

MEMORANDUM OF SETTLEMENT

- between -

Dominion Diamond Ekati ULC
(hereinafter referred to as the "Employer")

- and -

THE PUBLIC SERVICE ALLIANCE OF CANADA,
(hereinafter referred to as the "Union")

Whereas the Union presented an unfair labour practice complaint to the Canada Industrial Relations Board (No. 3481-200) as well as two policy grievances (#18-P-Ekati-02296 and #18-P-Ekati-02313) concerning the Employer's potential decision to contract out about 150 bargaining unit positions that would result in the layoff of bargaining unit members.

To resolve the Union's complaint and grievances, and in consideration of the parties' agreement to extend the terms of collective agreement, the parties agree as follows.

I. Union and Employer Commitments

1. The Employer and the Union agree that the terms of this Memorandum of Settlement, including the amendments to the collective agreement, will be subject to ratification by their respective principals.
2. The effective date of all items of this Memorandum of Settlement will be the date of ratification, unless otherwise stated herein.
3. The terms and conditions of this agreement are made without prejudice to the position the parties may adopt in similar or identical cases and does not constitute a precedent.
4. The Employer agrees not to proceed with the contracting out of the 150 bargaining unit positions that was the subject of its notification to the Union on May 10, 2018, the Employer also agrees to no new contracting out for the life of this agreement. These obligations are contained in Part II of this MOS under Article 26.
5. The Union agrees to withdraw the unfair labour practice complaint (No. 3481-200) and grievances (#18-P-Ekati-02296 and #18-P-Ekati-02313).
6. Current policy grievance #17-P-DDEC-02095 regarding the Employer's absence management policy will proceed to arbitration. Hearing dates are currently scheduled in May 2019. However, the parties will commit to looking for earlier dates for the grievance to be heard. Depending on the outcome of that arbitral decision, the parties will use an alternative dispute resolution mechanism (such as case management) to try

to resolve any of the other outstanding individual grievances related to absences. If the parties are unable to resolve the outstanding grievances through alternative dispute resolution, the parties agree to refer these grievances to expedited arbitration. The parties acknowledge each file will need to be reviewed on a case-by-case basis to determine whether expedited arbitration is the appropriate process.

7. The Employer and the Union agree to make a joint application to the CIRB within 60 days of ratification to amend the certification to exclude 3 airport staff (2 Airport Technicians & 1 Travel Assistant) and include 5 waste management employee positions and the positions of Heavy Equipment Technician.
8. Aviation and Travel
The Employer and the Union acknowledge that the Employer's current practice in place as of today is that if an employee in a NT or NU community with mine chartered flight misses a flight due to personal leave they are not required to stay home until the next scheduled flight from their community. The employee can fly to Yellowknife and proceed to the mine from there on the next available flight with capacity at the Employer's expense.
9. The Employer commits to create a revised Personal Leave / Short Term Disability (STD) policy within 90 days of ratification. This policy will be provided to the Union for review to ensure compliance with the collective agreement.
10. The parties agree to request a 45 day extension with the CIRB for the unfair labour practice complaint (No. 3481-200) so that if the parties, are unable to ratify the settlement agreement, the parties agree that the Union may pursue its unfair labour practice complaint (No. 3481-200) with the CIRB.

II. Amendments to the Collective Agreement

General Editorial

Amend the agreement as appropriate to reflect the new Company name.

Amendments to the Collective Agreement expiring May 31, 2019 shall consist of all items agreed to and the following changes (bolded, strikeout, or replacement language outlined) all other articles, appendices & LOUs will be renewed:

Article 2.01 (f) Definition of Personal Leave

- (f) ***"Personal Leave"*** is an approved absence from the workplace provided for in this agreement for a specific period of time at the employee's discretion due to reasons not covered by other leave entitlements in the Collective Agreement such as vacation, bereavement, or maternity leave. Personal Leave would include leave options such as sick leave, emergency family leave and cultural leave.

Article 9 – Union Representation

Time Off for Union Duties

- 9.08 ~~An employee elected as the~~ The Local President of Local X3050, ~~or a member of the Union executive designated to act as the designate of the Local President for these purposes~~ shall be granted leave with pay for one shift every Wednesday, to conduct union business on site, when the President is scheduled to be at work at site. During the period of leave the President ~~or their designate~~ shall be entitled to his/her normal rate of pay and all benefits and other provisions of the collective agreement to which an employee is normally entitled and shall continue to accumulate seniority during his/her leave. In order to qualify for such pay and benefits, the Union Local must advise the Employer of the identity of the person acting as the designate at least two weeks in advance.

Article 19 - Vacation Leave

- 19.06 Where an employee is hospitalized during a vacation leave or a death occurs for which they would be entitled to bereavement leave, they shall be allowed to substitute bereavement leave or available ~~sick leave~~ Personal Leave and reschedule that portion of their vacation leave. The Employer may require proof of hospitalization.

Article 23.09 Transportation of Injured Workers

23.09 The Employer will reimburse an employee injured while on duty and requiring transportation to Yellowknife for emergency treatment for reasonable transportation costs to Yellowknife not covered by WSCC or medical insurance. If the employee is regularly transported to site by the Employer from a designated flypoint, then the Employer will also arrange for or reimburse the employee for transportation from Yellowknife back to the employee's flypoint when discharged from the hospital, if the employee is unable to return to work. If the employee is not a Northern Resident, the Employer will permit the employee to access the Company charter, provided the service is being offered, to travel to Edmonton or Calgary if the employee is unable to return to work upon discharge.

Article 25 Severance, Layoff and Recall

25.07 The Employer will not hire any new employees or any new contract workers while employees with recall rights are on lay-off provided the laid off employee is competent to perform the job at an efficient level, and subject to meeting hiring quota numbers under Socio-Economic Agreements and Impact Benefit Agreements.

