

COLLECTIVE AGREEMENT

Between

MAXAM BULK SERVICES INC.

- and -

**THE INTERNATIONAL UNION
OF OPERATING ENGINEERS
LOCAL 115**

EFFECTIVE

January 1, 2010 - December 31, 2014

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PREAMBLE

WITNESSETH:

The parties agree that it is mutually beneficial and desirable to promote cordial relations and to set forth herein the agreement concerning rates of pay, hours of work, and conditions of employment to be observed between the Parties and to provide a method for the orderly adjustment of difference and grievances.

It is further recognized that relations between the Union and the Company shall be conducted in a manner as to not disrupt or interfere in any way with Customers of the Company. The Union agrees to respect the right of Customers to maintain their continuous operations at all times.

ARTICLE 1 MUTUAL RECOGNITION

- 1.01** (a) The word “employees” as used in this agreement means employees of Maxam Bulk Services Inc. contained within the region defined by the BC Highway #93, the Alberta/BC border, and the United States/Canadian border except supervisors, office, clerical, technical, engineering and janitorial staff.
- (b) The word “employee” or “employees” whenever used in this agreement, refers to such employees as are covered by this Agreement. Words imparting the masculine gender shall include the feminine gender and vice-versa.
- (c) The word “Customer” or “Customers” whenever used in this agreement refers to all such Customers, including all employees of Customers associated with the explosives contract of Maxam Bulk Services Inc.
- 1.02** The company recognizes the Union as the sole and exclusive bargaining agent for all employees as defined in Article 1.01 (a).
- 1.03** This recognition pertains to rates of pay, hours of work, and all other conditions of employment, in conformity with the laws of British Columbia respecting Labour Relations.
- 1.04** (a) Given the service role of the Company and unpredictability of production levels, Company Management may at times be required to perform work normally performed by employees. In performing such work the Company’s intent is to maintain a high level of service to the Customer at reasonable costs to the Company and not to replace hourly employees.
- (b) For the purpose of training, research, or testing Company Management may perform work normally performed by employees
- 1.05** The Company shall have the right from time to time to designate individuals who are to be given special experience or training for the purpose of preparing the individual for other or broader assignments as determined by the Company.
- For the purposes of this Article employees who are requested to work outside of the area of this agreement shall receive at a minimum the terms and conditions of the Agreement. Further, there shall be no loss of or interruption of service or seniority for such designated employees. Employees who wish to work outside of an area, shall notify the Company in writing. All employees shall then be listed by seniority and allotted opportunities on a revolving basis.
- Individuals who are not bargaining unit employees (staff) designated under this article will be placed with the regular employee assigned to the job who will familiarize the staff employee with the duties of the job. This familiarization shall not be used or cause the replacement or layoff any bargaining unit employee or cause a loss of hours or earnings to any bargaining unit employee.
- The Company shall provide the Union with the name, reason and relevant details of any designations made under this Article.
- 1.06** An employee shall not be disciplined or discharged except for just and reasonable cause.

ARTICLE 2 MANAGEMENT RIGHTS

- 2.01** The Company shall retain, maintain and exercise all managerial rights, authorities, and prerogatives, subject only to the express terms and provisions of the Agreement.
- 2.02** Employees shall perform all reasonable duties as directed by customers as described in 1.01(c) and such directions shall be treated as if given by the Company.

ARTICLE 3 UNION SECURITY AND CHECK-OFF

- 3.01** The Company recognizes the Union as the exclusive bargaining agent for all employees as defined in Article 1.01(a) of this Agreement.
- 3.02** All employees covered by this Agreement shall become members of the Union and shall remain members of the Union as a condition of employment.
- 3.03** The Company will honour written assignments of wages of Union dues, assessments and fines and shall remit such dues, assessments, and fines to the Union monthly, together with information such as social insurance number, mailing address and date of hire as to the persons from whose pay such deductions have been made. Such deductions shall be made from the first pay period of each month and shall be remitted to the Union by the 15th day of the month following the month the deductions were made.
- 3.04** The Company will arrange for new employees to sign deduction assignment forms upon employment with the Company and will forward the executed documents to the Union.
- 3.05** The Union shall indemnify the Company and hold it harmless against any and all claims, demands, suites or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in complying with any provision of Article 3.

ARTICLE 4 NO STRIKES - NO LOCKOUTS

- 4.01** The Union agrees that neither the Union nor its officer, nor its members shall in any way authorize, encourage, or participate in any strike, work stoppage, walk out, slow down, or any act of a similar nature which would interfere with, limit or impede production of the Company or its Customers during the term of this Agreement.
- 4.02** The Company agrees that there shall be no lock out of employees during the term of this agreement.

ARTICLE 5 - SETTLEMENT OF DISPUTES

- 5.01** The parties agree that it is desirable that any complaints or grievances be resolved as quickly as possible. Employees are therefore encouraged to raise complaints to the Company at the first practical opportunity so those complaints can be clearly understood and promptly resolved. Both parties agree to work toward this end.
- 5.02** Stage 1
Where a difference arises between the Company and any employee, or any group of employees regarding the interpretation, application or alleged violation of the provisions of this collective agreement, or a question as to whether any matter is worthy of arbitration, an earnest effort shall be made to settle the difference at the earliest possible stage.
- At the first practical opportunity from the time the difference arose, the employee concerned, with a steward, shall initiate discussion with the Company Manager.
- 5.03** Failing a satisfactory solution as a result of discussions, the employee, with his Steward may, within 5 working days, state the difference in writing and deliver it to the Company Manager. The Company Manager or designate shall within 5 days of receipt of the written grievance, convene a meeting to discuss the grievance or give his decision in writing.
- 5.04** If a difference arises between the parties relating to the dismissal, discipline or suspension of an employee, or to the interpretation, application, operation or alleged violation of this Agreement, including any question as to whether a matter is worthy of arbitration, during the term of the collective agreement John Kinzie or a substitute agreed to by the parties, shall at the request of either party:
- a) investigate the difference, define the issue in the difference,
 - b) make written recommendations to resolve the difference within thirty (30) days of the date of receipt of the request and, for those thirty (30) days from that date, time does not run in respect of the grievance procedure
- 5.05** Within fourteen (14) days of the written decision of Article 5.04 the grievance may be referred to arbitration.
- 5.06** Prior to the matter being referred to arbitration the Local Business Representative or designate and Vice President, Canada or designate may without prejudice attempt to resolve the matter.
- 5.07** Where the parties have made every effort to resolve a difference and have exhausted the procedures outlined in this article without reaching settlement, either party may refer the difference to arbitration within thirty (30) calendar days of the written decision to the difference.

