are carrying out the duties of the Drill Helper. However; should a Driller's position become available and the employee declines the position, then their rate will revert to the Helper's rate as per Article 25.01.

ARTICLE 22 - NOTICES

- 22.01 Any notice required to be given to any one party by the other shall be effectively given if such notice is sent by registered mail as follows:

TO THE UNION:	86 Main Street Flin Flon, MB. R8A 1J8
TO THE COMPANY:	180 Cree Crescent Winnipeg, MB. R3J 3W1

ARTICLE 23 - UNION OFFICERS

- 23.01 The Union agrees to furnish forthwith the Company with the names of its duly elected officers, stewards, committee members and representatives appointed to perform any act in connection with the carrying out of this Agreement and undertakes to notify the Company promptly of any changes of officers or appointed representatives.

ARTICLE 24 - BULLETIN BOARDS

- 24.01 The Company shall provide a bulletin board affording sufficient space to permit the Union to post official notices of Union meetings or other Union activities. Such notices shall not contain any political, non-union or contentious matter and shall be signed by the president or other official of the Union, and shall be submitted to the Company for posting.

ARTICLE 25 - WAGES

25.01 The Company agrees to pay and the Union agrees to accept the basic hourly wage rate schedule listed below:

Helpers - \$23.00

Drillers - \$27.00

Wage change effective January 1, 2012.

U8 Diamond Drill Only – Bonus

0-600 per meter	Driller \$3.00/Helper \$1.50
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601 per meter – 1000 per meter	Driller \$4.00/Helper \$2.00
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1001 per meter – 1400 per meter	Driller \$6.00/Helper \$3.00
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25.02 During the life of this agreement, employees shall be paid a premium of \$1.00 per each hour worked on Sunday.

25.03 Adjustments of any agreed error in a pay cheque shall be made by the Company within three (3) working days.

25.04 The Company shall make no charge for advances against earnings.

25.05 During the life of this agreement, wages shall be payable on the 15th and the last day of each month.

25.06 (a) It is understood and agreed that effective January 1, 1995, the Cost of Living Allowance amount shall continue to be calculated on the Consumer Price index (hereinafter referred to as the C.P.I.). All items base (1971=100) and that amount payable shall be 50% of calculated sum. This payable amount shall be determined quarterly, i.e., January - April - July - October, and be paid during the second pay-period following publication of the C.P.I. figures for the above-mentioned months respectively.

(b) If there is a decrease in the C.P.I. on the basis of the annual comparison, the allowance shall be adjusted downward by using the formula mentioned above, but an employee's straight time hourly rate shall not be affected by any downward adjustment.

(c) The amount of the COST OF LIVING ALLOWANCE in effect at any time shall not form part of the employee's straight time hourly rate and will only be paid for straight time hours worked and will not be included for the calculation of vacation pay.

(d) No adjustment retroactive or otherwise shall be made due to any revision, which may later be made in any C.P.I. published by Statistics Canada.

(e) The continuance of the COST OF LIVING ALLOWANCE shall depend upon the availability of the C.P.I. calculated on its present basis and its present form.

ARTICLE 26 - SPECIAL DRILLING

26.01 Hourly premiums of three dollars and fifty cents (\$3.50) for Drillers and two dollars and fifty cents (\$2.50) for Drill Helpers shall be payable on a man-hour basis for all time spent on grouting, edging operations, drilling in abnormal hole conditions, and any other work in which the company is operating under "Day Work Rates."

**Day Work Rates* - all services provided to a client outside normal operating (drilling) time. These are charged out via agreed to rates dependent on time or cost allotted to (but not limited to):

- (a) Labour per man hour
- (b) Rig and Crew per hour
- (c) Mobile Equipment per hour
- (d) All consumables at cost plus a percentage markup.

ARTICLE 27 - SAFETY AND HEALTH

27.01 The Company and the Union mutually agree to co-operate in the promotion of safe work and first-aid practices for the purpose of protecting the safety and health of the Company's employees and for the protection of property.

27.02 A joint Safety and Health Committee shall be established consisting of a member appointed by the Union and a member appointed by the Company.

27.03 The Safety and Health Committee shall meet at mutually agreeable times and dates, but not more frequently than once per month, to discuss matters dealing with safety and health conditions.

27.04 It shall be the duty of all employees to report any potential unsafe work practices or conditions to their supervisor immediately and such condition shall be as subject for discussion at the next meeting of the Safety and Health Committee.

27.05 In the event that agreement between the Committee representatives cannot be reached with regard to the requirement for, development of, or implementation of any regulation, practice or program recommended by either group, they shall then submit the point of disagreement to the Division General Manager and USW Staff Representative for resolution.

If a satisfactory resolution can still not be reached, either party may apply for a mediator to resolve said conflict.

27.06 Time lost by an employee while attending meetings of the Committee shall be compensated for by payment at **their** basic straight-time rate for normal scheduled working time so lost.

27.07 Where an employee, after **they have** commenced work in any day or shift, suffers an industrial accident which, in the opinion of a duly qualified medical practitioner, prevents **them** from continuing at work **they** shall be paid at **their** basic rate plus any applicable shift premium and Sunday premium for the balance of the time **they** would have worked in such day or shift had such accident not occurred.

27.08 The Company accept the responsibility to make adequate and reasonable provisions for the safety and health of the employees during the hours of their employment provided that in all events employees shall obey all rules and regulations published by the Company in this regard.

Any employee may refuse to work without fear of reprisal when they have reasonable cause to believe that to do the work would constitute an unusual danger to the safety of themselves or another employee.

When filling out a right to refuse, the following steps must be followed:

Definition

A worker may refuse to perform work at a workplace where they have reasonable grounds to believe and does believe that the particular work is dangerous to their safety or health, or the safety and health of another worker or any other person.

