



Collective Agreement

between

Vale Newfoundland and Labrador Limited

and

Local 9508 United Steel, Paper and Forestry, Rubber, Manufacturing,
Energy, Allied Industrial and Service Workers International Union

Voisey's Bay, NL

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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 Vale 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 as of his/her date of hire or promotion 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 Vale 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 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 reasonably know that such attention is unwanted;

- b. Implied or expressed promise of 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 workforce, 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 names 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, she/he may request to be accompanied by his/her Shop Steward and the Company shall inform the employee of that right. 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, within seven (7) working days (being the working days of the employee in question) of it being determined by the Company that there has been an infraction warranting discipline. A copy will be forwarded thereafter to the Union.
- 6.04 A discharged employee may contest his discharge as being in violation of this Agreement commencing at Step 1 of the grievance procedure.
- 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 provided there has been no further disciplinary action taken during that period.

- 6.06 An employee, upon request, will be permitted to review his or her employment record but he or she shall not remove any material from such record nor in any way attempt to alter the record except through the grievance procedure.

Article 7 - Grievance Procedure

- 7.01 For the purpose of this agreement, a grievance is defined as any difference arising out of the interpretation, application, or alleged violation of the terms of this agreement.
- 7.02 Grievances should be directed in the first instance to an employee's supervisor, and appropriate efforts shall be made by all parties involved to resolve grievances prior to a formal grievance being filed.

7.03 **Step 1**

An employee who alleges that he/she has a grievance shall present the matter to their Department Manager, in writing, within fourteen (14) days of the occurrence of the incident giving rise to the grievance.

Step 2

If the employee fails to receive a satisfactory answer to the grievance within seven (7) days after filing the grievance at Step 1, he/she may, within a further thirty (30) days refer the grievance to arbitration in accordance with Article 8.

- 7.04 Time limits may be extended by mutual agreement, in writing, between the parties to the grievance.
- 7.05 Agreements made in writing between the Employer and the Union in the settlement of an employee grievance shall be final and binding upon the Employer, the Union and the employee or employees concerned.
- 7.06 When two or more employees wish to file a grievance arising from the same alleged violation of this Agreement, such grievance may be handled as a Group Grievance and presented to an appropriate department manager at Step 1 in the grievance procedure.
- 7.07 The Union shall have the right to initiate a policy or grievance of a general nature. Such grievances shall be filed with an appropriate department manager or senior site manager at Step 1 and all provisions of the Grievance and Arbitration Procedures shall apply to such grievances.
- 7.08 The reference to "day" above shall mean calendar days.

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, and include a list of suggested arbitrators.

- 8.02 All correspondence between the parties with respect to grievances and arbitration shall be delivered in person, by mail or via email.
- 8.03 The arbitrator shall endeavour to commence hearing the grievance within thirty (30) calendar days of his appointment and shall endeavour 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 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) calendar 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 and the parties encourage the use of a reasonably limited number of jurisprudence in the hearing. 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) calendar 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) calendar 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.

- 8.11 In the event the parties do not agree on a mutually agreeable arbitrator within ten (10) calendar days of the referral to arbitration, either party may request the appointment of an arbitrator by the Minister of Labour

Article 9 - Probationary Employee

- 9.01 The probationary period shall normally be for a period of six (6) calendar months.
- 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 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 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. Due to the primary role of the human element in any sound accident and injury prevention process, the Company and the Union further agree that in order to achieve high safety standards, proper attitudes must be developed by all concerned, with visible support from Senior Management and the Union Executive.

- 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. The parties shall also promote awareness of the right and process associated with a refusal of dangerous work.
- 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
 - a. 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, with up to two (2) alternates appointed for each. Time spent in meetings is to be considered time worked. Union members of the JOSHE Committee shall serve a three (3) year term.
 - b. The Company and the Union may each select up to two Co-chairs for the JOSHE Committee selected from among the committee members referred to in 10.06a, with only one Co-Chair for the Union and one Co-Chair for the Company attending a meeting of the JOSHE Committee. Union Co-Chairs would be selected from the group in 10.06a. on the basis that such persons work on opposite rotations from one another
- 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. The Committee Co-Chairs shall prepare the agenda prior to the monthly meeting. Furthermore, should conditions warrant, the Co-Chairs, by mutual agreement, may call such meetings as they deem necessary.
 - a. Minutes of the meetings shall be sent to the Company and the Union.
 - b. An employee member of the Committee shall be notified of a fatality or serious injury as soon as possible, in which case, there will be a fact finding investigation and an employee member of the Committee has the right to attend.