- 5.08** In the event that any grievance, including a grievance regarding discharge, is not resolved between the Union and the Employer within thirty (30) calendar days, then it shall be referred to a single arbitrator agreed to by the parties. In the event the parties fail to agree to a single arbitrator, the Commissioner of the Industrial Relations Act, shall appoint the single arbitrator. The single arbitrator shall hear the parties and render a decision which shall be binding. The fee and expenses of the arbitrator shall be born equally by the parties.
- 5.09** The parties may if mutually agreed, utilize the options as specified in the Labour Code under sections 104 and 105.
- 5.10** The Arbitrator shall hear and determine the difference or allegation and shall within a maximum of thirty (30) calendar days following arbitration render a decision.
- 5.11** The parties shall jointly bear the costs of the arbitrator. Each of the parties shall bear the expenses of the witnesses called by it. No costs of arbitration shall be awarded against either party.
- 5.12** Arbitration procedure shall be expedited by the parties.
- 5.13** At arbitration, the parties may have the assistance of the employee(s) concerned and any necessary witnesses. All reasonable arrangements shall be made to permit the conferring parties access to the property to view the operations in question and to confer with the necessary witnesses.
- 5.14** An Arbitrator shall not be authorized to make any decision inconsistent with the provisions of the Agreement, or alter, modify or amend any part of the provisions.
- 5.15** Arbitration shall be heard in Sparwood or Fernie or at such other place as the Parties shall mutually agreed upon in writing.
- 5.16** If a grievance is not advanced through the steps of the grievance and arbitration procedure within the specified time limits, the grievance shall be deemed to be abandoned and all rights of recourse to the grievance procedure shall be at an end. The abandonment of a grievance under this Article shall not prejudice future cases of a similar nature.
- 5.17** In scheduling the length and frequency of meetings the parties agree to have a regard for efficiency of the operation and maintaining service to the customer. Stewards and or any employees that meet with the Company to discuss grievances shall be paid their applicable rate of pay for the duration of those meetings.
- 5.18** Where an obligation for overtime distribution mistake is substantiated, the eligible employee shall be able to make up the lost overtime hours at any time convenient to the employee during the following month.
- 5.19** Union meetings scheduled by the Company on an employee's day of rest, shall be considered time worked. Therefore, he shall receive a minimum of four (4) hours or greater at the applicable overtime rate.

ARTICLE 6 OFFICERS, COMMITTEES, AND STEWARDS

- 6.01** The company shall recognize a minimum of one (1) shop steward and one (1) safety representative at each of its work sites.
- 6.02** The Union shall notify the Company in writing of the names of all the officers and the Steward and substitute. The Company shall not recognize such appointments until notice is received.
- 6.03** The Union officers and Stewards shall notify the Company Manger and they shall arrange a mutual satisfactory time to leave their work to attend their duties as outlined in this Agreement. They shall be paid their applicable hourly rate for the hours that they were scheduled to work if they attend meetings mutually called by the Company and the Union which are held during their regular working hours. The Company shall ensure that investigative duties also include phone calls to members or the Union office.
- 6.04** The functions of Stewards are to consider, investigate and attempt to settle grievances. The Company Manager may accompany the Steward or committee representative to the place where the investigation is to be carried out. It is understood that the Steward or committeeman upon reaching the place where the investigation is to occur, shall have the opportunity of consulting privately with the employees concerned. The Parties agree to expedite any investigations so a to have as little affect on the efficiency of the operation as possible.
- 6.05** The Company shall provide a bulletin board at the plant site for the exclusive use of the Union, where officers of the Union may post notices pertaining to:
- a) Time, place, and type of Union Meeting
 - b) Notices as to Union Nomination and Elections
 - c) List of Union Officers and Stewards
 - d) Notices of Union social affairs.

ARTICLE 7 - SAFETY AND HEALTH

7.01 The Company and the Union agree it is in the interest of all concerned to ensure high standards of Safety and Health at the Company's operations in order to prevent industrial injury and illness.

To this end it is expected that all persons on Company or Customer property shall cooperate to promote safe work conditions, practices and enforcement of reasonable rules of conduct and safety on the property. In the interest of safety, the Company will provide sound safety education and training programs and will communicate and discuss substantial changes to the program with the Union. In order to meet our mutual objectives in matters related to safety and health, a Joint Occupational, Health and Safety Committee will be established as outlined below.

7.02 A joint management/worker Occupational Health and Safety Committee shall be composed of an equal or greater number of hourly staff representatives chosen by their peers. The actual number of worker representatives shall conform to and be established by the Health, Safety and Reclamation Code for Mines in BC. The Company Manager shall also be on the Committee. For each regular member appointed, there may also be an alternate appointed if possible, to act in the absence of the regular member. The Union and the Company shall notify each other, in writing, of the identity of their joint Occupational Health and Safety representatives. The function of the Committee shall be to recommend solutions to problems relating to the promotion of safety, health and the environment on the job site, and shall conduct meetings and monthly tours in accordance with the Health, Safety and Reclamation Code for Mines for BC.

7.03 (a) For reasons of health and safety and where reasonable justification is shown, the Company may require an employee to attend at a medical examination. The Company will, prior to requiring an employee to attend for a medical examination, discuss the reasons with a member of the Union executive.

(b) Where such an examination occurs on a regularly scheduled work day, the employee will suffer no loss of regular pay. If the examination occurs on a scheduled day off, he will receive four (4) hours pay for each day of travel required to attend the appointment, and four (4) hours pay for the appointment. Such hours will be paid at the applicable overtime rate. The Company will arrange and pay for the employee's travel and accommodations and reimburse him for reasonable meal costs.

7.04 The Company shall provide the Joint OHSC the following information:

(a) An information sheet on toxic chemicals used in the various processes, including emergency procedures as per H.S.R code for Mines in BC (1992) WHMIS;

(b) Information on major new tools and equipment;

(c) A copy of all WCB 7 A's for all employees and any associated first aid reports for employees within three (3) business days and;

(d) A monthly summary of injuries sustained on the job by employees.

- 7.05** The Union agrees that the provisions of Article 7 shall be used for legitimate safety concerns only. The parties further agree that any interruption shall be restricted to the specific hazard identified.

The Company does not want an employee to work in any situation which is unsafe or hazardous. No employee shall be required to perform work that he has reasonable grounds to believe, constitutes imminent danger to himself or others, nor shall he be disciplined for such refusal. An employee who is unsure of the safety of any action should, prior to committing such action, discuss his concerns with his Supervisor and, if necessary, his Safety Representative, and/or Steward. The Supervisor is responsible for maintaining a safe working environment in his area and shall arrive at a speedy resolution, together with the employee and the Safety Representative if necessary. In determining the extent of the unsafe condition and the necessary corrective action, the Supervisor may seek the opinion of others or call upon any or all available resources.

In the event that other employees are requested to perform the same function after the situation is investigated, the Supervisor shall ensure that such employees are made aware of the alleged dangers associated with the work.

- 7.06** There shall be regularly scheduled safety meetings on Company time for all employees once per month. Safety meetings will include in their agenda:

- (a) Reading of all the previous meeting's minutes for errors or omission;
- (b) Outstanding safety items from previous meetings and process update, if any;
- (c) Report of new safety concerns or suggestions; and;
- (d) A discussion on a topic determined by the Joint Committee.

- 7.07** (a) An employee who is injured on the job and is unable to complete his shift will have his regular earnings maintained for the balance of that shift.
- (b) The Company agrees to replace or repair personal clothing that is damaged and rendered unsuitable for an industrial setting as the result of an unusual condition in the work place. Personal clothing damaged through the employee's negligence will not be replaced.

- 7.08** The following items of personal protection equipment and apparel shall be supplied, as needed,, by the Company on a loan basis and the employee may be required to sign for them and return them in good and serviceable condition (fair wear and tear excepted); if the employee fails to do so, he shall be charged with replacement costs:

Personal Protection Equipment and Apparel

Safety Hat

Aprons and Face Shields

Safety Glasses

Safety Belts and Lines

Respiratory Protection

Hearing Protection

Flashlights

Rubber Gloves

Coveralls

Insulated Coveralls

Goggles

- 7.09** New employees who require corrective lenses must possess safety lenses and safety frames prior to the commencement of work. The Company will pay the cost of the employee's original safety lenses and safety frames when an employee can substantiate they were damaged while at work. Company paid costs will be limited to \$150.00 per year per employee for one (1) pair of safety lenses and frames to a maximum of \$450 compounded over 3 years.
- 7.10** Employees involved in authorized safety meetings, inspections, investigations or tours will be paid the applicable rate of pay while in attendance at such meetings.
- 7.11** The Union Joint Occupational Health and Safety Co-Chairman or his alternate attending monthly Safety Tours on their days off will receive their regular straight time rate of pay for actual hours spent on the Tour.
Such hours will not be used for the calculation of overtime.
- 7.12** All protective items issued and actual clothing worn by employees shall conform and be maintained at Company Standards given the service nature of the Company's operation.

