

LETTER OF UNDERSTANDING

*** INTERPRETATION ***

BETWEEN: Teck Highland Valley Copper Partnership
of the First Part

AND: United Steelworkers of America,
Local 7619
of the Second Part

SUBJECT: SITE SERVICES OPERATOR – MINE OPERATIONS

The Company and the Union agree to the creation of a new classification in the Mine Operations Department called Site Services Operator.

Responsibility (e.g. training, assignment, vacations, etc.) will be performed in the Mine Operations Department.

The job classifications of Equipment Operators in the Mill Department and the Mine Service Operators in the Mine Department will be renamed and classified as Site Services Trainee or Operator.

The Mill Equipment Operator Line of Progression will be eliminated and the current Mine Service Operator Line of Progression will be amended to Site Services Trainee (wage grade 8) progressing to Site Services Operator (wage grade 9).

While the Company will initially employ thirty (30) Site Services Operators, the number of Operators required will be adjusted (upward or downward) depending on operational requirements.

Those employees previously classified as Equipment Operator I / II / III / IV will have one (1) opportunity to determine where they want their Department seniority to accumulate:

- convert all of their Mill seniority to Mine seniority, or;
- accumulate seniority in two Departments – Mill (previous) and Mine (going forward)

In order to service the entire mine site, all Site Services Operators will be trained pursuant to Articles 9 and 10 to ensure they possess the qualifications required.

Site Services Operators will earn wage grade 9 once they have been trained and deemed qualified to operate all required equipment.

Once trained as a Site Services Operator, employees will be entitled to use their Company seniority to fill vacancies within the classification.

- *Company seniority will be used when opportunities exist for employees to change shifts (8 hour shift-steady days / 8 hour shift-semi continuous / 10 hour shift-steady days / 12*

hour shift-semi continuous / 12 hour shift continuous) or crews (L / R / I / J / A / B / C / D / 5x2) within the classification

Site Services Operators will be assigned to and responsible for, but not limited to, the following:

- installation of steel and sclear pipe
- ability to use air and electric impacts
- chain and skill saws
- use of hand tools, wrenches, sockets etc
- install submersible and can pumps and associated piping and valves
- maintain all pit piping systems
- maintain ditches and culverts
- winterize dewatering systems
- work with Mine Engineering (Deep Well Requirements)
- prepare drill sites for contractors
- all roads (around the Mill, parking lots, all access)
- tailings line and dam support
- crushers (hopper cleaning, moving mantles and spiders)
- deep wells (Shula)

Between the signing of this Agreement and the end of 2018, future vacancies in Site Services will be filled from both the Mill and Mine and awarded by Company seniority. If the successful applicant does not have DLG III level qualifications, they will be trained to that level in Mine Operations.

Beginning in 2019, future vacancies within the Site Services Operator job classification will be filled based on Mine Department seniority.

- Department seniority will be used when awarding a job posting

In witness whereof the Parties hereto have executed this Letter of Understanding on the 19th day of December 2016.

SIGNED ON BEHALF OF:
TECK HIGHLAND VALLEY COPPER
PARTNERSHIP

Lisa Hollett

SIGNED ON BEHALF OF:
UNITED STEELWORKERS
LOCAL 7619

Kyle Wolff