- c. In the discharge of its functions the committee may seek to identify aspects of the workplace that may be unhealthy or unsafe; consider existing practices and rules relating to health safety and environment, review and formulate appropriate and necessary suggestions for changes in existing practices and rules, make recommendations for the enforcement of standards to protect worker health and safety; review statistics and trends being monitored; receive complaints from workers and maintain records regarding the receipt and disposition of complaints; and promote health and safety educational programs.
- 10.08 a. The Union JOSHE Committee Co-Chair or his/her designate 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.
- b. A schedule of JOSHE workplace inspections shall be made for the applicable areas at the worksite, and such inspections shall include at least one (1) union member of the Committee and one (1) Company representative.
- 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 JOSHE Committee in order to give the Committee an opportunity to review the changes and make suggestions for revisions.
- 10.10 The Company will continue its program of air sampling and noise testing.
- 10.11 When the Company introduces new Personal Protective Equipment (PPE) or issues new rules relating to the use of PPE, the matter will be discussed with the JOSHE Committee.
- 10.12 When an employee signs a form prescribed by the Workplace Health, Safety and Compensation Commission, a copy of such form, as submitted by the Company to the Commission, will be made available to the Union upon request and with the written permission of the employee. When the Company contests a WHSCC claim for benefits, the Union will be notified.

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 a. 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.
- b. Overtime hours not worked by an employee due to absence on union leave will not be credited under the provisions of article 14.21.

Maternity, Parental and Adoption Leave

11.03 Maternity, Parental and Adoption Leave

Vale 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 endeavour to find employment suitable in accordance with the medical advice. If the employee does not receive a new work assignment, he or 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 election to or acting as the campaign manager for an individual's election to any municipal, provincial, aboriginal 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 or 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 applicable rate of pay. To qualify for bereavement leave, the employee shall notify his or her immediate supervisor as soon as possible following the death. 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 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 seniority and be removed from the seniority list and be considered terminated for the following reasons:
- a. the employee voluntarily terminates his 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 Vale 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 Vale 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 members of the Vale 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 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 of 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 trial 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 trial period, or voluntarily reverts to his/her former position prior to completion of the trial 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 bargaining 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 current address and telephone number.
- 12.16 An employee who refuses a recall to work full time in his original position shall be deemed to have resigned voluntarily, shall lose his seniority and her/his name shall be removed from the seniority list.
- 12.17 For the purposes of this Article, the Divisions 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 Vale 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 be 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 1/4 and 3/4 of the way through their shift; their meal period will be approximately 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 periods scheduled during an employee's 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 (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 a. 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.
- b. An employee shall be paid a night shift premium of forty cents (\$0.40) per regular hour worked during his/her scheduled night shift
- c. Employees who work a non-traditional shift schedule shall also be entitled to night shift premium for regularly scheduled hours worked between 6:00pm and 6:00am.
- 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 reason 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 for 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 1/2) times her/his 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 regular and overtime hours worked, COLA, earnings 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 The parties have agreed to include allowance for changes to the cost of living within the negotiated wage increases outlined in Appendix A. In the event the anticipated cost of living increase exceeds what was expected, employees may be eligible for a lump sum payment in accordance with Appendix 'C'.

Working on Site Premium

- 15.07 a. A ten percent (10%) Working on Site Premium will be paid for each day and consecutive night period that an employee spends working at the Voisey's Bay site. This premium is paid in recognition of work performed at a northern, remote, fly-in, fly-out operation which presents some unique demands and challenges for employees.
- b. The premium will be 10% of the employee's equivalent hourly rate of pay which is calculated based on his/her annual base salary (i.e. paid as a percentage of the annual base salary only) for the employee's normal work schedule pursuant to Article 14. The premium will also be paid for shifts worked beyond the employee's normal schedule for such events as weather delays at site and extra shifts worked at site, which will be paid in accordance with 15.07a.
- c. The premium does not include other compensation such as overtime or other premiums paid as part of an employee's total compensation
- d. As vacation is part of the normal schedule at the Voisey's Bay site, the premium will be paid for each vacation day taken as if the employee was at the Voisey's Bay site.
- e. The Working on Site Premium is not considered pensionable earnings.