ARTICLE 8 - SENIORITY

- 8.01** It is recognized that job opportunity and security shall increase in proportion to length of employment. In cases of vacancy, promotion, demotion, transfer between jobs, training opportunities, decrease in the working force and recall after lay-off, senior qualified employees shall be entitled to preference in accordance with the specific provisions in this agreement.
- 8.02** Employees who have not completed three hundred and sixty hours (360) regularly scheduled shifts (exclusive of overtime) worked within any six (6) month period shall be considered temporary employees and shall have no seniority. Such employees shall have the right to grieve in respect to any matter other than seniority. Upon completion of the probationary period, an employee shall acquire seniority and his name shall be entered on the seniority list according to his earliest hiring date within the previous six (6) months. For the purpose of this clause the temporary period shall commence on the first day of employment.
- 8.03** Employees who have acquired seniority shall have that seniority maintained and accumulated during:
- a) The period of time that an employee is absent and is in receipt of weekly indemnity, and long-term disability benefits up to fifty-two (52) weeks.
 - b) Authorized absence under Article 13.
 - c) Absence if injured while working and in receipt of WCB benefits.
 - d) Absence due to lay-off, strikes or lock-out of less than one (1) year. No collective agreement rights other than the maintenance and accumulation of seniority are triggered by the application of this clause.
- 8.04** Employees who have acquired seniority shall have that seniority maintained but not accumulated during:
- a) Absence due to lay-off not exceeding twelve (12) months.
 - b) Strikes or Lockouts
 - c) The period of time that an employee is absent and in receipt of weekly indemnity, long term disability benefits up to one hundred and four (104) weeks (unless his return is imminent – less than one month) No other collective agreement rights other than the maintenance of seniority are triggered by the application of this clause.
- 8.05** An employee who has acquired seniority shall have that seniority completely lost and his employment terminated if he:
- a) Quits his employment with the Company.
 - b) Is discharged and is not reinstated under the terms of this Collective Agreement.
 - c) Is laid off for a period beyond that described in Section 8.04(a)

- d) Is sent notice of recall by double registered mail to his last address of record with the Company and fails to report within seven (7) days of receipt of notice, unless he has contacted the Company and has received an extension to report. A notice of recall which has been returned as unclaimed or refused will be considered received.
- e) Is absent due to temporary illness or injury beyond the period provided for in Section 8.04(c).
- f) Accepts severance pay.
- 8.06** (a) The Company shall maintain up-to-date seniority lists. Each employee shall be listed in order of seniority with his name, payroll number, employment date and seniority date.
- (b) The payroll numbers for employees hired on the same day will be determined by a lottery.
- (c) For employees who obtain equal seniority dates, the person with the lowest payroll number will be deemed to have higher seniority.
- 8.07** An employee refusing recall under Section 8.05 (d) for work expected to exceed one (1) month will be deemed to have terminated and shall lose all recall rights.

Procedures Governing Lay-Offs and Lines of Progression

- 8.08** (a) In the event of a reduction of employees resulting in a lay-off, the employee being displaced shall be the employee with the least seniority in that classification. An employee displaced from his classification may displace an employee in another classification within the bargaining unit on the basis of seniority, provided he is qualified to do the job of the displace worker. The employee being displaced shall be the employee with the least seniority in that classification.
- (b) Where work opportunities at a work site are eliminated due to the legitimate business of the customer and where such loss is expected to last greater than four (4) cycles, employees may bump a junior employee at another site providing he has the skill or qualification.
- 8.09** Employees laid off will be recalled in the inverse seniority order, provided they possess the qualifications to perform the available work.
- 8.10** For the purposes of Section 8.08 and 8.09 qualified is deemed to mean:
- a) The employee meets or exceeds the standard set by the Company for the position; or
- b) The employee has provided proof of previous experience in the position applied for and can become qualified to the standards set by the Company within a familiarization period of up to three (3) cycles.

8.11 It shall be the responsibility of employees who have been laid off and wish to be available for recall to keep the Company informed of their current mailing address.

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8.12 The Company will provide the Union with a list of all employees on permanent lay-off status and a copy of all recall notices for those employees.

8:13 a) Where a job vacancy is identified at one of the company's work sites, a vacancy posting shall be displayed at all of the sites.

b) Job vacancies shall be filled using the following criteria:

- Seniority
- Qualifications
- Skills

c) A vacancy posting shall include the following information

- Position
- Site location
- Rate of pay

(d) Where an employee may be away on vacation, he must submit a pre-bid prior to his leave in writing. It shall indicate a preferred list of sites to be awarded.

(e) Postings shall be displayed for seven (7) calendar days and awarded within a further fourteen (14) calendar days.

8.14 Temporary postings will occur between thirty (30) and sixty (60) calendar days. After sixty (60) calendar days, it shall be posted as a permanent position. Where a job posting is to cover for an absent employee, it shall last for the duration of the absence.

8.15 Successful applicants bidding from one site to another on a permanent posting shall have a four (4) month bidding suspension. This does not apply to temporary or crew-to-crew postings.

ARTICLE 9 - HOURS OF WORK

9.01 This article is intended to define the normal hours of work and shall not be construed as any guarantee of work, or pay, or of hours of work per day, or per week, or days of work per week.

9.02 (a) The term “work week” means that period of time commencing 7:30 a.m. on Monday and terminating one hundred sixty-eight (168) hours thereafter.

(b) The term “work day” means that period of time commencing at the start of shift and terminating twenty-four hours (24) thereafter.

(c) Article 9.02 (a) may be altered by the Company to meet legitimate business needs; however, prior to any such change the Company will meet with the employees to discuss and to consider alternatives that may arise from these discussions.

9.03 The Company may from time to time, maintain, initiate, or discontinue continuous or semi-continuous work schedules for all or part of its operations.

Prior to introducing a shift schedule which is outside of the recognized shift schedules of 9.04 the Company will meet with the Union to discuss the new schedule and its impacts on employees.

The Union and the Company shall jointly apply for approval of such schedules where approval is required under the provisions of any relevant statute or regulation, and where the schedule has received the support of the majority of the employees affected.

9.04 The normal hours of work for employees shall be based on one of the following schedules:

- a) eight hours per day, five days per week,
- b) ten hours per day, four days per week,
- c) twelve hours per day, 4 on - 4 off (4X4)
- d) modified schedule of 12, 8, 12, 8 hours per day, or a variation thereof.

Starting times may be varied for experimentation purposes or to meet company or customer requirements on a short term basis.

Employees who are required to change their shift shall be given 24 hours notice or 2 times (2X) their regular rate for the first changed shift in lieu of notice.

Schedule Changes

The Company shall give an employee forty-eight (48) hours notice of a change in his regular schedule. Where such notice is not given, the employee shall be paid at the rate of 2 times (2X) his base rate for the first shift of his new schedule.

The new schedule can commence on a day of work or a day of rest. Therefore, the new schedule may result in additional day(s) of rest, and accordingly a reduction of earnings when compared to the previous schedule. In such cases, the employee will be provided with options as to how the transition to the new schedule can take place, with the

opportunity to maintain his earnings within the appropriate operating pay period.