Article 26 - Bargaining Unit Work

26.10 Unless agreed to otherwise by the parties, the following shall be in effect at the date of ratification and will cease to be in effect at the expiration of the revised collective agreement on May 31, 2022.

- a. During the term of this collective agreement, the Employer agrees not to proceed with the contracting out of the approximately 150 bargaining unit positions that was the subject of its notification to the Union on May 10, 2018.
- b. The Employer agrees to increase the size of the Bargaining Unit to a minimum of 500 positions by May 31, 2019 and, subject to the terms of this Article, to maintain the size of the bargaining unit at this level for the duration of this collective agreement, unless obtaining written agreement of the UNW President to do so, which shall not be unreasonably withheld.
- c. There shall be no contracting out of bargaining unit work that results in a layoff of bargaining unit members for the duration of this collective agreement without the written agreement of the UNW President.
- d. Other than as set out herein, this Article shall not alter any existing practices with respect to the utilization of contractors at the mine. Specifically, the work that is

currently being outsourced may continue such as plant shutdown, backfilling employees, and required specializations.

Article 27 – Vacancies, Promotions, Job Postings, Transfers

27.01 When the Employer elects to create and fill a new position, or to fill a vacancy in an existing position, within the Bargaining Unit, the Employer shall post notice of the position on the Union notice board for a period of twenty-one (21) days prior to the closing date. This requirement shall apply to part-time and full-time positions. The job posting shall state the job position, range of pay, shift, and required qualifications of this job. An employee who wishes to apply for a position so posted shall do so in writing on or before the closing date as advertised on the posting. If the Employer elects to fill a vacancy within the Bargaining Unit with an employee who is on layoff with recall rights, then the above posting provisions do not apply.

Article 32 – ~~Sick Leave~~ Sick in Room, Personal Leave and Short Term Disability

~~32.01 The Employer shall continue to provide a sick leave income replacement plan equal to or better than the plan in place at November 7, 2007.~~

32.01 All employees shall be entitled to up to three (3) days per year without loss of pay if they become ill while at site and cannot perform their regular job duties. In order to qualify for paid sick-in-room leave, the employee must have arrived at site fit to perform their job duties and worked at least the first day of their scheduled rotation. The employee must also have the medical reason for their inability to perform their job duties certified by a Physician Assistant at the mine site. The Physician Assistant shall have the sole discretion as to whether the employee remains on site. If the employee remains on site, he or she will remain confined to their room except for meals or consults with the Physician Assistant.

32.02 In addition to the provisions of 32.01, employees may utilize their Personal Leave credits when unable to report to work due to illness.

32.03 On the date of ratification, all employees shall be credited with seven (7) Personal Leave days. Following the date of ratification, any new employees hired in 2018 shall be credited with a pro-rated number of days which shall be credited to their bank on the date of hire.

On January 1st of each year after 2018, active employees will be credited with seven (7) Personal Leave Days. Employees hired after January 1 of any year shall be credited with a pro-rated number of days which shall be credited to their bank on the date of hire.

32.04 Any unused Personal Leave Days may be carried over to the next year, to a maximum of fourteen (14) days in the bank in any one year at any given time. There shall be no payout of excess Personal Leave days and there is no cash value of remaining Personal Leave days upon termination. Employees on unpaid leave will be credited Personal Leave days on a pro-rated basis on return to work.

32.05 In order to qualify for a Personal Leave day, except in cases of illness, injury, or other unforeseen event, the employee must apply for the leave 48 hours in advance. Permission to take the leave shall not be unreasonably withheld, but is subject to operational requirements, except in cases of illness or injury. Any employee providing wrong or misleading information about the grounds for taking Personal Leave day may be subject to discipline.

32.06 Short Term Disability shall be payable following 10 consecutive days of illness at a rate of 85% of regular base salary. Employees shall not be entitled to the payment of the Article 30 Allowance during periods of Short Term Disability, but remain entitled to the Northern Travel Allowance.

Article 33

33.03 The Employer shall continue to provide a Long Term Disability Plan equal to or better than the plan in place at June 20th, 2018. LTD shall be at a rate of 70% of regular base salary, but no Article 30 Allowance or Northern Travel Allowance shall be paid during LTD coverage.

Article 34 Pay Administration

Add: (i) Personal Leave days

Article 39 - Duration

39.01 The term of this agreement shall be from date of ratification to May 31, 2022. The provisions of this agreement shall take effect on the date of ratification, unless another date is agreed to by the parties.

If this Memorandum of Settlement is ratified, then the existing collective agreement shall be brought to an end upon ratification, and the new collective agreement shall come into force and effect immediately thereafter. None of the revised terms and conditions shall have retroactive effect. (This is a note added for clarification and is not intended to be inserted as text in the revised collective agreement).

Appendix A – Salaries

H) On each of June 1, 2019, June 1, 2020, and June 1, 2021, the pay grid will be amended by an amount equal to the average monthly percentage change for the previous twelve-month period ending April of the Canadian Consumer Price Index (CPI) for Yellowknife as determined and published by Statistics Canada (i.e. Yellowknife CPI). The Employer will advise the Union in writing each year of the CPI percentage used in amending the pay grid in Appendix A.

Signed in *Yellowknife, NT* on the 25 day of June, 2018

For the Union

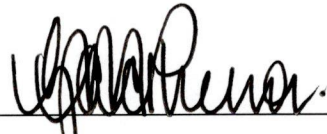
For the Employer



Todd Parsons

President

Union of Northern Workers and
Public Service Alliance of Canada



Gaeleen MacPherson

Vice President Corporate Affairs

Dominion Diamonds Ekati ULC