Retirement Savings Plan

- 15.08 The employees covered by this Agreement will continue to receive the benefits of the VNL 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 are 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 receive benefits as per defined in the Group Long Term 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 or she can demonstrate that he or 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, and 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 for 100% medical services and supplies as defined in the plan. Hearings aids will be covered at 100% up to \$400 every 5 years. Orthotics and orthopaedic 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 covered 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 travelling 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 z.02, z.03, z.04 and z.05 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 prorated for partial year entitlement.
- 15.25 The employee who elects to opt out for Traditional Choice Plan as described in article 15.21 and in article 15.23 may receive the value of these options by a transfer to his/her RRSP account under the VNL 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 for 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. Family Day*
3. Good Friday
4. Victoria Day
5. National Aboriginal Day
6. Canada Day
7. Civic Holiday (1st Monday in August)
8. Labour Day
9. Thanksgiving Day
10. Remembrance Day
11. Christmas Day
12. 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

* Family Day shall be in lieu of any additional Statutory Holiday that may be declared by the Province of Newfoundland and Labrador during the term of this agreement.

Family Day will typically be observed on the 3rd Monday of February.

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 Workers' 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 representatives 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 or 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 or she shall otherwise at such time have been laid off by the Company.
- 18.03 The Company will pay a Training Award in accordance with the terms of the Company's Apprenticeship Program to each apprentice who successfully completes an apprentice training course under article 18.02.
- 18.04 An employee will be reimbursed for the cost of an approved study course in accordance with the terms of the Company's Tuition Assistance Policy.

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 two hundred dollars (\$200) 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 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 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.
- 21.02 The Company will provide a secure storage room for the Union to store filing cabinets.

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 within a given classification, by crew within each Division.
- 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

During a year where an employee reaches a new service threshold for vacation the employee shall be entitled to the new vacation level for that full year.

Vacation entitlement during first and last years of employment shall be prorated accordingly.

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 on January 1 of each year.

Article 25 - Labour Management Committee

25.01 The parties agree to establish a Labour-Management Committee comprised of not more than three (3) employee representatives and three (3) Employer representatives. The topics for discussion and the frequency of meetings shall be determined by mutual consent of the parties; however meeting frequency shall be no less than two (2) times per year.

Article 26 - Contracting

26.01 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. No employee will be laid off as a direct result of work being contracted out by the Company.

Article 27 - No Strike or Lockout

27.01 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 28 - Bulletin Boards

28.01 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 29 - Authority

29.01 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.

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

Article 30 - Complete Agreement

30.01 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.

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

Article 31 - Duration

31.01 This Agreement shall be effective from date of signing and remain in force to March 31, 2019.

31.02 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 March, 2016.

FOR THE COMPANY

Robert Smith
Jackie Romano
Alan Colson
Guy Lane
Vanessa Bowker

FOR THE UNION

Frank [Signature]
Diana [Signature]
John [Signature]
Bernard McLean
Clyde [Signature]

APPENDICES

Appendix “A” Wages

Positions and Progressions 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 Technician
- Warehouse Technician
- Warehouse Technician Trainee

Power Plant Positions

- Senior Power Plant Operator
- Power Plant Operator

Camp Services Positions

- Camp and Facility Handyman

Note: Positions are not part of VNL progression plan

Appendix "A" – Wages

Hourly Wages for the Classifications listed in Appendix A to be adjusted as follows:

Effective April 1, 2016	3.0%
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Effective April 1, 2017	3.0%
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Effective April 1, 2018	3.0%
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Wage Table