- 9.05** Employees will receive their instructions in sufficient time to commence their shift at the designated starting time and work place and shall cease at the designated stopping time and place.

Paid Work Breaks

- 9.06** All employees shall receive paid work breaks on the ratio of six and one quarter (6.25) minutes of rest time per hour worked on their regular shift. This time shall be distributed in such a manner as to divide the shift into equal segments. The main break at mid shift shall be twenty (20) minutes in duration.
- 9.07** With respect to the lunch break provided in Sections 9.06 and 9.07, the employees shall continue all necessary supervision of machinery and maintenance of service but shall not be required to do any work which the Company and Customer allows to be postponed to the end of their lunch break.

All breaks will be taken at the location of Company discretion at the work place.

ARTICLE 10 - OVERTIME AND SPECIAL PAY

10.01 An employee's working time shall be calculated within the nearest one quarter (1/4) hour rounded.

10.02 Opportunities for overtime shall be distributed as equitably as possible among employees in each classification provided the employee(s) is qualified for the work required.

The overtime distribution procedures established between the Company and the Union shall be followed. A record of overtime opportunities shall be posted.

10.03 Where an employee who reports for work for his regular shift, and who has not been notified not to report to work and is sent home because no work of any kind is available he shall be paid an amount equal to one-half (2) of his regular shift hours at his straight hourly wage rate.

10.04 There shall be no pyramiding of overtime.

10.05 (a) For eight (8) hour shifts:

On a daily basis, overtime at time and one-half (1 2) the regular rate shall be paid for all hours in excess of eight (8) hours in the day and double time (2X) the regular rate for all hours in excess of ten (10) hours in the day.

(b) For ten (10) hour shifts:

Overtime at double time (2X) the regular rate shall be paid for all hours in excess of ten (10) hours in the day when production work is required. Otherwise, overtime shall be paid at double time (2X) the regular rate for all hours worked in excess of eleven (11) hours in the day.

c) For twelve (12) hour shifts:

For all hours in excess of twelve (12) hours in a day overtime shall be paid at double time (2X) the regular rate of pay.

10.06 On a weekly basis, overtime at time and one-half (1 2) the regular rate shall be paid for all hours in excess of forty (40) in the week and double time (2X) the regular rate for all hours in excess of forty-eight (48) hours in the week, excluding daily overtime.

10.07 As the twelve (12) hour shift schedule results in an average of forty-two (42) hours per week over an eight (8) week cycle, an employee working such a schedule shall be paid one and one-half (1.5) times his regular hourly rate for the last two (2) hours of his scheduled shift in each four (4) work day cycle provided he has worked all shifts in that cycle.

Any unpaid absences during the week shall result in a pro-rated loss of the overtime payment set out above. i.e. one day's absence shall result in a half hour (.5) loss of overtime.

When an employee works a day of rest, he shall be paid six (6) hours at time and one half and six (6) hours at double time the base rate for the first shift worked. Subsequent shifts shall be paid at double time the base rate for all hours worked.

10.08 Call Out

When an employee is requested to return to the mine site during his regularly assigned period of rest, for the purpose of performing a specific task, he shall be paid in the following manner and at the applicable overtime rates:

- a) Minimum four (4) hours for an eight (8) hour shift
- b) Minimum five (5) hours for a ten (10) hour shift
- c) Minimum six (6) hours for a twelve (12) hour shift

10.09 Overtime Meals

An employee who works beyond their regularly scheduled shift shall be supplied a hot meal, to be taken at the employee's discretion. The following procedure shall apply:

- a) Eight (8) hour shift - after four (4) hours of overtime
- b) Ten (10) and twelve (12) hour shifts - after two (2) hours of overtime.
- c) Where an employee elects not to receive a hot meal, he shall be paid thirty (30) minutes at his straight time.

10.10 Shift Premium

Where an employee is required to work a night shift, he shall be paid a ninety-five cent (\$.95) premium in addition to his base rate. This premium is not applicable to the overtime provision. (Night shift is defined as 8:00 p.m. - 8:00 a.m.).

10.11 Weekend Premium

An employee working either on a regular or overtime shift which includes Saturday and/or Sunday shall be paid a premium of one dollar and seventy five cents (\$1.75) for each hour worked

10.12 Overtime Allotment

Overtime shall be allotted on a site specific basis. Where overtime cannot be filled at a specific site first, it may be filled from another site when required. Employees shall put their names on a list if they wish to be considered at another site for overtime.

Where overtime is to be worked under article 5.18, the employee shall work at the site where the dispute arose.

ARTICLE 11 - STATUTORY HOLIDAYS

11.01 (a) An employee shall receive a Statutory Holiday allowance equal to eight (8) hours pay at his regular rate for each of the following Statutory Holidays, provided he has complied with the provisions of Section 11.04, in accordance with the payment schedule outlined herein:

The Company observes the following ten (10) general holidays each year:

- Labour Day
- Boxing Day
- New Year's Day
- Good Friday
- Canada Day
- Remembrance Day
- Victoria Day
- Christmas Day
- Thanksgiving Day
- Civic Holiday (BC Day)

Normally, these days will be observed on the calendar day on which they fall commencing at day shift on the day in question, and will conclude twenty-four (24) hour thereafter. The actual scheduling of these holidays may be altered by the Company to coincide with Customer scheduling of holidays.

(b) When a Statutory Holiday falls on a day the employee would normally be scheduled to work and the Company gives the employee that day off, that employee shall receive a holiday allowance equal to the number of hours he normally would have worked.

c) General holidays shall be paid according to an employee's particular work schedule for that day. The following examples are agreed-to applications:

Twelve (12) hour schedule..... 12 hours pay

Eight (8) hour schedule.....8 hours pay

Ten (10) hour schedule.....10 hours pay

Forty (40) hour modified....Dependant on what shift within the schedule the holiday falls ie. , it can be one of a twelve (12) hour or an eight (8) hour shift. If the holiday falls on a day of rest, the employee shall be paid eight (8) hours at his base rate.

11.02 For work performed on a regularly scheduled shift on a Statutory Holiday, an employee shall be paid one and one half (1.5) of his basic rate for all hours worked in addition to any amount payable under Section 11.01 (a). Such hours worked will not be used for the calculation of overtime

11.03 (a) Except if he is on vacation, an employee shall not receive Statutory Holiday allowance if:

- i) He does not work his last regular scheduled shift before or his scheduled shift after the Statutory Holiday;
- ii) He fails to work on a paid Statutory Holiday which he has been scheduled to work;

iii) The paid holiday falls when he is on lay-off;

11.04 (b) In applying Article 11.04(a) (i), an employee shall be deemed to have worked the qualifying shifts if his absence is excused and/or otherwise authorized by the Company. However, payment of such holiday pay in case of excuse or authorized absence shall be limited to one holiday per absence.

In cases where the absence commences after the Remembrance Day Holiday and encompasses any or all of Christmas Day and New Year's Day, the employee will be paid for up to two (2) Statutory Holidays.

c) An employee shall be entitled to an additional day off for each Statutory Holiday that falls within said employee's scheduled vacation period.

11.05 All permanent employees shall be provided with two (2) floater holidays. Floaters are to be scheduled on an individual basis by mutual agreement between the employee and the supervisor. Employees, who because of an absence due to illness/injury of at least 22 weeks duration in one calendar year and/or employees who did not work any time in a calendar year, will not be eligible for Floaters.