STEP 1

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

STEP 2

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

STEP 3

A supervisor shall not assign or require any other worker to perform the particular work unless that worker has been informed by the first worker, or a Safety and Health Officer, of the worker’s refusal to perform the work and the reasons thereof.

STEP 4

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

STEP 5

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

- 27.09 As part of Major Drilling Group International Inc. Conditions of Employment (copy attached) a valid First Aid Certificate is mandatory. No employees shall be permitted on site without a valid Standard First Aid/CPR Level C course. Initial cost is at the expense of the employee, renewal cost is at the expense of Major Drilling Group International Inc. given that the employee renews **their** certificate before the expiry date. In the event the employee's certificate expires without renewal, this cost is at the expense of the employee.

ARTICLE 28 - WELFARE BENEFITS

- 28.01 The Company shall provide the following Welfare Benefits on the basis as outlined below:

- (a) Group Insurance Plan, including:
 - 1) Life Insurance Plan *\$75,000.00
 - 2) AD & D Insurance Plan *\$75,000.00
 - 3) Weekly Indemnity Plan
- (b) Denticare Plan
- (c) Prescription Plan
- (d) Medical-Hospital Plan
- (e) Supplementary Health Services Plan
- (f) Registered Retirement Savings Plan per Article 28.03
- (g) *The company agrees to pay \$250.00 per individual employee and each of the employee's dependents for corrective lenses every two (2) years.*

- 28.02 In those instances where Manitoba Medical, Group Insurance, or Workers Compensation do not cover:

To centers other than listed above, transportation costs based on bus rates will be paid by the Company only for dental and medical referrals in Manitoba and Saskatchewan.

The Company, under special circumstances and at its sole discretion, may advance such expense to a member provided satisfactory arrangements are made regarding repayment.

The Company will pay for any medical documentation, completed by a medical Doctor, required by our Insurance carrier for Short or Long Term Disability.

- 28.03 The Company will provide an annual Registered Retirement Savings Plan (RRSP)

contribution to each qualified employee as outlined below. The union has agreed to the wind down and termination of the existing registered pension plan (RPP) administered through Great West Life, effective December 31, 2002.

- (1) The Company will make an annual RRSP payment to the Toronto Dominion Bank for each member based upon the following guidelines:
 - (a) The annual payment will be equal to 7% of an employee's gross earnings less the annual employer contribution to Toronto Dominion Canada Trust.
 - (b) If an employee voluntarily leaves employment with Company in any one year and does not have 1000 hours YTD in that year; no payment will be made to the RRSP.
 - (c) If an employee is laid off and has less than 480 hours YTD in any one year, no payment will be made to the RRSP for that year.
 - (d) The RRSP plan will take effect January 1, 2003. Therefore, the first payment will be based on earnings from January 1, 2003 through December 31, 2003. Payment will be made on or before March 1 of the following calendar year.
 - (e) The company will arrange to have Toronto Dominion representative meet with individual members to set up RRSP accounts and select funds.

ARTICLE 29 - AGREEMENT EXECUTION

- 29.01 This Agreement shall be effective from the date of execution and under the provisions of Article 4 hereof.
- 29.02 Negotiating conferences, if held between the parties hereto, shall be held in Flin Flon, or at such other place as may be agreed upon by the parties from time to time.

Executed at **FLIN FLON, MANITOBA**, this _____ day of _____.

SIGNED:

ON BEHALF OF THE COMPANY } ON BEHALF OF THE UNION }

Kathy Karbonik } _____ }
Major Drilling Group International Inc. }
Matt Winterton
Staff Representative
USW

DJ Wilson } _____ }
Major Drilling }
Tom Davie
President
USW Local 7106

LETTER OF UNDERSTANDING #1

May 17, 2005

United Steelworkers of America
Local 7106
86 Main Street
Flin Flon, MB R8A **1J8**

To the Union:

RE: UNION CERTIFICATION

The Company agrees to revisit Article 2.01 in one year for discussion on Union Certification.

Sincerely,

R.M. McIsaac Drilling
A Division of Major Drilling Group
International Inc.

For the Union:

For the Company:

Tom Davie
President
USW Local 7106

Kathy Karbonik
Major Drilling

LETTER OF UNDERSTANDING #2

June 7, 2005

R.M. McIsaac Drilling
A Division of Major Drilling Group
International Inc.

**RE: NEW OCCUPATIONAL JOB
SURFACE/UNDERGROUND HELPER**

While underground **they** shall receive full helper rates of pay as per wage scale in Article 25.01 and bonuses where applicable.

When not needed for assistance underground **they** will work on surface at a rate of \$16.75.

It is understood that **they** will be covered under the CBA and dues will be removed from **their** cheque whether on surface or underground.

Surface/Underground helper will move back and forth from surface to underground by seniority as listed in Article 9.

Sincerely,

United Steelworkers
Local 7106
86 Main Street
Flin Flon, MB R8A J8

For the Union:

For the Company:

Tom Davie
President
USW Local 7106

Kathy Karbonik
Major Drilling

LETTER OF UNDERSTANDING - #3

June 22, 2007

R.M. McIsaac
Division of Major Drilling Group
International Inc.

To the Company:

RE: UNION CERTIFICATION SNOW LAKE EMPLOYEES

Both parties agree that the Labour Board ruling will determine how Article 2.01 will be written with regard to the certification of Snow Lake.

Sincerely,

United Steelworkers
Local 7106
86 Main Street
Flin Flon, Manitoba R8A 1J8

For the Union:

For the Company:

Tom Davie
President
USW Local 7106

Kathy Karbonik
Major Drilling