Position	Date of Signing (Hourly Rate)	April 1, 2016	April 1, 2017	April 1, 2018
Mill Operator 1	\$33.22	\$34.22	\$35.25	\$36.31
Mill Operator 2	\$30.38	\$31.29	\$32.23	\$33.20
Mill Operator 3	\$28.35	\$29.20	\$30.08	\$30.98
Mill Operator 4	\$27.43	\$28.25	\$29.10	\$29.97
Mill Process Helper	\$25.48	\$26.24	\$27.03	\$27.84
Mill Labourer	\$24.91	\$25.66	\$26.43	\$27.22
Mine Operator 1	\$30.48	\$31.39	\$32.33	\$33.30
Mine Operator 2	\$29.48	\$30.36	\$31.27	\$32.21
Mine Operator 3	\$28.48	\$29.33	\$30.21	\$31.12
Mine Operator 4	\$27.43	\$28.25	\$29.10	\$29.97
Pit Services Crew	\$25.48	\$26.24	\$27.03	\$27.84
Maintenance Technician 1 (1 JP)	\$32.48	\$33.45	\$34.45	\$35.48
Maintenance Technician 2 (1 JP+ Appr)	\$33.93	\$34.95	\$36.00	\$37.08
Maintenance Technician 3 (2 JP)	\$35.44	\$36.50	\$37.60	\$38.73
Tire Service Technician	\$29.54	\$30.43	\$31.34	\$32.28
Maintenance Apprentice 4	\$29.58	\$30.47	\$31.38	\$32.32
Maintenance Apprentice 3	\$28.13	\$28.97	\$29.84	\$30.74
Maintenance Apprentice 2	\$26.68	\$27.48	\$28.30	\$29.15
Maintenance Apprentice 1	\$25.22	\$25.98	\$26.76	\$27.56
Maintenance Assistant 1 (Fuel Lube)	\$26.92	\$27.73	\$28.56	\$29.42
Maintenance Assistant 2 (Shop Helper)	\$24.98	\$25.73	\$26.50	\$27.30
Warehouse Technician Trainee	\$25.48	\$26.24	\$27.03	\$27.84
Warehouse Technicians	\$28.98	\$29.85	\$30.75	\$31.67
Senior Warehouse Technicians	\$30.38	\$31.29	\$32.23	\$33.20
Senior Power Plant Operator	\$33.22	\$34.22	\$35.25	\$36.31
Power Plant Operator	\$31.83	\$32.78	\$33.76	\$34.77
Camp & Facility Handyperson	\$30.49	\$31.40	\$32.34	\$33.31
JRTP Trainee	\$25.48	\$26.24	\$27.03	\$27.84

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 gear – 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

Appendix "C" Cost of Living Adjustment (COLA)

In order to provide predictable and stable wage increases during the term of this collective agreement, increases associated with the cost of living are now included in the wage increase for each year.

However, in order to protect employees from exceptional increases in the cost of living, employees may be eligible for an annual adjustment, in the form of a lump sum payment, in accordance with the calculation formula set out below.

This adjustment 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:

2017 Adjustment:

- The CPI published for March 2017, shall be compared with the CPI published for March 2016.
- Calculate the dollar value based on one (1) cent per hour for each zero point zero seven (0.077) point increase by which the March 2017 CPI exceeds the March 2016 CPI.
- Calculate the percentage increase that would have resulted as calculated above for a Mine Operator 1 (rounded to the nearest 1/10th decimal place) ('COLA Adjustment Calculation').
- The 'COLA Factor' for the 2017 adjustment calculation shall be 2.5%.
- If the percentage value of 'COLA Adjustment Calculation' exceeds our 'COLA factor', a lump sum shall be paid to all permanent employees who are employed with the employer on the date of payment as follows:

'COLA Adjustment Calculation' – 'COLA Factor' x (hourly rate effective April 1, 2016 x 2184) = COLA lump sum payment

- Employees who worked less than 2184 regular hours in the year will have their adjustment payment pro-rated based on regular non-overtime hours worked.
- Payments should be made within six (6) weeks of the CPI results being released.

2018 Adjustment:

- The CPI published for March 2018, shall be compared with the CPI published for March 2017.

- Calculate the dollar value based on one (1) cent per hour for each zero point zero seven (0.077) point increase by which the March 2018 CPI exceeds the March 2017 CPI.
- Calculate the percentage increase that would have resulted as calculated above for a Mine Operator 1 (rounded to the nearest 1/10th decimal place) ('COLA Adjustment Calculation').
- The 'COLA Factor' for the 2018 adjustment calculation shall be 2.5%.
- If the percentage value of 'COLA Adjustment Calculation' exceeds our 'COLA factor', a lump sum shall be paid to all permanent employees who are employed with the employer on the date of payment as follows:

'COLA Adjustment Calculation' – 'COLA Factor' x (hourly rate effective April 1, 2017 x 2184) = COLA lump sum payment

- Employees who worked less than 2184 regular hours in the year will have their adjustment payment pro-rated based on regular non-overtime hours worked.
- Payments should be made within six (6) weeks of the CPI results being released.