ARTICLE 12 - VACATION

12.01 An employee who is on payroll on January 1, who has acquired and maintained seniority during the qualifying period (previous calendar year) and who has:

<u>Length of Service</u>	<u>Hours</u>	<u>Payment</u>
Less than one year Preceding the vacation Year	Eight (8) hours for each full month of employment preceding the vacation year	4% or earnings of previous year excluding taxable benefits
1-2 years	96 hours	4.8%
3-4 years	132 hours	6.4%
5 years	144 hours	6.4%
6-8 years	168 hours	8%
9-10 years	180 hours	8.5%
11-15 years	204 hours	10%
16+ years	228 hours	11%

- Vacation days that are applied for prior to March 15 for the months of June, July, or August, must be taken as a four-day (4) block.

12.02 For the purpose of calculating vacation entitlement a vacation year shall be from January 1 to December 31.

12.03 Employees shall be required to submit their preference for vacation time to the Company before March 15 in each year.
Once leaves, (vacation time, bank time, and floaters) are approved, they can only be cancelled or changed with a written request from the employee and mutually agreed to by both parties.

12.04 Preference for vacation entitlement will be determined on the basis of seniority of those employees whose applications for vacation are received by March 15 in each year. Approved vacation shall be posted by March 31. Vacation requests received after March 15 will be allocated based on the dates they are received on a first received, first scheduled basis.

The Company will grant vacations at times most preferable to employees, provided that such requests do not unreasonably interfere with the Company requirements

12.05 Vacation time may not be carried over from one year to the next except if prior written approval is obtained from the Company. Any earned vacation not taken will be paid out with the first (1st) pay in January.

12.06 The employer agrees to allow employees to maintain an hour bank of up to two (2) days, (current schedule) through working overtime. It is further agreed that the application is granted in the following manner:

- a) Hours are accumulated through working overtime hours or hours from statutory holidays, (worked or not worked).
- b) The employee may bank the hours worked and be paid applicable premiums for those hours worked
- c) Once the two (2) days are banked and used, a further two (2) days can be banked (this is ongoing). The time can be used at the discretion of the employer.
- d) Banked time from working Boxing Day or Christmas Day may be carried over to the next year.

NOTE: Employees may elect to have some or all of their bank time paid out, after it has been earned.

ARTICLE 13 - LEAVE OF ABSENCE

- 13.01** (a) An employee may be granted a leave of absence only at the Company's discretion. Such requests will not be unreasonably denied however, each request will be reviewed by the Company independent of any previous leave of absence decision. Subject to such leave being granted, the employee(s) must use any days-in-lieu first.
- (b) A leave of absence form must be in writing and authorized by the Company. All requests for leave of absence will be answered by the Company, in writing, within ten (10) calendar days.
- 13.02** An employee granted leave of absence shall be considered having quit if he accepts employment elsewhere during his leave or does not return to work on the date stated except in an emergency beyond the employee's control.
- 13.03** The Company may, at its discretion, grant reasonable leave of absence to an employee for educational or training purposes, conditional but not limited to the following:
- a) Such leave will not interfere with the efficiency of the operation
 - b) The education has application in the operations
 - c) At least one (1) months notice is given in writing
- 13.04** The Company may, at its discretion, grant leave of absence without pay to employees who are:
- a) appointed or elected to Union office; no more than one (1) employee at any one time will be granted such leave;
 - b) appointed or elected as representatives to attend Union meetings, conventions, or Union business; no more than one (1) employee at any one time will be granted such leave.
- 13.05** (a) Employees who are elected or appointed to full time Union office may, at the Company's discretion be granted leave of absence without pay on request as provided in 13.04 (a) and (b) above.
- b) Employees granted leave of absence under 13.05 (a) must return to work within three (3) days after the expiration of such Union appointment.
- 13.06** The Company shall give each new employee one (1) copy of the Collective Agreement. The Company will provide the Union's Business Manager with a list of newly hired or terminated employees, indicating name and job classification as they occur.

13.07 (a) A Bereavement leave with pay up to a maximum of four (4) regularly scheduled shifts will be granted to an employee upon a death in his immediate family, provided the leave is taken in consecutive shifts immediately after the death and the employee attends the funeral, or up to two (2) day if the employee does not attend the funeral. Prior to taking such leave, the employee must advise the Company Manager. Immediate family means those named as related to the employee and include employees': spouse, common-law spouse, child or step-child, parent or step-parent, brother, brother-in-law, sister, sister-in-law, parent-in-law, grandparent or grandchild.

b) An employee eligible for a Bereavement leave which occurs during his vacation shall be entitled to have that portion of his vacation rescheduled.

13.08 Specialist Leave

Leave with pay shall be granted for reasonable time off required for an initial visit to a specialist for consultation and/or diagnosis. To qualify, the employee must supply a signed statement from the specialist's office stating the appointment was kept.

13.09 While an employee is on an approved leave of absence due to Training (maximum ten (10) months), his seniority shall continue to accumulate and upon completion of training he shall return to the last classification he held prior to the commencement of his absence.

ARTICLE 14 - HEALTH AND WELFARE

14.01 The Company agrees to pay the full cost of providing the benefits set out in Article 14.02 effective upon the date the employee qualifies to acquire seniority status and will be maintained only for those months during which the employee has some period of active work. The benefits provided under Article 14.02 will be maintained during periods of layoff only for those months during which the employee has some period of active work. All benefits of Article 14.02 terminated upon termination of employment.

14.02 Coverage provided is subject to the terms of the respective insurance policies; however, the Company shall maintain agreements providing Health and Welfare benefits as summarized below:

a) Reflect Alberta and British Columbia's Provincial Medical Plan

Coverage for employees and immediate family, under MSP eligibility requirements.

b) **Extended Health Care Benefits**

Benefits as provided by Policy and includes full compensation for prescribed drug costs incurred by employees for themselves and immediate family members, in excess of British Columbia Pharmacare coverage. Termination age for benefits is sixty-five (65) years.

(c) **Life Insurance and Accidental Death and Dismemberment**

Benefit of three (3) times annual earnings (base) to a maximum of four hundred thousand (\$400,000) with medical evidence; or a limit of two hundred thousand (\$200,000) without medical evidence. Benefit amounts reduce by fifty per cent (50%) at age sixty-five (65) and terminate at age seventy (70).

(d) **Dependant Life Insurance**

Benefit of twenty-five thousand dollars (\$25,000) for spouse and ten thousand dollars (\$10,000) for each child. Termination age is sixty-five (65).

(e) **Weekly Income**

Available to employees who suffer non-occupational injuries. Weekly benefits of 66.7% of weekly earnings to a maximum of fifteen hundred dollars (\$1,500) per week provided from:

1. First day of injury/accident
2. First day of hospitalization (must be admitted for 12 hours or more, or remains in hospital after having been administered a general anesthetic.
3. Third day of illness.

Where an employee misses less than thirty-six (36) hours in a calendar year due to illness, he shall be paid from the first (1st) day of absence and when an employee misses thirty-six (36) or more hours, he shall be paid from the third (3rd) day of ... absence for one (1) year forward while qualifying for the benefits under this article.

Maximum benefit period of seventeen (17) weeks. Termination age of sixty-five (65).

(f) Long Term Disability

Available to employees who suffer non-occupational injuries. Weekly benefits of 66.7% of monthly earnings to a maximum of five thousand dollars (\$5,000.00) per month provided after a one hundred and nineteen (119) day elimination period. Maximum benefit period to age sixty-five (65) less the elimination period.