2019 Adjustment:

- The CPI published for March 2019, shall be compared with the CPI published for March 2018.
- Calculate the dollar value based on one (1) cent per hour for each zero point zero seven (0.077) point increase by which the March 2019 CPI exceeds the March 2018 CPI.
- Calculate the percentage increase that would have resulted as calculated above for a Mine Operator 1 (rounded to the nearest 1/10th decimal place) ('COLA Adjustment Calculation').
- The 'COLA Factor' for the 2019 adjustment calculation shall be 2.5%.
- If the percentage value of 'COLA Adjustment Calculation' exceeds our 'COLA factor', a lump sum shall be paid to all permanent employees who are employed with the employer on the date of payment as follows:

'COLA Adjustment Calculation' – 'COLA Factor' x (hourly rate effective April 1, 2018 x 2184) = COLA lump sum payment

- Employees who worked less than 2184 regular hours in the year will have their

adjustment payment pro-rated based on regular non-overtime hours worked.

- Payments should be made within six (6) weeks of the CPI results being released.

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.

The continuance of the cost of living adjustment shall depend upon the availability of the CPI calculated on its present basis and in its present form. Should something change, the parties will meet and agree upon an appropriate alternative conversion of the CPI.

Letter of Understanding - Employee Bonus Plan

United Steelworkers Local 9508

Attention: Mr. Darren Cove, President, Local 9508

Dear Sir:

RE: LETTER OF UNDERSTANDING - EMPLOYEE BONUS PLAN

This will confirm our agreement with respect to the payment of the new Employee Bonus Plan (Bonus) to employees as set out below.

Employees are eligible to receive, in each year, a Bonus payment under Components 1, 2 and 3 totalling up to twenty five percent (25%) of the employees Eligible Earnings.

The Employee Bonus Plan consists of three components which are applied during the Bonus period of January 1 to December 31 of each year:

Component 1: Company

The Company component represents up to twenty five percent (25%) of the Bonus in each year and is part of the Vale S.A. Annual Incentive Plan (AIP) in effect from time to time, which is based upon the Corporate Performance Factor.

The Corporate Performance Factor is the rating announced by Vale S.A. that represents how it has performed during the Bonus period.

Component 2: Business Unit

The Business Unit component represents up to twenty five percent (25%) of the Bonus in each year.

The metric used to measure Business Unit results is VNL EBITDA.

Component 3: Operating Team

The Operating Team component represents up to fifty percent (50%) of the Bonus in each year.

The metrics are common to the production and maintenance employees in the Labrador Operations given that everyone has the capacity to affect outcomes in these areas and therefore the results are interdependent. The four (4) metrics used to measure Operating Team results include the following:

1. Equipment Availability

- i. Availability scores to be based on availability of a blend of Mine and Site Services equipment.

Weighting: 10%

2. Quantity of metal in concentrate produced

- i. Revenue equivalent nickel units produced versus budget
- ii. Converting all metals produced into an equivalent amount of nickel

Weighting: 15%

3. Quality of concentrate

- i. Nickel in copper concentrate (3%)
- ii. Combined nickel concentrate nickel grade (3.5%)
- iii. Copper recovery to copper concentrate (3.5%)

Weighting: 10%

4. Overall Equipment Efficiency (OEE) - Mill
 - i. OEE is an industry standard measurement of how the machines, production lines and processes are performing. OEE is calculated based on:
 - a. Overall availability (Run time of the equipment), expressed as a percentage
 - b. Efficiency (amount of ore processed in the Mill), expressed as a percentage; and
 - c. Yield (Tons recovered from Ore put into the Mill), expressed as a percentage.
 - ii. Formula is $a \times b \times c = OEE$

Weighting: 15%

Payout Calculation

Points for each metric shall be calculated by multiplying the rating achieved for the metric (based on a 6 level rating scale of 0 to 5) by the weight (%) of the respective metric as noted above. The Total Points Earned is determined by summing-up the scores for each component: Company, Business Unit, and Operating Team. The Bonus payout varies according to the scores obtained between 100 and 500 points. A minimum of 100 points is required for Operating Team metrics to receive a Bonus payout.