(g) Dental Plan

Level I Basic Services – Coverage 100%

Level II Endodontic and Periodontics, Crowns, Inlays, Bridges and Dentures, with no deductible payable by employee for eligible procedure charges. Maximum benefit is 100% to a maximum of fifteen hundred dollars (\$1,500) per calendar year – per employee and/or each family member as defined by the Plan.

Level III – Orthodontics shall be 50% of the treatment cost to a lifetime maximum of two thousand (\$2,000) per family member. Coverage includes:

- Diagnostic procedures, including models, oral examinations, and related oral surgery.
- Therapy and appliances
- Correction of malocclusion

Exclusions include:

- Treatment considered cosmetic in nature
- Broken appointments
- Services and supplies for a full mouth reconstruction, vertical dimension correction, or temporomandibular joint dysfunction

Physical Fitness Program

To promote the physical well being of employees, the Company shall contribute a maximum of two hundred and fifty dollars (\$250.00) towards the cost of an employee's, or family membership in a physical fitness program.

General Information

Coverage for service of Paramedical Providers

Chiropractor - \$600

Massage Therapy - \$600

Physiotherapy - \$600

Acupuncture – \$600

Family Vision – starting January 1, 2011, - maximum of \$600 over 3 years.

ARTICLE 15 - GENERAL PROVISIONS

- 15.01** (a) An employee who is laid off for a period of more than two (2) weeks or is terminated by the Company will be paid all wages forthwith.
- (b) An employee who gives seven (7) days notice of termination shall be paid all wages no later than two (2) business days from his last day worked.
- (c) An employee who gives less than seven (7) days notice of voluntary termination shall be paid all wages no later than six (6) days from his last day worked.
- (d) Where it is determined that an employee is not in receipt of his full wages for a pay period, he will, upon request, be reimbursed as soon as possible.
- 15.02** The normal procedure for payment of wages will be by direct deposit every second Friday to the banking institution of the employee's choice.
- 15.03** Tool boxes or personal tools damaged beyond repair through legitimate accidents proven to be no fault of the owner will be replaced by the Company to a comparable standard at no cost to the employee.
- 15.04** The cost of Medical Examinations required in compliance with the Health, Safety and Reclamation Code (Driver's License and Medical Examination) shall be paid for by the Company. All employees shall be required to take such examinations outside regular working hours and shall be paid four (4) hours pay at straight time. These hours shall not be considered as hours worked for the purpose of calculating overtime.
- Employees will be required to provide a yearly driver's abstract by February 1st of each year where this article is applied.
- 15.05** The Company will bear the costs of printing the Collective Agreement and will provide all employees with a copy of the Agreement as soon as they are available.
- 15.06** The Company will reimburse employees who have acquired and maintained seniority up to two hundred (\$200.00) per calendar year for the purchase of work boots. Due to the nature of some jobs, employees may be issued boots more frequently, subject to management approval. Boots purchased shall meet CSA Standards and will be used exclusively at the work site. Receipts of purchase shall be provided to the Company prior to reimbursement.

15.07 **Employee Registered Retirement Savings Plan**

The Company will provide an employee RRSP Contribution Plan as follows:

Eligibility

All employees will become eligible for contributions under the Plan effective upon the calendar year in which the employee gains seniority status.

RRSP Account

Contributions made under this plan will only be made into an employee's RRSP account. Such payments will be made on an annual basis, except as provided in (d), for the preceding year by the end of February. It is the responsibility of all eligible employees to supply the Company with their RRSP account information and proof of employee contribution.

Contribution

The Company will contribute in accordance with the Plan, fifty per cent (50%) of the first eight per cent (8%) of Gross earnings for the preceding calendar year that an employee contributes to an RRSP. Gross earnings shall be defined as on the employee's corresponding T-4 receipt but will not include taxable benefits. NOTE: As of January 1, 2012, the Company's contribution shall be fifty percent (50%) of ten percent (10%) of the previous year's wages (2011).

Exceptions to Section 15.07 (b) above

In the event of an eligible employee's resignation, retirement or death, a pro-rated entitlement will be paid into their RRSP account within thirty (30) days.

In the event of termination, such payment will be made within thirty (30) days of the final disposition any grievance provided the termination is upheld.

- 15.08 Subject to the seniority provisions of this Agreement, any employee who becomes permanently laid off shall be entitled to a severance allowance in accordance with his seniority. The amount of severance allowance which an employee is paid will be determined as follows:**

SENIORITY	SEVERANCE PAY
Greater than 6 months but less than 1 year	1 cycles
1 year but less than 2 years	2 cycles
2 years but less than 3 years	3 cycles
3 years but less than 4 years	4 cycles
4 years but less than 5 years	5 cycles
5 years but less than 6 years	6 cycles
6 years but less than 7 years	7 cycles
7 years but less than 8 years	8 cycles
8 years but less than 9 years	9 cycles
9 years but less than 10 years	10 cycles
10 years but less than 11 years	12 cycles etc.. to a max of 32 cycles

15.08 *Note – continued....

Cycles for the purpose of this article shall be defined as the shift schedule an employee is working (Article 9.04) at the time of lay-off. Calculations would be as follows:

4x4 schedule = 48 hours x number of cycles x rate of pay = Severance pay

4x3 schedule = 40 hours x number of cycles x rate of pay = Severance pay

15.09 Bargaining unit employees who have been specifically designated by the Company as a trainer for the purpose of instruction or training of other employees in job skills shall be paid a premium of one dollar (\$1.00) per hour while on training assignments.

This rate shall apply when the Company determines an employee has a need for training or additional skills and assigns a bargaining unit employee to give such training either on the job or in a classroom setting.

It does not apply where new employees or transferred employees are shown the work area, location of equipment and/or facilities.

ARTICLE 16 - ACTING COMPANY MANAGERS

16.01 Acting Company managers will assign work as directed by the Company and coordinate this work among employees.

This is a job whereby the employee, under the direction of a Company Representative (on or off site), has the combined responsibility of directing the work of a group of employees and performing some of the same work as that of the group the employee is directing. The direction generally consists of activities such as required to:

- a) Plan work to be performed by the group;
- b) Determine “on-the-job” working procedure in the case of repair and maintenance work;
- c) Arrange for necessary tools, supplies and facilities;
- d) Assign and instruct members of the group; and
- e) Inspect, coordinate and record the work performed by the group.

16.02 Acting Company Managers represent all rights of management except the right to discipline while in this role.

16.03 During the period that an employee is acting as an Acting Company Manager, he will be paid a premium on one dollar and fifty cents (\$1.50) per hour over the highest classification directed for all hours worked.

ARTICLE 17 - TRAINING

17.01 The Company recognizes the need for continued education and training to enable each employee to improve his knowledge and skills to stay abreast of state of the art technology and trends. Additionally, it is the Company's policy to provide educational assistance to its employees in accordance with the guidelines established below.

17.02 Educational assistance will be provided only for courses of study which the Company determines are directly related to the employee's present job or which will enhance the employee's potential for advancement to a position within the Company and that the individual has a reasonable expectation of achieving or the improvement of his general education, normally leading to a degree or certificate. In addition, the courses or programs must be offered by acceptance institution of learning. All decisions for assistance will be made by the Company independent of any previous decisions.

17.03 In order to guarantee reimbursement of educational costs, requests for educational assistance must be approved by the Company prior to enrollment.

Reimbursement will only be made if the employee successfully completes the course or training at standards acceptable to the training institute. The reimbursement shall be one hundred percent (100%) for work related courses and/or seventy-five percent (75%) for non-work related courses.

17.04 Upon completion of the course the employee is to submit to the Company a certified transcript of grades received and receipts for expenses incurred. The Company will then reimburse to the employee the cost of tuition, text books, registration and library and lab fees. However, at the Company's discretion, the Company may elect to reimburse the employee all costs in advance.

17.05 An employee who is terminated during enrolment because of a reduction of force or elimination of the job will be reimbursed for the full amount of the costs incurred up to the date of termination. An employee who voluntarily leaves the Company or is terminated for reasons other than those listed above prior to completing a course will not be reimbursed for the expenses associated with the course.

17.06 If the employee leaves the Company voluntarily or is terminated for cause within six (6) months of completion of the course, the employee must repay the full amount reimbursed by the Company for educational assistance. If the employee leaves the Company voluntarily or is terminated for cause between six months and one year after completing, one half times (.5) the amount will be repayable.

ARTICLE 18 - STUDENTS

- 18.01** The Company's intent in offering employment to students is to provide support and development to young people and not to replace or substitute permanent employees.
- 18.02** The Company in determining if or how many summer students to hire will take into consideration the situation of any temporary employee who has not yet achieved seniority status. If summer students are to be hired ahead of previously employed temporary employees who have worked during the previous six (6) months, the Company will first meet with the Union to explain the reasons and to consider Union concerns.
- 18.03** Summer students may be utilized for the period of April 14th. up to Labour Day. Any exceptions are to be mutually agreed upon.

In considering application for summer students, preference shall be given to sons and daughters of MSI employees.

The following criteria shall be met prior to hiring a student:

- a) Academic Standing
 - b) Previous work experience relative to MSI
 - c) Preference will be given to students in full-time attendance in a post-secondary degree or diploma program.
- 18.04** In the event of a crew reduction at the operation, students shall be laid off before regular employees.
- 18.05** Students hired in accordance with the foregoing shall not acquire seniority.
- 18.06** Students will not receive the Health and Welfare Benefits contained in Article 14; however, the Company will reimburse the cost of basic medical coverage in accordance with Article 14 .02 (a) provided the student is not eligible for alternate medical coverage.
- 18.07** Students will not be eligible to work overtime (Section 5.03) until all eligible regular employees have been offered the opportunity to work such overtime as may be required.
- 18.08** Summer students shall not be required to pay union dues or initiation fees.

ARTICLE 19 - DURATION OF AGREEMENT

19.01 Duration Clause

This Collective Agreement shall be in full force and effect from and including January 1, 2010 to and including December 31, 2014 and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Collective Agreement within four (4) months immediately preceding the day of December 31, 2014 or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence Collective Bargaining with a view to the conclusion of a renewal or revision of this Collective Agreement or a new Collective Agreement.

Should either party give written notice to the other party pursuant hereto, this Collective Agreement shall thereafter continue in full force and effect until a subsequent Collective Agreement is reached without prejudice to the right of either party to take action permitted by Part 5 of the Labour Relations Code, and without prejudice to the provisions of the subsequent Collective Agreement.

If a strike or lock-out is terminated before a subsequent Collective Agreement becomes effective, the terms and conditions of this Collective Agreement shall be in full force and effect until a subsequent Collective Agreement becomes effective.

Signed this _____ day of _____, 20____.

IUOE Local 115
Gordon Chaisson
Member Representative

Maxam Bulk Services, Inc
German Morales
President & CEO Maxam North America

APPENDIX "A"Effective January 1st, 2010

Classification	Rate/Hour
Certified Trades	35.86
Operations	30.85

Effective January 1st, 2011

Certified Trades	Increase 2.5% minimum*
Operations	Increase 2.5% minimum*

Effective January 1st, 2012

Certified Trades	Increase 2.5% minimum*
Operations	Increase 2.5% minimum*

Effective January 1st, 2013

Certified Trades	Increase 2.5% minimum*
Operations	Increase 2.5% minimum*

Effective January 1st, 2014

Certified Trades	Increase 2.5% minimum*
Operations	Increase 2.5% minimum*

*The wages shown above as percentages are the minimum in that classification. The actual Operator pay rate shall be equal to the Blaster I classification at the Elkview Mine. The Certified Tradesman rate shall be equal to the Certified Tradesman at the Elkview Mine (H.D. Mechanic). Where the rate of pay for the identified classification at the Elkview Mine is higher, Maxam employees shall be adjusted up to be (in those classifications) in parity. (Retro-active pay may be required)

NOTE: While an employee operates the Plant, he shall receive an additional fifty cents (\$.50) per hour pay. This is in addition to his base rate and is affected by overtime applications. (as of ratification date).

It is further agreed that students as of January 1, 2010 shall be locked in on a progressive rate pay system for the duration of this agreement. That system is outlined below:

First year student	\$16.00 per hour
Second year student.....	\$17.00 per hour
Third year student.....	\$17.50 per hour
Fourth year student.....	\$18.00 per hour

APPENDIX “B”**PAY RATE PROGRESSION FOR OPERATORS**

Effective January 1, 2010

Entry

0 – 300 hours	\$30.13
301 – 600 hours	\$30.38
601 + hours	\$30.85

Where wages are unknown, they shall follow the same logic as outlined in Appendix “A” for job classification/rates/\$ per hour.

Executed this 22nd day of June, 2010

International Union of
Operating Engineers
Local 115

Gord Chaisson
(Member Rep)

Mike Reiter
(Worker Rep)

Ron Benko
(Worker Rep)

Dave Luke
(Worker Rep)

Maxam Bulk Services Inc.

Stanton Johnson
(VP Maxam North America Western Division)

Gerry LeBlanc
(General Manager, Maxam Bulk Services Inc.)

Aaron Galt
(Safety & Compliance, Maxam Bulk Services)

**LETTER OF AGREEMENT – MAXAM BULK SERVICES INC.-2010.01
AIR BRAKE COURSE**

Upon ratification of the Agreement on January 1, 2010, the employer agrees to provide the cost of an air brake course and the use of an employer’s truck (subject to loading for a road test in order for those employees to obtain the appropriate class of Driver’s License for operation of employer trucks.

I understand that the employer will not be obliged to pay for the employee’s attendance at the course.

Signed this _____ day of _____, 20__.

IUOE Local 115
Gord Chaisson
Member Representative

Maxam Bulk Services, Inc
German Morales
President & CEO Maxam North America

**LETTER OF AGREEMENT MAXAM BULK SERVICES INC - 2010.02 –
SUPERVISORY ASSIGNMENT**

Employees who have acquired seniority and who are subsequently permanently assigned or appointed to a supervisory position within the Company shall maintain and accumulate seniority for a period of one (1) year.

During this period the employee shall have the right to return to the bargaining unit upon thirty (30) days written notice to the Company.

Upon expiry of the one (1) year period if the employee has not returned to the bargaining unit that employee shall lose all Union seniority rights.

Signed this _____ day of _____, 20__.

IUOE Local 115
Gord Chaisson
Member Representative

Maxam Bulk Services, Inc
German Morales
President & CEO Maxam North America

LETTER OF AGREEMENT MAXAM BULK SERVICES INC. 2010.03**OPERATING ENGINEERS PENSION PLAN**

Effective January 1, 2004, the employer shall make contributions to the Operating Engineers Pension Plan at the rate of either two dollars and seventeen cents (\$2.17) **or** three dollars and seventeen cents (\$3.17) per hour for each hour for which wages are payable to employees within the scope of this Agreement.

January 1, 2004 the contribution rate shall be re-visited by the parties for possible contribution increase. (This shall be finalized by October 1st of any calendar year in which this agreement falls).

The contribution to the Pension Plan is reflected in the wages rates, however, it is understood that the wage rates actually paid will be net of the contribution to the Pension Plan.