The Bonus payout calculation formula is as follows:

$$\begin{array}{c}
 \text{Maximum Participation Level (25\%)} \\
 \times \\
 \text{Total Points Earned/500 (Company + Business Unit + Operating Team)} \\
 \times \\
 \text{Eligible Earnings}
 \end{array}$$

General

Eligible Earnings for the Bonus are the employee's applicable hourly rate on the last day of the Bonus period (December 31st) multiplied by the employee's regular non-overtime hours worked and his/her vacation hours during the Bonus period.

The Bonus payment will be paid annually, in the first quarter of the year following the Bonus period.

Regular full-time employees who have completed at least one full calendar month of employment in the Bonus period are eligible to participate in the Bonus for that year.

Targets for each specific metric are established by the Company based on the annual plan for the respective components.

Employees who have been dismissed (except for cause), die, or retire from the Company, are eligible for a bonus payment after the end of the Bonus period on a prorated basis for the period worked during the Bonus period. Employees must have “actively” worked for a minimum period of one full month in the Bonus period.

If an employee voluntarily resigns prior to the end of the Bonus period, the full award is forfeited. If an employee works for the full Bonus period (i.e. January 1 to December 31) and voluntarily resigns prior to the payment of the Bonus, the Bonus will be paid to the employee on the scheduled payment date.

Verification Process

The Company will meet with two (2) representatives of the Union within sixty (60) days of the completion of each Bonus Period and make a report on the financial results that are relevant to the calculation of the Bonus payment for that period. For this purpose the Union will sign a confidentiality agreement that is satisfactory to the Company.

Letter of Understanding re Job Readiness Training Program
United Steelworkers Local 9508

Attention: Mr. Darren Cove, 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 nine (9) months;
- b. The number of trainees shall not exceed nine (9) 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 benefits to be provided to trainees are (to be negotiated).
- g. Vale will advise the local union office when new trainees are hired through this program.

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 nine trainees, either due to the IBA requirements or otherwise, all trainees (in addition to those nine) shall be bound by the terms of this letter.

Jackie Romaine
Human Resources Manager

Letter of Understanding – 3/3 Christmas Stagger
United Steelworkers Local 9508

Attention: Mr. Darren Cove, President, Local 9508

Dear Sir:

LETTER OF UNDERSTANDING - 3/3 CHRISTMAS STAGGER

VNL 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/3week-out rotation. The regular 84 hours of time worked during the third week will not be eligible for overtime; otherwise the normal overtime provisions in Article 14 will apply. The three weeks out will take place immediately after the three weeks in, and shall be rotated on an alternating basis year over year whenever possible.

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.

Jackie Romaine
Human Resources Manager

Letter of Understanding - Transportation
United Steelworkers Local 9508

Attention: Mr. Darren Cove, 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) kilometres 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 travelling 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

Skills Travel Allowance

Vale Newfoundland and Labrador (VNL) has eliminated the twenty percent (20%) cost payable by an employee living in Newfoundland for air travel to and from work on the air chartered service to a Labrador pick up point for VNL Production and Maintenance employees.

Such employees living in Newfoundland will now receive air travel on VNL's air chartered service at no cost. This arrangement applies to airfare only.

Employees must complete the required form confirming residency within Newfoundland to be eligible for this benefit.

Jackie Romaine
Human Resources Manager

Letter of Understanding - Provisions
United Steelworkers Local 9508

Attention: Mr. Darren Cove, 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.

Jackie Romaine
Human Resources Manager

Letter of Understanding – Job Evaluation and Employee Development
United Steelworkers Local 9508

Attention: Mr. Darren Cove, 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. That 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.

Jackie Romaine
Human Resources Manager

Letter Re Voisey's Bay Mine Expansion Plans

United Steelworkers Local 9508

Attention: Mr. Darren Cove, President, Local 9508

Dear Darren:

Re: Voisey's Bay Mine Expansion Plans

This is to confirm the parties intention to establish a committee to discuss issues that may arise related to the mine expansion plans at Voisey's Bay which may have impact on the terms of this collective agreement or members of the bargaining unit in general.

The parties agree to establish the committee within three (3) months from the date of signing of this collective agreement and that meetings shall be scheduled on a quarterly basis, or more frequently as required.

Jackie Romaine
Human Resources Manager