The wage rates shown herein will be used to determine the level of all benefits and/or provisions employees are currently entitled to.

The contribution to the Plan shall be deducted at source by the employer and remitted to the Treasurer of the International Union of Operating Engineers in a manner agreed to by the parties on or before the fifteenth (15th) day of the month following the month in which covered hours are worked on a monthly basis. The Union shall indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise either out of or by reason of the Company complying with the contribution to the Union Pension Plan and/or administration of the Plan.

In addition to the above, Maxam Bulk Services Inc. further agrees to implement the following procedure on behalf of its employees:

On or before the twenty-eighth (28th) day of February of each year, the Company shall calculate the total contributions made by each employee to the Operating Engineers Pension Plan from the previous year. Maxam shall contribute to the employees RRSP plan, four percent (4%) of the employee's gross pay where the employee has contributed eight percent (8%) of his pay to the Operating Engineers Pension Plan.

The maximum contribution of Maxam Bulk Services Inc. to the employee's RRSP 15.07) and (Pension Plan when combined together, shall not exceed four percent (4)% of his gross earnings.

Note: This percentage shall change from 4% to 5% as per 15.07c, starting in January 2012, based on 2011's earnings.

In 2012, employees will be eligible for this increase if that employee has contributed 10% to the Operating Engineers Pension Plan + the RRSP Saving Plan – or- only to the Operating Engineers Pension Plan. This amount will be remitted to the employees' RRSP Account.

Example:

Employee Gross Earnings	\$50,000.00
Employee Contribution RRSP	\$2,500.00
Maxam Contribution for RRSP	\$1,000.00
Employee contribution to OE Plan	\$4,700.00
Maxam contribution to OE Plan	\$1,000.00
Total Maxam contribution	\$2,500.00 or 5% of gross

Signed this _____ day of _____, 20__.

 IUOE Local 115
 Gord Chaisson
 Member Representative

 Maxam Bulk Services, Inc.
 German Morales
 President & CEO Maxam North America

**LETTER OF AGREEMENT MAXAM BULK SERVICES INC. 2010.04
TRANSPORTATION**

The Company agrees to provide transportation for its employees living in Fernie, Sparwood, Elkford, and the Crowsnest Pass. Due to cost/vehicle availability constraints, transportation may not be available to every employee on all shifts or from all communities.

Travel subsidies are as follows:

Sparwood/Elkford to all mines	\$100.00 per month
Fernie/Crowsnest Pass to all mines	\$125.00 per month

The Company shall set out parameters governing the usage of its vehicles including, but not limited to:

- A daily Log Book shall be filled out
- Personal use is not permitted
- The employee driving the vehicle shall be responsible for any moving violations they receive
- Employees shall conduct themselves in a professional manner while being transported in a Company vehicle.

Signed this _____ day of _____, 20__.

IUOE Local 115
Gord Chaisson
Member Representative

Maxam Bulk Services, Inc.
German Morales
President & CEO Maxam North America

**LETTER OF AGREEMENT MAXAM BULK SERVICES INC. 2004-05-
CORRECTIVE ACTION**

It is the policy of the Company that all employees are expected to comply with the Company's standards of behaviour and performance and that any non-compliance with these standards must be remedied and will be subject to progressive discipline.

Guidelines:

1. If an employee is not meeting the Company standards of behaviour or performance, the employee's supervisor should take the following action:
 - a) Meet with the employee to discuss the matter,
 - b) Inform the employee of the nature of the program and the action necessary to correct it; and
 - c) Prepare a memorandum for the supervisor's own records indicating that the meeting has taken place.

2. If there is a second occurrence, the supervisor should hold another meeting with the employee (with another supervisor present) and take the following action:
 - a) Issue a written reprimand to the employee,
 - b) Warn the employee that a third incident will result in more severe disciplinary action,
 - c) And prepare and forward to management, a written report describing the first and second incidents summarizing the action taken during the meeting with the employee.

3. If there are additional occurrences, the supervisor should take the following action:

The employee should be placed on formal disciplinary probation, or
Suspend the employee indefinitely and recommend termination.

4. The progressive disciplinary procedures described in comments 1, 2, and 3 above, may be applied to an employee who is experiencing a series of unrelated problems involving job performance and/or behaviour.

5. In all cases involving serious misconduct such a violation of law, or any other act that is deemed by management to be unacceptable for forbidden, the procedures contained in comments, 1, 2, and 3 above may be disregarded. The supervisor, after review with management, may suspend or recommend immediate termination of the employee (See Employee Behaviour).

No suspension may take place prior to the involvement of the Union Business Representative

6. If a supervisor recommends that an employee be terminated, a complete investigation of the situation should be conducted by management if management agrees termination shall occur. (See Termination of Employment). If not, the employee may be allowed a meeting before management to explain his concerns. Appropriate action will then be conducted by management. (See Termination of Employment).

No termination may take place prior to the involvement of the Union Business Rep.

7. Employees suspended from work will not receive or accrue any employee benefits during the suspension.

8. A period of one year during which an employee experiences no disciplinary problems will nullify any previous violations or incidents for purposes of implementing the disciplinary procedures contained in this policy.

9. A Shop Steward shall be present at all disciplinary meetings.

10. Copies of all discipline documentation placed in an employee's personnel file shall be forwarded to the Union office.

11. It is agreed that should a dispute arise out of the discipline of an employee, it shall be handled through Article 5, "Settlement of Disputes".

Signed this _____ day of _____, 20__.

IUOE Local 115
Gord Chaisson
Member Representative

Maxam Bulk Services, Inc
German Morales
President & CEO Maxam North America

Productivity Bonus

Maxam is proposing to offer a Productivity Bonus to its hourly employees. This bonus would be a function of total costs vs total production, measured against the previous year. Any savings realized would be split 50/50 between the Company and the hourly employees. Staff Employees are not included in the productivity bonus. Please see the example below.

Total Costs = Wages, Repair and Maintenance, Pickup Fuel, Tires, etc..

Any Capital or Raw Materials Costs are not included in the Total Costs.

$$\frac{\text{Total Costs (\$)}}{\text{Total Production (kgs)}} = \text{Cost per Kg}$$

Year 200X Financials

$$\frac{\$4,000,000}{120,000,000} = \$0.033/\text{kg}$$

Year 200Y Financials

$$\frac{\$4,200,000}{135,000,000} = \$0.031/\text{kg}$$

$$\$0.002/\text{kg} \times 135,000,000 \text{ kgs} = \$270,000$$

Through efficiency and productivity, the Company saved \$270,000. This money would be split evenly between the Company and the hourly employees.

Company \$135,000
Employees \$135,000 / 35 Employees = \$2857.14 per employee.

RE: TRADESMAN RETENTION BONUS

Maxam Bulk Services Inc. is pleased to offer a Retention Bonus to the Certified Tradesmen who are performing fleet and facility maintenance activities on a daily basis at our facilities. Under this agreement, the Certified Tradesmen would be entitled to bonuses on the following schedule:

January 1, 2010.....	\$500.00
January 1, 2011.....	\$500.00
January 1, 2012.....	\$500.00
January 1, 2013.....	\$500.00
January 1, 2014.....	\$500.00

If a new Certified Tradesman is hired at some point during the year, the applicable bonus would be prorated based on time employed.

This Retention Bonus will remain in effect for the length of this Contract.

Signed this _____ day of _____, 2010

IUOE Local 115
Gord Chaisson
Member Representative

Maxam Bulk Services
German Morales
President & CEO Maxam North America

